



House of Commons
Digital, Culture, Media and
Sport Committee

Live music

Ninth Report of Session 2017–19

*Report, together with formal minutes relating
to the report*

*Ordered by the House of Commons
to be printed 6 March 2019*

The Digital, Culture, Media and Sport Committee

The Digital, Culture, Media and Sport Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Digital, Culture, Media and Sport and its associated public bodies.

Current membership

[Damian Collins MP](#) (*Conservative, Folkestone and Hythe*) (Chair)

[Clive Efford MP](#) (*Labour, Eltham*)

[Julie Elliott MP](#) (*Labour, Sunderland Central*)

[Paul Farrelly MP](#) (*Labour, Newcastle-under-Lyme*)

[Simon Hart MP](#) (*Conservative, Carmarthen West and South Pembrokeshire*)

[Julian Knight MP](#) (*Conservative, Solihull*)

[Ian C. Lucas MP](#) (*Labour, Wrexham*)

[Brendan O'Hara MP](#) (*Scottish National Party, Argyll and Bute*)

[Rebecca Pow MP](#) (*Conservative, Taunton Deane*)

[Jo Stevens MP](#) (*Labour, Cardiff Central*)

[Giles Watling MP](#) (*Conservative, Clacton*)

Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via www.parliament.uk.

Publication

© Parliamentary Copyright House of Commons 2019. This publication may be reproduced under the terms of the Open Parliament Licence, which is published at www.parliament.uk/copyright.

Committee reports are published on the Committee's website at www.parliament.uk/dcmscom and in print by Order of the House.

Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

Committee staff

The current staff of the Committee are Chloe Challender (Clerk), Mems Ayinla (Second Clerk), Mubeen Bhutta (Second Clerk), Josephine Willows (Senior Committee Specialist), Lois Jeary (Committee Specialist), Andy Boyd (Senior Committee Assistant), Keely Bishop (Committee Assistant), Lucy Dargahi (Media Officer) and Anne Peacock (Senior Media and Communications Officer).

Contacts

All correspondence should be addressed to the Clerk of the Digital, Culture, Media and Sport Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 6188; the Committee's email address is cmscom@parliament.uk

You can follow the Committee on Twitter using [@CommonsCMS](#).

Contents

Summary	3
Introduction	4
1 The live music success story	6
The benefits of live music	6
The uneven distribution of live music's benefits	7
Regional disparities	7
Distribution of income	8
Competition in the music industry	9
Case study: UK grime	10
2 Problems in the ticketing market	12
The live music ticketing market	12
Arguments for and against a secondary market	13
Developments in the ticketing market	14
Enforcement of consumer law	15
The Breaching of Limits on Ticket Sales Regulations 2018	18
Industry solutions to ticket touting	19
Google's role in the ticketing market	20
3 Challenges facing music venues	23
The impact of music venue closures	23
The difficulties experienced by existing venues	24
Business rates	25
Licensing and planning pressures	26
Stagnating income and poor infrastructure	28
Strategies to support music venues	29
Diversified business models	29
Parity in policy and funding	30
4 Threats to the talent pipeline	34
Music education	34
The music curriculum	35
The impact of the EBacc	36
The work of Music Education Hubs	37
Sustainable income streams	38
Accessing employment opportunities after Britain leaves the European Union	40

Appendix 1: Visits in support of the inquiry	44
Conclusions and recommendations	45
Formal minutes	50
Witnesses	51
Published written evidence	52
List of Reports from the Committee during the current Parliament	55

Summary

Live music makes a significant contribution to the UK's economy and cultural life, attracting tourists from around the world, employing thousands in delivering live events, supporting hospitality and infrastructure supply chains and, perhaps most importantly, inspiring and entertaining music lovers around the country. However, there are concerns about the sustainability of the industry and the uneven distribution of its benefits both around the country and among those who work in it.

For consumers, ticket touting remains one of the most prominent concerns: there is still a need for urgent measures to address this part of the market. There has been significant progress by enforcement agencies in bringing secondary resale platforms into line with consumer law, and changes within the industry itself to limit the resale of tickets for profit; however, the conduct of viagogo, in particular, has caused distress for too many music fans for too long.

While the image of music being a glamorous industry might be true for a minority of artists, the experiences of those working at the grassroots level tell a different story entirely. In the past decade the UK has seen nationwide closures of music venues, and the sites that remain face a struggle to stay open given rising costs and declining revenues. That poses an immediate threat to the development of the next generation of talent and fans. We have also heard how prejudices against grime artists risk stifling one of the UK's most exciting musical exports.

Many musicians are also struggling to make a sustainable living from live music. Their ability to tour in Europe, or for European musicians to work in the UK, may be further compromised after Britain leaves the EU. The effects of any such development are likely to be felt most acutely by those from poorer socioeconomic backgrounds, a demographic that we are concerned is also being unduly affected by the Government's policies for music education.

Historically, the buoyancy of the UK's music sector as a whole has enabled it to remain at a distance from public subsidy; however, in the light of all these challenges the Government needs to play a greater role in supporting and incentivising the industry to support the grassroots in order to secure the UK's live music heritage into the future. Likewise, a thorough post-legislative review of the Live Music Act 2012 should help the Government to identify where regulations can be further scaled back to the benefit of music venues.

Introduction

1. In 2017, 29.1 million people attended concerts and festivals in the UK, a c.17% increase on the previous year.¹ Moreover, the live music industry generated almost £1 billion Gross Value Added (GVA) for the UK economy and employed more than 28,000 people.² The UK is home to festivals with six-figure attendances, such as Glastonbury; networks of smaller venues in cities such as Glasgow and Sheffield; and the record-breaking artist behind 2018's highest-grossing tour—Ed Sheeran.³ However, the industry faces challenges that could undermine those levels of success in the future. They include ongoing controversy surrounding ticket resale platforms; music venue closures; the uncertainty of Britain's future relationship with the EU; and threats to the talent pipeline caused by changes to music education and funding for musicians. It was in this context that we launched our inquiry into the economic, cultural and social benefits of live music in January 2018.

2. 'Live music' encompasses many different genres, performance spaces and audiences. At points our inquiry has focused on specific parts of the sector, such as the challenges facing unsubsidised, small and medium-scale venues that predominantly host contemporary music; however, other aspects of the inquiry, such as the importance of music education or the potential impact of Brexit on musicians' ability to tour, apply across the industry and could be as relevant to a solo singer-songwriter as they are to a symphony orchestra.

3. This inquiry has built on our predecessor Committees' work into 'Ticket Abuse' in 2016–17, which was unfinished owing to the 2017 general election, and 'Ticket Touting' in 2007. It also followed our inquiry into the 'Impact of Brexit on UK creative industries, tourism and the Single Digital Market', which we concluded in January 2018. This inquiry sought to examine what had changed since the earlier inquiries, as well as taking a more holistic look at the live music sector.

4. We received more than 80 submissions of written evidence, almost two-thirds of which addressed the subject of ticket abuse, and took oral evidence from artists, promoters, venue operators and industry bodies all of whom encounter these issues in their work. We supplemented that evidence with visits to the Royal Albert Hall and the Royal Opera House, where we heard about the challenges of running internationally renowned venues. During the inquiry we visited the Sunderland Empire theatre and the city's Music, Arts and Culture Quarter, where we heard about plans for a new performance hub. We thank all those who contributed to the inquiry for sharing their expertise and dedication with us.

5. We also considered the oral evidence given to the unfinished inquiry into 'Ticket Abuse'. In November 2016 and March 2017, our predecessor Committee heard from about the scale of the problem associated with ticket touting and secondary selling. We thank all those who gave evidence to that inquiry for clearly communicating the detrimental impact of the secondary ticketing market on consumers, artists and the industry. We would also like to thank our parliamentary colleagues, Sharon Hodgson MP, Nigel Adams MP, and the members of the All-Party Parliamentary Group on Ticket Abuse for their longstanding campaigning on this important issue.

1 UK Music, [UK LIVE MUSIC ATTENDANCE AND MUSIC TOURISM IN 2017](#), (October 2018), p 5

2 UK Music, [Measuring Music 2018](#), (1 November 2018), p 8–9

3 "[Year End Special Features: Top Tours, Ticket Sales Charts, Industry Pros Weigh In On 2018](#)", Pollstar, (17 December 2018)

6. Given the centrality of the secondary ticket market to our inquiry and previous work, we were frustrated that viagogo yet again proved unwilling to engage meaningfully with Parliament.⁴ Having refused to give oral evidence to the 2016–17 inquiry, viagogo then withdrew at short notice from our September 2018 evidence session. The company cited ongoing legal action as its reason not to appear; however, we advised that this did not invoke the House’s *sub judice* resolution as the case was not before the courts at that time, and therefore there was no barrier to a representative of the company giving oral evidence. We believe that the company’s repeated refusals to answer our questions demonstrates its disdain to not only the legislative process but, more importantly, its customers—many of whom wrote to us expressing anger at the business practices they had experienced, as we will explore in more detail in Chapter 2.

4 This report uses viagogo’s own lowercase formatting for references to the company’s name, except when quoting directly from evidence or campaign groups that have styled the word differently.

1 The live music success story

‘Let us not forget our amazing rich history and legacy in music, but we have our Adeles, our Stormzys and our Ed Sheerans and then there is an enormous gap.’ (Jane Beese, The Roundhouse)

The benefits of live music

7. Live music is at the heart of the UK’s thriving music scene, accounting for almost one quarter of the music industry’s £4.5 billion contribution to the UK economy.⁵ The Association of Independent Festivals identifies that through supporting local landowners, suppliers and facilities:

a 5,000 capacity festival can generate approximately £800,000 in net gain to the local area, while a 110,000 capacity festival can generate £18 million for the local area.⁶

While such income is significant for the rural economy, live music also contributes to the ‘night-time economy’ in urban areas.⁷ The Music Venue Trust told us that “for every £10 spent on a ticket in a grassroots music venue, £17 is spent elsewhere in the night-time economy.”⁸

8. Gigs and festivals are an increasingly significant source of revenue for musicians, and support the careers of the thousands of engineers, touring crew and promoters who work behind the scenes. The UK’s first live music census, published in February 2018, identified that live music forms a greater proportion of consumer spend than recorded music does, and that on average live performances account for 49% of professional musicians’ income—compared to just 3% from recording.⁹ This was echoed by rapper ShaoDow, who told us that as online streaming brings in less money for musicians, live performances and related activities such as selling merchandise are increasingly significant:

Without it, if we are taking a hit on the musical, physical side of things and then live as well, it is going to get to a point where musicians simply cannot afford to live and create and I think that is a crying shame.¹⁰

9. Live music is a key driver of tourism to the UK. The Department for Digital, Culture, Media and Sport informed us that:

According to the International Passenger Survey in 2016, 1.9m international visits to the UK were made with the intention of attending a live music event and 1.3m visitors came to the UK intending to attend a festival. For the same period, visitors attending live music events spent £1.7bn and those attending a festival spent £1.2bn.¹¹

5 UK Music, [Measuring Music 2018](#), (1 November 2018), p 8

6 [Association of Independent Festivals](#) (LMU 0042)

7 The ‘night-time economy’ has long been understood as the work of bars, clubs, pubs and restaurants, as well as other sectors that operate beyond standard working hours such as transportation and security.

8 [Q253](#) [Mark Davyd]

9 [Live Music Exchange](#) (LMU 0067)

10 [Q230](#)

11 [Department for Digital, Culture, Media and Sport](#) (LMU 0055)

The UK’s musical tradition attracts fans from all over the world. Jeff Horton, owner of the 100 Club on London’s Oxford Street, credits the attraction of heritage as part of his venue’s enduring appeal:

The place of history and heritage in art and music is very important and part of London’s fabric, and I think that if you speak to most people who visit London, and if you ask them the first thought that goes into their head about the UK, they will almost certainly say music. It is what we do and we are still brilliant at it.¹²

10. In addition to the economic benefits, it is important to acknowledge the social and cultural value that live music offers. The Mayor of London highlighted that live music “has the power to bring people closer together and transform communities.”¹³ As an inherently social activity, live music offers unique benefits, especially for young people for whom venues can be safe and accessible environments that still offer the buzz of discovering something new. In this way, live music offers a social alternative in the digital age. As Ben Lovett of the band Mumford & Sons told us:

Streaming services have algorithms that create playlists of artists, and they think they know you better than you know yourself. Sometimes they have a good guess but we cannot have our culture curated by robots. We have to be curated by people who really know what they are talking about, not tech companies but music companies and venues that are run by music fans.¹⁴

The uneven distribution of live music’s benefits

Regional disparities

11. The benefits of live music are not spread evenly around the country, with significant regional disparities in the spending generated by music tourism. UK Music identified that in 2016:

In the North East only £51 million in spend was generated and in East Midlands it was £194 million. Contrastingly, in London over £1 billion was generated.¹⁵

Despite London’s dominance as a destination for live music, the capital still has the fewest arenas per person compared to other major cities. Research from the Madison Square Garden Company, which is in the early planning stages for MSG Sphere—a new, large-scale, state-of-the-art venue in Stratford, east London—highlighted that with only two arenas, London is home to 4.39 million people per venue compared to an average across comparable cities of 2.47 million people per venue.¹⁶ Ben Lovett said that London is “trending down against countries and cities that I think we like to believe we are on a par with”, which could impact the capital’s position in the long term.¹⁷

12 [Q228](#)

13 [Mayor of London](#) (LMU 0069)

14 [Q241](#)

15 [UK Music](#) (LMU 0047)

16 Sound Diplomacy and the Madison Square Garden Company, [LONDON’S VENUE MARKET: AN INTERNATIONAL BENCHMARKING STUDY](#), (2018), p 17

17 [Q230](#)

12. A dearth of suitable venues in certain parts of the country means that local economies and fans are losing out on the opportunities live music affords. Rapper ShaoDow told us:

There are parts of the country that I would love to perform in where I have a fan base, but that does not have either a small music venue or any form of musical infrastructure [...] That means there is a vast array of people who are into music who are not attending gigs who could be.¹⁸

In discussing the nationwide closures of music venues, which we will explore in more detail in Chapter 3, the Minister for Digital and the Creative Industries, Margot James MP, agreed that “the situation is worse outside of London”.¹⁹

13. In suggesting strategies to address such disparities, UK Music states “that the devolution of power to Combined Authority structures presents a great opportunity to promote and grow music in cities and regions across the UK”. It cites the successes of London’s devolved government, which established a ‘Music Board’ comprised of relevant stakeholders in 2016, and encourages the Government “to consider incentives to develop these initiatives for existing and future devolution deals.”²⁰ The London Music Board’s achievements have included protecting grassroots venues from further closures, abolishing the Metropolitan Police’s controversial risk assessment form 696 and appointing a ‘Night Czar’ to champion the ‘night-time economy’.²¹

14. A ‘Music City’—such as Cardiff or London—is somewhere with a vibrant music economy where there is recognition of, and support for, the benefits of that culture among relevant authorities and stakeholders.²² With nearly one-third of venues telling the UK live music census that they had been negatively affected by parking or loading issues in the previous 12 months, there are small interventions that local authorities can make to address venues’ concerns.²³ Ben Lovett also pointed out that in the United States property developers are incentivised to build cultural hubs, including music venues, so that “in the long term, you get the benefit of moving into these towns and you get the benefit of people wanting to spend money in that area.”²⁴ We should also highlight the important role that music venues play in towns, so that local councils ensure that they too give more precedence to measures to help them.

Distribution of income

15. Neither is the money generated by live music evenly distributed throughout the music industry. The Musicians’ Union told us that although there is a perception of the music industry as a “commercial proposition”, the reality for many professional musicians is rather different:

18 [Q226](#)

19 [Q360](#)

20 [UK Music](#) (LMU 0047)

21 Risk assessment form 696 was required from the promoters or organisers of live events as a condition for licences being granted. The form collected the names, private addresses and phone numbers of all performers. Originally, it also specified the style of music to be performed and the target audience, including their ethnicities. The form was felt to contribute to the targeting of particular audiences, and in 2008 our predecessor Committee heard about ways in which the police and local authorities were felt to be linking live music with crime and disorder, including terrorism. Use of form 696 was discontinued in November 2017.

22 Music Canada and IFPI, [The Mastering of a Music City](#), (5 June 2015)

23 [Live Music Exchange](#) (LMU 0067)

24 [Q252](#)

We still think of the recorded music industry being something that is self-sustaining and that rock and pop and other genres like that, which are popular, generate their own income, but we know that the majority of our members make around £20,000 a year from music, so they are definitely not high earners.²⁵

Ben Lovett told us that playing live is a “loss leader” for many artists in the early stages of their careers and that his own venue, Omeara in south London, is run with the music component making a loss.²⁶ It is clear that passion, rather than profit, motivates many working in live music, as demonstrated by the venue operator of the Fulford Arms, a 150-capacity independent venue in York:

Across the country there are people who support live music and believe that it has a great cultural importance. Although some artists are involved to become rich and famous, many aren’t and just want to perform. More importantly there is a community of promoters, engineers and venue owners who are often not financially rewarded for the work they do and are just trying to make events and art happen. In other areas such as theatre, opera and film this is recognised and supported through government and arts council and industry recognition and funding, but this is rarely the case with live music—I love the scene that I work in and have sacrificed a lot to help 800 artists just last year perform but it is often too much and we need support.²⁷

Competition in the music industry

16. There is considerable ‘vertical integration’ in the live music market, with single organisations operating festivals, venues, ticketing websites, events promotion and artist management. This gives companies an advantage over smaller promoters or venues, which may have made the initial investment into developing an artist, when negotiating contracts.²⁸ Furthermore, exclusivity clauses that prevent acts from performing at competitors’ events give dominant companies an advantage over independent ones. In highlighting that US-owned Live Nation controls 25% of UK festivals with over 5,000 capacity, the Association of Independent Festivals told us:

For independent festival operators, a Live Nation monopoly would quite simply be a stranglehold with profound and serious consequences. This situation is rapidly developing and the complaint we hear privately from a growing number of AIF members is about the collateral damage caused by the imposition of hugely restrictive exclusivity deals. By their nature, these deals are anti-competitive, restraining when and where even the smallest artist can perform and significantly diminishing the pool of talent that non-Live Nation promoters can draw upon.²⁹

25 [Q338](#)

26 [Qq232, 234](#)

27 [Fast Entertainment Ltd T/A The Fulford Arms](#) (LMU 0036)

28 [Q340 \[Jane Beese\]](#)

29 [The Association of Independent Festivals](#) (LMU 0042)

17. Similarly, Tom Gray of the band Gomez told us that the music industry is a “wild west” with competition issues and conflicts of interest that would not be acceptable in “any other industry”.³⁰ He told us that as “the biggest players in the music industry create all the value” they have become “too big to challenge”, which has a detrimental impact on musicians’ negotiating power:

The major labels were allowed to buy the publishers so they have taken out their own competition on that negotiating table, so if you are songwriter your chances of getting more money as a songwriter for your deal is not there because the people who should be negotiating for you are already owned by the record company, the people who you should be negotiating against. This has been allowed to happen.³¹

18. Live music is a valuable and vibrant part of the UK’s culture; however, we cannot take its past success for granted, and must safeguard the industry and spread its benefits more evenly. Historically, this may not have been considered a role for central or local government because of the strength and profitability of the UK’s music industry; however, there are practical ways in which policymakers and local authorities can support the sector.

19. We recommend the establishment of regional ‘Music Boards’, comprising representatives from the music industry, policymakers and other relevant stakeholders, to advocate for the live music sector and promote its interests in planning and policy decisions. We ask the Government to support the formation of such bodies through its devolution deals, or the Local Enterprise Partnerships in areas where no combined authorities have been established.

20. We ask the Competition and Markets Authority to consider conducting a market study of the music industry to assess whether competition in the market is working effectively for both consumers and those working in the industry.

Case study: UK grime

21. Grime has been one of Britain’s most successful musical exports in recent years. BBC Radio 1Xtra presenter DJ Target told us that “it is the best time we have had for creatives and musical talent coming out of this country”, citing the ability of acts to build a fan base and distribute music independently thanks to the opportunities afforded by social media. However, the success of artists such as Stormzy, Wiley and Bugzy Malone has been mirrored by challenges faced by other artists “wanting to go out and perform live or go around the country and really connect with their fans.”³²

22. Although the Metropolitan Police repealed its controversial risk assessment form 696 in late 2017 following concerns that it unfairly targeted urban acts, DJ Target told us that “the issues are still there”.³³ For example, ShaoDow and other rappers have had venues cancel gigs at short notice after it became clear what style of music the artists play:

30 [Q338](#)

31 [Q340](#)

32 [Q306](#) [DJ Target]

33 [Q345](#)

I had a venue cancel on me on the day that I was meant to go there. I was booked for a performance in a club and called them ahead of time to say, “I am on my way”, and they said, “Oh, by the way, we were just listening to your music. You make Hip Hop”. I said, “Yes”, and he said, “Oh, we cannot do that here, we will lose our licence.”³⁴

The Roundhouse’s Head of Music agreed that urban music “is not being supported by local councils, by licensees. There is still an amount of what I believe to be institutionalised racism, which is hindering that scene rather than allowing it to flourish.”³⁵

23. The relative power imbalance between licensing authorities and smaller venues was cited by DJ Target as a reason why it is hard for venues to question decisions to close events down:

It could be a venue that has been pressured to cancel the event by the police. It could be a local authority that pulls a licence or threatens to pull a licence if you have that event. It is coming from different levels. The small promoter cannot afford to have his licence taken away. The small venue that already is struggling cannot afford to risk it so then they end up saying, “Okay. We do not do those types of nights anymore”.³⁶

A potential solution, suggested by the Musicians’ Union, is therefore to give venues the knowledge and confidence both to manage risks and defend their programming if it is questioned by licensing authorities.³⁷

24. We welcome the abolition of the Metropolitan Police’s form 696 following concerns that it unfairly targeted certain artists and audiences, but it is concerning to hear that prejudices against urban acts persist. *The Department for Digital, Culture, Media and Sport, the Ministry of Housing, Communities and Local Government and the Home Office should work together to develop guidance for licensing authorities, police forces and music venues on how to collaborate on managing risks to ensure that urban music acts are not unfairly targeted.*

34 [Q253](#)

35 [Q329](#)

36 [Q346](#)

37 [Q351](#) [Naomi Pohl]

2 Problems in the ticketing market

‘To put it bluntly, we are starting to clear up the acne that has blighted our industry, and I think that we are coming to the point where we just have one major boil left to lance.’ (Stuart Galbraith, Kilimanjaro Live)

The live music ticketing market

25. Most tickets for live events in the UK are bought from primary ticketing agents, secondary ticketing sites or directly from venues. Primary ticketing agents such as Ticketmaster or See Tickets sell tickets from an inventory provided by the event promoter at face value, plus any booking or delivery fees. However, secondary platforms, such as StubHub and viagogo, enable people who have previously bought on a primary site to list a ticket for resale at any price they choose, and then charge their own additional platform fees accordingly.

26. In practice, ticket inventories are usually distributed across numerous primary platforms and evidence has suggested that, at least in the past, promoters have also put tickets directly on secondary sites.³⁸ All this has led to a complex and fragmented ticketing market that means consumers are often unclear about whether they are buying from a primary or secondary platform. Professor Michael Waterson’s 2016 independent review of the market identified that nearly a quarter (23%) of buyers thought a reseller was an official vendor.³⁹

27. Our predecessor Committee heard from artists, managers and consumer representatives about the scale of ticket resale on secondary platforms; its negative effects on the industry, including the perceived ripping-off of fans; and the need for improved transparency and enforcement of consumer law.⁴⁰ As Ed Sheeran’s promoter Stuart Galbraith told us, people paying inflated prices through secondary ticketing websites ultimately limits the amount of money going back to the industry:

To put it bluntly, if somebody has paid £1,000 for a ticket that had a face value of £100 then, in my opinion, that is nine shows they will not go and see, or if they were smaller shows and they were £20 tickets it is several dozen shows they will not go and see. It is sucking money out of the top of our industry and putting it into the pockets of investment funds and large institutions, which are now offshore and elsewhere. It means those monies also do not have PRS paid on them, so the songwriters and the creators of that art do not share in it and HMRC do not get their VAT return on it either.⁴¹

38 [FanFair Alliance](#) (LMU 0044)

39 Department for Business, Innovation & Skills and Department for Digital, Culture, Media & Sport, [Independent Review of Consumer Protection Measures concerning Online Secondary Ticketing Facilities](#), (May 2016), p 21 and p 156

40 Oral evidence taken before the Culture, Media and Sport Committee on [15 November 2016](#) and [21 March 2017](#), HC (2016–17) 823

41 [Q90](#) [Stuart Galbraith]

Arguments for and against a secondary market

28. Although the weight of evidence we received was critical of the resale of tickets for profit, there are recurring arguments in favour of a secondary ticketing market of some kind. Professor Waterson acknowledges the need for a resale market because consumers buy tickets far in advance of events and then find their circumstances change.⁴² As the primary market does not allow buyers to return tickets and obtain a refund, the resale market allows fans to recoup their costs if they are unable to attend. This is a central argument by the secondary platforms, as StubHub states:

We believe that the consumer has the right to transfer a ticket [...] from a consumer perspective, people believe that once they own the ticket they have the right to either gift it [...] or to resell it, based on their circumstances changing.⁴³

29. It could be argued, therefore, that the problem is not the reselling of tickets but the perceived exploitation of the market through inflated prices and profiteering.⁴⁴ Consumers feel ripped off when the price they pay for tickets on secondary platforms is considerably higher than the face value on the ticket and/or accompanied by high platform fees, which have not always been made clear throughout the purchasing process. A member of the public who purchased tickets via viagogo told us that he “would like to put a stop to this cruel and cynical scam that will leave many folk heavily out of pocket and extremely disappointed.”⁴⁵

30. Claire Turnham who founded ‘Victim of Viagogo’, which has helped thousands secure refunds for tickets mis-sold through the site, told us of the “substantial ‘human’ cost” experienced by people who feel they have been ripped off and then face a struggle to enforce their consumer rights.⁴⁶ This has been clearly communicated by the wealth of evidence we received from people distressed at viagogo’s business practices. One customer who was charged £225 for two tickets, which they only later learned had a face value of £45 each, said that “the whole experience has put me off going and spoilt the whole thing”. Furthermore, they told us that the total charge was not made clear until after they had confirmed the purchase, and that they “tried to back track and look for options to cancel, but there were none.”⁴⁷ Another, whose daughter pursued a refund from viagogo after being supplied restricted view tickets instead of unrestricted view, said:

there was no treat for the family ... only a couple of months of frustration, anger, time wasting and disbelief that our Government have done nothing to prevent this Company from existing.⁴⁸

42 [Michael Waterson](#) (LMU 0078)

43 [Q111](#)

44 [Michael Waterson](#) (LMU 0078)

45 [Ronald Johnston](#) (LMU 0005)

46 [Claire Turnham](#) (LMU 0068)

47 [Melissa Gray](#) (LMU 0004)

48 [Patsy Wiggins](#) (LMU 0008)

31. Both StubHub and viagogo argue that problems of supply in the primary market exacerbate demand in the secondary. They blame consumer dissatisfaction at not being able to secure tickets for popular events on “scarcity of supply” and the “significant disconnect between the expectation of how many tickets will be available at general sale and the actual number of tickets which are put up for general sale.”⁴⁹

32. It can, however, be argued that the ticketing market is inherently different to other markets. For example, artists may wish to set the price of their tickets so that a particular demographic of fans—such as young audiences—can afford to go.⁵⁰ Others, including the Baroness Hayter of Kentish Town, claim that tickets “should not be compared to any other commodity that can be traded” but rather might be considered a licence granted by a promoter to give a named individual the right to attend an event.⁵¹ Yet without a clear legal definition as to what a ticket is, such an approach is difficult to enforce.

33. The Fair Ticketing Alliance echoes the principle that secondary ticketing corrects a market distortion by enabling prices to be set by the principles of supply and demand:

When consumers want to see their favourite artist whose performance has sold out, they are willing to pay extra for the opportunity to purchase tickets or to secure better seats than those made available by the primary market.⁵²

However, research by FanFair Alliance undermines this assumption by demonstrating that tickets are made available on secondary platforms before selling out on primary platforms.⁵³ Furthermore, without clear information about the face value of a ticket, people do not always know that they are paying more on secondary platforms.

34. Moreover, many of the criticisms of the secondary ticketing market are not simply related to prices. In cases we have heard throughout this inquiry consumers have not been properly informed by sellers about other important information related to the tickets they are purchasing. This can include whether or not the venue has banned ticket resale by consumers, the seat, row and block numbers for the tickets themselves, and whether or not the seller is even in possession of the tickets. This is where the robust enforcement of consumer law becomes critical.

Developments in the ticketing market

35. Adam Webb of the campaign group FanFair Alliance acknowledges that since our predecessor Committee last took evidence on the ticketing market, there have been “massive improvements” and that, thanks to both the enforcement of consumer law and the actions of key players in the industry, “we are seeing a new kind of secondary market take root.”⁵⁴ This is exemplified by Ticketmaster’s decision to close its two secondary sites, Seatwave and GET ME IN!, and launch a new platform that integrates primary and resale tickets on one page and, crucially, caps the price at which tickets can be resold at whatever

49 [viagogo](#) (LMU 0061) and [StubHub](#) (LMU 0033)

50 Oral evidence taken before the Culture, Media and Sport Committee on 15 November 2016, HC (2016–17) 823, [Q6](#)

51 [Baroness Hayter](#) (LMU 0026)

52 [The Fair Ticketing Alliance](#) (LMU 0070)

53 FanFair Alliance, [ONLINE TICKET TOUTING: GOOGLE, WE HAVE A PROBLEM....](#), (10 July 2017), accessed 10 December 2018

54 [Q1](#)

the buyer paid in the first place.⁵⁵ This form of fan-to-fan ticket exchange addresses the fundamental need for a secondary market and has been welcomed by many in the music industry; however, it does not address the problem of people simply reselling for profit elsewhere, which Ticketmaster admits “remains a very real threat”.⁵⁶

Enforcement of consumer law

36. When we launched this inquiry, several submissions cautioned that it was too early to tell how successful legislative reforms to the ticketing market had been as the outcome of enforcement action was yet to be seen.⁵⁷ Since then, however, the Competition and Markets Authority, Advertising Standards Authority and National Trading Standards have made significant progress on bringing secondary platforms into line with consumer law.

37. In the first half of 2018 both the CMA and the ASA took action against the then four main secondary platforms to ensure that the information they displayed complied with consumer law and did not mislead buyers. The CMA sought undertakings that the sites would make clear whether there is a risk a customer might be turned away at a venue, which seat the customer would get and who is selling the ticket, so customers can benefit from enhanced legal rights when buying from a business.⁵⁸ Similarly, the ASA ruled that secondary platforms must make clear the total price, including booking and delivery fees, at the beginning of the purchasing process.⁵⁹

38. Three of the four platforms—StubHub, Seatwave and GET ME IN!—undertook to comply with the CMA and ASA’s rulings by the necessary deadlines; however, viagogo did not. At the end of May, the ASA duly referred viagogo to National Trading Standards, but the platform eventually agreed to comply with the regulator and the ASA dropped its sanctions in September.⁶⁰ At the end of August, the CMA brought legal proceedings against viagogo over the company’s continued refusal to comply with its rulings.⁶¹ In late November, the CMA secured a court order compelling viagogo to make changes to its business practices to bring it in line with the CMA’s rulings by 17 January 2019.⁶² Regrettably, although that deadline has now passed, there are still serious reservations about whether viagogo has made the necessary changes. On 24 January 2019, the CMA stated that:

Following initial checks, the CMA has serious concerns that viagogo has not complied with important aspects of the court order we secured against them. The CMA has now raised these concerns with viagogo and expects them to make any necessary changes without delay. If they do not, the CMA will return to court to ensure they do.⁶³

55 Ticketmaster blog, ‘GET ME IN! and Seatwave are shutting down’, accessed 13 August 2018

56 [Q23](#)

57 [TicketSwap](#) (LMU 0030), [Society of London Theatre and UK Theatre](#) (LMU 0043), [Claire Turnham](#) (LMU 0068)

58 “[Secondary ticketing sites pledge overhaul](#)”, Competition and Markets Authority press release, 25 April 2018

59 Advertising Standards Authority, [Clamping down on misleading pricing practices by secondary ticketing providers](#), (7 March 2018), accessed 14 December 2018

60 Advertising Standards Authority, [ASA secures changes to viagogo’s website – misleading pricing information removed and costs now clearly displayed and transparent to consumers](#), (4 September 2018), accessed 12 December 2018

61 “[CMA launches court action against viagogo](#)”, Competition and Markets Authority press release, 31 August 2018

62 GOV.UK, [Secondary ticketing websites](#), accessed 10 December 2018

63 GOV.UK, [Secondary ticketing websites](#), accessed 14 February 2019

Then, on 5 March, the CMA issued a statement noting that:

Although some improvements have been made since we first demanded action to address areas of non-compliance, further checks have shown there are still issues of concern.

For a company not to comply with a court order is clearly very serious. We are therefore now preparing to take legal action to ask a court to find viagogo in contempt.⁶⁴

39. The court order against viagogo addressed some of the practices that were highlighted by dissatisfied customers in their evidence to us. For example, as a result of the CMA's action, viagogo is expected to no longer display misleading information about the availability and popularity of tickets, which consumers say pressures them into making a purchase; to make it easier for people to get their money back under the platform's guarantee, which has been a source of frustration for thousands; and not to allow the sale of tickets that sellers do not own and may not be able to supply.⁶⁵

40. Although the CMA and ASA's enforcement action has been widely welcomed, some have argued that it is taking too long to enforce the law, especially against viagogo.⁶⁶ The Minister described the fact that secondary platforms were given until January 2019 to comply with provisions in the Consumer Rights Act 2015 as an "Alice in Wonderland world."⁶⁷ However, Ticketmaster's view is that "the CMA has shown itself to be a very competent regulator in this space."⁶⁸

41. We welcome the changes that the Advertising Standards Authority and Competition and Markets Authority have secured to the business practices of some of the major secondary ticketing platforms; however, we regret that such time and public money is being spent on bringing the platforms, principally viagogo, into line with consumer law that they should have complied with from the outset. We believe that viagogo has yet to prove itself a trustworthy operator given its history of resisting compliance, court orders and parliamentary scrutiny, and flouting consumer law. We recognise that it will take the CMA time to prepare evidence on whether viagogo is compliant with the court order against it; however, we are concerned that while that work takes place, consumers remain vulnerable to the site's misleading sales practices. It is imperative that the CMA acts promptly and decisively to bring viagogo into line with consumer law and, until it does so, we advise the public not to buy or sell tickets via viagogo.

Further steps to protect consumers

42. The delays in securing secondary ticketing sites' compliance with consumer law have been compounded by the difficulties that consumers face when seeking recourse from the sites. In the first half of 2018, viagogo told us that it had "doubled the number of its

64 GOV.UK, [Secondary ticketing websites](#), accessed 6 March 2019

65 "[CMA secures court order against viagogo](#)", Competition and Markets Authority press release, 27 November 2018

66 [FanFair Alliance](#) (LMU 0044)

67 [Q412](#)

68 [Q2](#)

customer service department personnel over the past 12 months and [...] invested heavily in technology to support customer service”.⁶⁹ However, this account from a viagogo customer reflects the experiences of many who have contacted us during the inquiry:

I had emailed them several times asking for a refund and explaining my reasons why. Their customer service team are very unhelpful. I get the same automated response each time which doesn't even answer my queries or concerns.⁷⁰

Moreover, campaigner Claire Turnham told us how viagogo's business structures make it difficult for individuals to pursue legal claims against the company:

Viagogo as a company is often not clear to consumers who they are, where they are based, how to contact them or what their relationship and connection is with VGL Services. This makes it difficult to seek a refund from them and also redress via the courts. In some cases individual fans have received legal letters from Viagogo's law firm after initiating a small claims court claim and have reported feeling both confused and intimidated by this approach (which usually asserts that the claim has been served on the wrong part of Viagogo—VGL Services in the UK—claiming the website is Viagogo AG which is based abroad. It is actually unclear where Viagogo is based and under whose jurisdiction they fall).⁷¹

43. People who have been charged more than expected for a ticket, or who have learnt that they may not be let into an event with a ticket they have just bought, need immediate and authoritative support on what steps to take to secure a refund. Historically, that has been a role largely performed by volunteer campaign groups, such as 'Victim of Viagogo', or artists and promoters. While we commend them for their important work in championing consumers' rights, it is unacceptable that any individual has had to bear the brunt of that task and responsibility.

44. Consumer education is also key for the effective functioning of the market: if consumers are not aware of the structure of the ticketing market, their rights within it or the reputation of certain actors it is unreasonable to expect, as viagogo suggests, that “market competition will continue to drive improvements in the services offered to consumers.”⁷² Wayne Grierson from StubHub was keen to emphasise the company's consumer satisfaction and its FanProtect guarantee, saying that StubHub is “fan-first”.⁷³ However, as we have already explored, understanding of the ticketing market among consumers is limited and much of the evidence we received suggested that people did not know about viagogo's reputation until after making a purchase.⁷⁴

45. We have therefore heard repeated calls for a ticketing ombudsman or an independent Alternative Dispute Resolution scheme for the secondary market, such as the Society of Ticket Agents and Retailers (STAR) offers in the primary market.⁷⁵ It should be in secondary sites' interests to establish or join such a scheme voluntarily; however, it has

69 [viagogo](#) (LMU 0061)

70 [Carl Laverick](#) (LMU 0065)

71 [Claire Turnham](#) (LMU 0068)

72 [viagogo](#) (LMU 0061)

73 [Qq123](#), [130](#)

74 [Graham Rose](#) (LMU 0027), [Richard Perkins](#) (LMU 0007), [Carl Laverick](#) (LMU 0065)

75 [Claire Turnham](#) (LMU 0068)

been suggested that if they do not do so “the Government should legislate to require them to [...] just as [it has] in other markets such as housing, energy, financial services, etc.”⁷⁶ The Government told us that although it keeps this area “under constant review”, it is not considering legislating for an ombudsman as it wishes to “bed down the changes” made after the 2016 Waterson review and “get the maximum effectiveness out of that” before embarking on further action.⁷⁷

46. StubHub and viagogo’s ultimate compliance with consumer law should mitigate many of the problems that consumers have previously experienced; however, it would be naive to assume all problems will immediately cease. Indeed, this is recognised in the primary market, which has the STAR Code of Practice and Alternative Dispute Resolution scheme, both of which are also needed in the secondary market. Fans need a quicker and easier process for dispute resolution; given that the ticketing market is the first stage in most fans’ journeys, poor experiences risk blighting people’s enjoyment of live music and draining even more money out of the industry.

The Breaching of Limits on Ticket Sales Regulations 2018

47. The secondary platforms have been keen to emphasise their function as a place for fans to resell tickets they are unable to use.⁷⁸ However, touts buying up large numbers of tickets to resell at a profit is another crucial aspect of the secondary business model, with preferential deals struck between secondary platforms and large-scale resellers who are incentivised to harvest tickets for live events.⁷⁹ One—but by no means the only—way that touts harvest tickets is by using bots to make large volumes of transactions at speed. Both the Government and the primary industry are acting to prevent bot purchases, with Ticketmaster blocking 20 billion bot attacks across its global platforms in 2017.⁸⁰ Ticketmaster is also developing technological solutions to make it harder for people to harvest and resell tickets, including paperless ticketing and systems to verify a buyer’s identity.⁸¹

48. In July 2018, the Breaching of Limits on Ticket Sales Regulations 2018 came into force under the Digital Economy Act 2017. The Department for Digital, Culture, Media and Sport told us that “this legislation will put the UK at the forefront of the fight against online touts exploiting fans.”⁸² The regulations make it an offence to use automated computer programmes to purchase tickets in excess of any limit set out in terms and conditions regarding the maximum number of tickets a consumer may buy and where the intent is financial gain.⁸³

49. It has been questioned whether the regulations sufficiently address the actual means by which touts harvest large numbers of tickets. FanFair Alliance states that it:

wholeheartedly supports Government’s aim to target those who bulk-buy tickets for personal gain. However, to be truly effective, this legislation

76 [Claire Turnham](#) (LMU 0068)

77 [Q407](#)

78 [viagogo](#) (LMU 0061) and [StubHub](#) (LMU 0033)

79 [FanFair Alliance](#) (LMU 0044)

80 [Ticketmaster](#) (LMU 0085)

81 [Q40](#)

82 [Department for Digital, Culture, Media and Sport](#) (LMU 0055)

83 [The Breaching of Limits on Ticket Sales Regulations 2018 \(SI 2018/735\)](#)

should go beyond outlawing “bots”—and cover all methods used to harvest tickets. For instance, those who employ teams of people or use multiple credit cards to impersonate consumers.⁸⁴

Likewise, questions have been raised about how offences will be identified in the first place. Ticketmaster told us that, as it blocks any bot purchases it detects, any successful bot purchases will, by definition, be highly difficult to identify.⁸⁵ Moreover, because attempted bot purchases are blocked from the site’s system, Ticketmaster is unable to gather information on the source to feed back to enforcement bodies.⁸⁶ Ed Sheeran’s promoter Stuart Galbraith explained that for his latest tour they manually identified “nearly 10,000 multiple purchases that had slipped through the defences of all of the agents”, which they then cancelled. He went on to suggest that bots could be a “red herring” and should not be the exclusive focus of enforcement action:

It is the multiple use of computers as well. The only way to pick that up is by very, very laboriously manually checking all the sales records.⁸⁷

50. We asked the Minister whether the enforcement bodies are sufficiently resourced to undertake such work. She recognised “the painstaking efforts” of National Trading Standards and cited the £15 million given to it and Trading Standards Scotland to increase their enforcement action.⁸⁸

51. The Breaching of Limits on Ticket Sales Regulations 2018 are a welcome step in the fight against ticket touts; however, they are not the only solution to the harvesting of tickets. Robust enforcement, technological solutions and the work of primary platforms will be central to combatting the use of bots. We request that in its response to this report the Government lays out how it intends to review the effectiveness of the regulations. We also ask the Government to publish a review of the regulations no later than 18 months from their coming into force, and for it to include how much has been spent by National Trading Standards on monitoring and enforcement activity related to the regulations.

Industry solutions to ticket touting

52. Increasingly, artists and promoters are preventing tickets from being resold on secondary platforms. A key example is the ticketing policy for Ed Sheeran’s 2018 stadium tour—the first of its kind for a tour of that size. As co-promoters, Kilimanjaro Live implemented terms and conditions stating that any ticket resold on an unauthorised site would be automatically invalidated. Although the terms and conditions stated that tickets could be resold only via the secondary site Twickets at a maximum price of 10% above face value, many still ended up on unauthorised sites such as viagogo. The promoters advised anyone with invalid tickets to seek a refund through the relevant site and gave them the opportunity to buy a new ticket at the face value of £150. Ed Sheeran’s promoter told us that the policy “worked very well”, but cautioned that the costs of delivering it make it unviable for certain tours or artists.⁸⁹

84 [FanFair Alliance](#) (LMU 0044)

85 [Q47](#)

86 [Q45](#)

87 [Q57](#)

88 [Qq416, 419](#)

89 [Q5](#)

53. Many in the industry share Ticketmaster’s view that technological solutions, such as digital ticketing, will “be the way that we will address the issue of touts being able to exploit fans and access tickets” in the long term.⁹⁰ We heard about mobile app DICE, which issues digital tickets, features a ‘waiting list’ function for sold-out shows and enables tickets to be transferred between users.⁹¹ The Venue Business Manager of Islington Assembly Hall, which uses DICE, detailed the positive impact digital ticketing has had on attendance figures, which in turn supports the venue’s other revenue streams. She told us that:

before when a show was sold out, we would be at 75% capacity. As a small venue, it is one of the most distressing things: you are losing your bar sales, which is the thing that keeps you afloat in your business. With our change to digital ticketing, we have noticed that we are at 90% capacity on a sold-out show.⁹²

54. **This is a time of significant change in the ticketing market, as illustrated by Ticketmaster’s new integrated platform; however, voluntary fan-to-fan exchange is not going to solve all the problems in the secondary market. Touting for profit, or harvesting tickets ahead of other consumers, is still a major source of consumer dissatisfaction. We recognise the industry’s adoption of technological solutions such as digital ticketing or terms and conditions limiting resale; however, it is important that these are always exercised in the interests of consumers and are not used to stifle competition or unfairly penalise fans who have unknowingly bought tickets on resale sites.**

Google’s role in the ticketing market

55. For many who buy from secondary ticketing platforms, Google is the first stage of their consumer journey: 43% of respondents to a consumer survey said that Google was their first port of call to search for tickets.⁹³ This was borne out by evidence from dissatisfied customers of viagogo who went to the site because it appeared at the top of Google’s search rankings and presented itself as an official—not resale—ticketing site. They told us:

I did a search on Google and Viagogo was the first result. I am unfamiliar with concerts and assumed I was on an official site. There was nothing on it to suggest otherwise.⁹⁴

I searched using Google for tickets to ‘An Evening With John Williams’ at The Royal Albert Hall [...] The first search hit was Viagogo, I had not heard of the company before and was unaware of their business model and their reputation.⁹⁵

56. It follows that advertising on Google is crucial to the secondary market. Indeed, the importance of Google to viagogo’s traffic led FanFair Alliance to argue that “we have a situation where one of the world’s most trusted brands is providing life support to one of

90 [Q23](#)

91 [Dice Purchase Terms](#), accessed 13 August 2018

92 [Q3](#)

93 FanFair Alliance, [Ticked off: Consumer Attitudes to Secondary Ticketing](#), (30 October 2017), p 14

94 [Ronald Johnston](#) (LMU 0005)

95 [Graham Rose](#) (LMU 0027)

the worst.”⁹⁶ Likewise, in arguing that viagogo’s position on Google’s search rankings is “ridiculous”, UK Music made the case that “there is a strong role that Google can play in the way that a trusted brand like that exists for people accessing tickets that way.”⁹⁷

57. Google has made changes aimed at increasing transparency around how the secondary market operates. In February 2018, it introduced a new certification policy for resale platforms. To run adverts on Google, resale sites must disclose on their homepage that they are a secondary marketplace, and that tickets might be sold at above face value. Moreover, they cannot use the word “official”.⁹⁸ This has been largely welcomed; however, concerns remain that the transparency requirement does not extend to the text of the sites’ adverts or search listings. FanFair Alliance argues that:

to be truly effective we believe that the text and tone of Google advertising should also disclose that these are resale sites listing second-hand tickets. Unless that is made clear, we will continue to see Viagogo, [...] and StubHub use AdWords to dominate search results and potentially mislead the public.⁹⁹

58. Furthermore, Google sometimes hosts adverts for tickets that carry express terms and conditions prohibiting resale. In June 2018 a viagogo advert for tickets to Ed Sheeran’s tour appeared at the top of Google’s search results, despite the fact that terms and conditions set by the promoter meant that tickets resold on viagogo would be invalid.¹⁰⁰ FanFair Alliance correctly argues that Google “are breaking their own AdWords guidelines” in accepting such advertising.¹⁰¹ In particular, Google’s policy states that:

We expect all advertisers to comply with the local laws for any area that their ads target, in addition to the standard Google Ads policies. We generally err on the side of caution in applying this policy because we don’t want to allow content of questionable legality.¹⁰²

However, Google has repeatedly allowed adverts for tickets being sold in clear breach of UK consumer protection law.¹⁰³

59. It is firstly the responsibility of the advertiser to ensure that they are complying with the advertising code and consumer protection law when marketing their goods and services to potential customers. However, media owners also have a responsibility to the audiences they serve. Google has repeatedly allowed ticket resellers to target customers with products that are being sold in breach of Google’s own ad policies and UK law. It is time for companies such as Google to take more responsibility and act against such advertising, or else be considered to be knowingly making money out of fraudulent selling.

60. *We ask the Government to set out the responsibilities of companies such as Google to ensure that adverts targeted at their users comply with UK consumer protection*

96 FanFair Alliance, [ONLINE TICKET TOUTING – GOOGLE, WE *STILL* HAVE A PROBLEM](#) (20 June 2018), accessed 17 December 2018

97 [Q292](#) [Tom Kiehl]

98 Google, [About event ticket seller certification](#), accessed 1 August 2018

99 [FanFair Alliance](#) (LMU 0044)

100 FanFair Alliance, [ONLINE TICKET TOUTING: GOOGLE, WE HAVE A PROBLEM....](#), (10 July 2017), accessed 10 December 2018

101 [Q95](#) [Adam Webb]

102 Google AdWords policies, [Legal requirements](#), accessed 25 February 2019

103 [“Google under pressure to refuse Viagogo advertising”](#), The Guardian, 10 September 2018

law. This should include what action these companies should take against the adverts themselves, and the advertisers. Ticket sellers found to be trading in breach of the law should be prevented from advertising. Companies such as Google should also face some sanction for failing to act against sellers in breach of the law.

3 Challenges facing music venues

‘All the best music we have created, all the incredible icons we have created, have done something that nobody was expecting them to do. There was a point in their careers [...] where they went to the microphone and there were three people and a dog, and the dog didn’t even like them. It is so important to have that access to spaces.’ (Mark Davyd, Music Venue Trust)

The impact of music venue closures

61. Grassroots music venues are defined by a set of social, cultural and economic attributes, such as taking risks in programming that may not lead to financial reward, and their overall “importance to communities, artists, audiences, and the music industry.”¹⁰⁴ They are a vital part of the music industry “ecosystem”, especially in providing a place for musicians in the early stages of their careers to hone their live acts and broaden their audiences.¹⁰⁵ We have heard a consistent message that, when it comes to playing live, “artists need to learn to walk before they run”, and a nationwide network of high-quality grassroots venues is crucial in supporting that.¹⁰⁶

62. The long-term success of the UK’s larger music and cultural institutions is inextricably interlinked to the opportunities provided at the grassroots level. The Save London Music Campaign told us:

These venues provide the apprenticeships and training for the next generations of artists, technicians, managers, promoters and road crew. London’s premier, world beating venues such as The O2 arena [and] Wembley Stadium etc cannot thrive in a vacuum.¹⁰⁷

The owner of the 100 Club summed up the situation in asking “who is going to be the headliner at one of the Glastonbury or Isle of Wight festivals if there are no places left for these bands to play?”¹⁰⁸ Grassroots venues also provide a vital training ground for all the other jobs in the industry, as the Production Services Association told us:

It’s not just the artists that hone their skills in small venues; they are the workplaces where the technicians, tour managers and production managers of the future learn their craft.¹⁰⁹

63. Yet recent years have seen widespread venue closures. Between 2007 and 2016, London experienced a net loss of 35% of its grassroots music venues, and evidence suggests that experience has been reflected across the country.¹¹⁰ While the situation in London prompted the publication of a ‘rescue plan’ for the capital’s grassroots music venues, which

104 [Music Venue Trust](#) (LMU 0022)

105 [Q224](#) [Ben Lovett]

106 [Save London Music Campaign](#) (LMU 0002)

107 [Save London Music Campaign](#) (LMU 0002)

108 [Q228](#)

109 [Production Services Association](#) (LMU 0064)

110 [Mayor of London](#) (LMU 0069)

has helped to stem the tide of closures, the situation around the rest of the country remains urgent.¹¹¹ The economic and legislative environment means that when existing venues close, new ones are not opening in their place. The Music Venue Trust told us:

what we have not seen is a wave of people opening music venues as music venues close and we should be asking why that is. It is because of the whole economic system around them, the licensing; there are just too many barriers to getting the music venue open.¹¹²

64. The Minister described the decline in venues as “very concerning”, and although acknowledging the new ways in which artists are building audiences, including online, agreed that artists still need spaces to perform.¹¹³ We asked whether other creative sectors have been similarly affected by a decline in the number of spaces and facilities, and the Minister’s response that “recording and rehearsal studios are facing a similar if not more pronounced decline” echoes what we have been told by musicians and campaign groups during the inquiry.¹¹⁴ However, the Minister also acknowledged that “given the specific nature of music venues (usable space, hours of operation, licensing requirements etc), it is difficult to compare the live music sector with other creative industries” and offered no other examples of similarly affected industries, other than a shortage of studio space to house the UK’s “film and television production boom”.¹¹⁵

65. The closure of music venues presents a significant and urgent challenge to the UK’s music industry and cultural vibrancy. The Government has not acted promptly enough to stem the tide of these closures, which have been happening at a rate unprecedented in other cultural sectors for more than 10 years. The full impact of these closures may not be felt immediately; however, there is a real threat that without access to spaces to hone their live craft, the next generation of musicians will struggle to maintain the UK’s position at the forefront of the industry.

The difficulties experienced by existing venues

66. Many of the venues that are still open face a “perfect storm” of challenges including rising rents and business rates, pressures from property development, and stagnating incomes, all of which threaten their long-term viability.¹¹⁶ As the founder of the Music Venue Trust told us, “artists are not making any money because they are trying to build their careers [and] venues are not making any money because there is no money to be made”; however, grassroots venues survive because of the passion and commitment of the individuals in charge:

Somebody has decided at some point that music should be really important to their town and they have carried on doing that long after we have loaded them with costs and licensing and tariffs and everything else that makes it economically a very mad situation to be in.¹¹⁷

111 Greater London Authority, [Saving London’s music venues](#), accessed 18 December 2018

112 [Q243](#) [Mark Davyd]

113 [Qq365–366](#)

114 [Department for Digital, Culture, Media and Sport](#) (LMU 0088) and [Q259](#) [Ben Lovett and Mark Davyd]

115 [Department for Digital, Culture, Media and Sport](#) (LMU 0088)

116 Live Music Exchange, [Valuing Live Music: The UK Live Music Census 2017 report](#), (February 2017), p 57

117 [Q234](#) [Mark Davyd]

Business rates

67. The latest business rates revaluation came into force on 1 April 2017, and one-third of venues that responded to the UK's live music census reported having been negatively affected by rises.¹¹⁸ In London, research commissioned by the Greater London Authority showed that:

21 grassroots venues face closure as a result of the April 2017 business rates revaluation, with a further 18 expected to experience significant financial challenges. These 39 venues generate up to £21.5m for the capital's economy.¹¹⁹

68. In 2017, the 100 Club experienced a 47% increase in its rates bill. The venue's owner told us that he found the process of applying for hardship relief "difficult" and "humiliating" and said "the financial issues that we have now are more serious than they have ever been and we have very nearly closed on more than one occasion over the last 10 years."¹²⁰ Venues outside London are similarly affected: in January 2019, Cardiff venue Buffalo cited a "massive increase" in business rates as one reason why it was having to close its doors.¹²¹ UK Music has expressed concern "that solutions have not yet been put in place to avoid [the] damaging impacts" of rates changes on the music industry and recommends that the Government reviews the impact and devises relief schemes to mitigate negative impacts.¹²²

69. In the 2018 Budget, the Chancellor of the Exchequer, the Rt Hon Philip Hammond MP, announced that retail properties with a rateable value below £51,000 would have their rates bill cut by one-third for two years from April 2019.¹²³ In oral evidence, the Minister for Digital and the Creative Industries said "we are waiting to hear how the latest budget 2018 exemptions from business rates will be applied in practice", but acknowledged that they would not help larger venues.¹²⁴ Indeed, Ministry of Housing, Communities and Local Government guidance makes it explicit that music venues and other cultural institutions "are outside the scope of the scheme" and that the only providers of live music that may benefit are those "mainly being used as a shop, restaurant, cafe or drinking establishment".¹²⁵

70. Music festivals have also been affected by changes to business rates. While many festivals previously benefited from the agricultural exemption, the Valuation Office Agency's decision to charge rates on agricultural land used for music festivals, and in some cases to backdate those charges, has been described as a "particularly punitive and non-transparent way of taxing business which risks future investment".¹²⁶ Identifying that "the vast majority of festivals and events have a total duration of 2–3 weeks onsite, equating to between 3.8% and 5.7% of the year", the Association of Independent Festivals argues that:

118 [Live Music Exchange](#) (LMU 0067)

119 [Mayor of London](#) (LMU 0069)

120 [Qq252, 228](#) [Jeff Horton]

121 "[Cardiff bar Buffalo to close following 'massive increase' in business rates](#)", Wales Online, 3 January 2019

122 [UK Music](#) (LMU 0047)

123 HM Treasury, [Budget 2018](#), HC 1629, p 46

124 [Q372](#)

125 Ministry of Housing, Communities and Local Government, [Business Rates Retail Discount—Guidance](#), (November 2018), para 12 and 15

126 [Association of Independent Festivals](#) (LMU 0042)

Extending the agricultural exemption is fiscally neutral as festivals and events have until now always benefited from this—we are simply asking that Government maintains the status quo, does not place punitive measures on the sector and allows the festivals and events sector to continue to flourish.¹²⁷

71. Business rate rises and applying for associated reliefs place a financial and administrative burden on already over-stretched grassroots music venues and independent festivals. *The Government should immediately review the impact of recent business rates changes on the live music sector and introduce new, or extend existing, relief schemes, such as those for pubs or small retail properties, to lessen the burden of business rates on music venues.*

Licensing and planning pressures

72. The development of our towns and cities presents both opportunities and challenges for music venues. On the one hand, cultural institutions can fulfil an important role at the heart of economic and urban development.¹²⁸ On the other, development can lead to rent pressures that price existing venues out of the market. DHP Family, which runs venues in Nottingham, Bristol and London, says it has “experienced large increase in rents in some properties which have turned a profitable venue into a loss-making venue”. It told us:

It is almost impossible to operate a small live music venue in central London due to the cost of business rates, rent and bureaucratic and unhelpful licensing authorities [...] as well [as] redevelopment for more profitable (for the developer and building owner) residential developments.¹²⁹

73. Music venues are not unique among cultural spaces in facing such challenges; however, they do occupy a different status in legislation. For example, the Theatres Trust Act 1976 established a statutory consultative body that local planning authorities are required to consult “on any planning application involving land on which there is a theatre or which will have an impact on theatre use”; however, no such statutory body yet exists for music venues.¹³⁰ The Music Venue Trust therefore recommends that a similar body be established to support grassroots venues.¹³¹

Implementing ‘agent of change’

74. More than one-quarter of venues that responded to the 2017 live music census said that noise-related complaints had had a negative impact on them in the previous 12 months; however, there has been progress, most notably through the inclusion of the agent of change principle in the national planning policy framework (NPPF).¹³² ‘Agent of change’ describes various approaches to promoting a harmonious relationship between new building developments (typically residential) and existing noise sources such as music venues.¹³³ It “places the responsibility for mitigating impacts from existing noise-

127 [Association of Independent Festivals](#) (LMU 0042)

128 [Q252](#) [Ben Lovett]

129 [DHP Family](#) (LMU 0051)

130 Theatres Trust, [Planning](#), accessed 18 December 2018

131 [Music Venue Trust](#) (LMU 0022)

132 [Live Music Exchange](#) (LMU 0067)

133 Music Venue Trust, [Agent of Change briefing](#), accessed 17 December 2018

generating activities or uses on the proposed new noise-sensitive development”.¹³⁴ It is often referred to in the context of property developers installing appropriate sound insulation; however, it can have a much broader application such as agreements on tenancies and financial arrangements.¹³⁵ Ultimately it is based on the principle that “existing businesses and facilities should not have unreasonable restrictions placed on them as a result of development permitted after they were established.”¹³⁶

75. While the weight of evidence we received supported the principle of ‘agent of change’, it also highlighted potential limits to its effectiveness. For example, ‘agent of change’ will not necessarily help venues facing noise complaints from existing developments, as UK Music highlighted:

All it takes is one or two neighbours or residents to put in a complaint, even about an existing venue let alone a new build or development, and that can then threaten the venue’s licence.¹³⁷

There is also uncertainty about exactly how it will be implemented nationally, with the risk that planning authorities will interpret and apply the wording of the NPPF in different ways. What we heard from DHP Family about its experiences of dealing with licensing and planning authorities across the country reinforced that concern:

We have venues in various different areas of the country and we see the difference between the attitudes to licensing of local authorities, which is really difficult to work with. It can feel very much like, “You are definitely not wanted in this area and we will do everything we can to make it as difficult as possible for you to operate”. It is the same with planning and licensing working together. We have done work before where licensing has said, “That is definitely going to be fine” and then we get to planning and it is, “No chance”. We are trying to do everything in our power to make sure that we are living up to the licensing objectives and being responsible retailers and then we are backed down at every step of the way.¹³⁸

76. We welcome the inclusion of the ‘agent of change’ principle in planning policy as there is a legal obligation on local authorities to comply with it; however, robust and consistent implementation of the principle nationwide is crucial for it to be of meaningful benefit to live music venues. Moreover, the principle does not address the full array of development pressures that live music venues experience. We recommend that in the next legislative session the Government appoints a statutory consultative body to promote the protection of music venues, provide advice to local authorities on relevant planning applications and monitor how ‘agent of change’ is applied in practice around the country.

134 Greater London Authority, [Draft New London Plan](#), accessed 10 September 2018

135 Music Venue Trust, [Agent of Change briefing](#), accessed 17 December 2018

136 Ministry of Housing, Communities and Local Government, [National Planning Policy Framework](#), (July 2018), p 52

137 [Q265](#)

138 [Q268](#) [Michele Phillips]

Stagnating income and poor infrastructure

77. Many venues have not seen their revenues increase in line with costs. Stagnating ticket prices, declining alcohol sales and other challenges have rendered many venues unprofitable as businesses, with less money to invest in facilities and staffing. Sneaky Pete’s, a grassroots venue in Edinburgh, described the downward spiral that stagnating income has on investment in infrastructure:

Ticket prices in smaller venues have stagnated, and when venues are unable to invest in new facilities, it is hard to add value to the product to charge higher entry fees.¹³⁹

The Music Venue Trust analysed 88 of the venues in its Music Venues Alliance and found that 112% of their ticket revenue is spent on promoting live music.¹⁴⁰ This suggests that the Fulford Arms in York is not unique in sometimes having to use revenue from bar sales to supplement pay for staff and artists.¹⁴¹

78. Yet venues’ reliance on revenue from alcohol, and related security costs or licensing concerns, impacts their ability to make gigs accessible to under-18s. This in turn limits young people’s access to live music and undermines their role in artists’ development. Independent rapper ShaoDow has been quoted up to £500 extra when trying to hire a venue to put on a 14-plus show, yet he says:

I wholly believe that allowing under 18s, say from 14-plus, into small live music venues is also incredibly important, because not only is it a smaller environment in which you can keep an eye on them, but it allows them to be part of an artist’s growth. Those young people are really the ones who are most enthusiastic and energetic about the artist, so by the time they are performing at festivals and so on—and this takes years to get to—you grow with your fans.¹⁴²

Jeff Horton from the 100 Club identified the broader consequences of young people not being able to attend live music. He told us that:

Places like mine are a safe environment for kids to come in and to see something, whether it is a grime artist or a punk or jazz band, or whatever, and let their hair down and get rid of that energy that they all have. I do believe that one of the reasons that we have issues with kids getting involved in drug gangs and stuff like that is because they are looking for that buzz, and everywhere they look there are either signs saying, “No, you can’t cycle here” or, “You can’t skateboard here” or, “No ball games here” and now the venues that they were going to don’t exist, so that creates big community issues.¹⁴³

79. Venues that are “filthy, falling apart and have terrible sound systems” are not fit-for-purpose for either artists or audiences.¹⁴⁴ There are valid concerns about the accessibility

139 [Sneaky Pete’s](#) (LMU 0076)

140 [Q234](#) [Mark Davyd]

141 [Fast Entertainment Ltd T/A The Fulford Arms](#) (LMU 0036)

142 [Q239](#)

143 [Q239](#)

144 [Q324](#)

of such spaces, with the Save London Music Campaign highlighting the challenges of accessing venues in a wheelchair.¹⁴⁵ We also heard reports of female musicians feeling unsafe because of a lack of suitable changing facilities or secure parking, and the impression that the industry is unsafe for women will do little to redress the gender balance in this traditionally male-dominated industry.¹⁴⁶

80. Poor-quality facilities also limit venues' ability to broaden their offer commercially by hosting a wider range of events or undertaking the kind of training or community work that would make them more eligible to receive public funding. The next generation of technicians needs to train on state-of-the-art equipment; however, this is not something all grassroots venues can offer. As music technology becomes more advanced, the industry needs to compete with other high-tech sectors to attract the best technical talent, and bad experiences in poor-quality venues is bound to frustrate this aim.

Strategies to support music venues

Diversified business models

81. In the light of all those challenges, many music venues are employing their own strategies to ensure their survival, including diversifying their revenue sources. DHP Family observes that:

Many small venues have to have a mixed business strategy to survive—they might a mix of live music venue, nightclub, bar, arts centre, pub and restaurant. It is not possible to survive with only a live music business in today's market.¹⁴⁷

This was echoed by Ben Lovett, whose 320-capacity venue Omeara is also home to an exhibition space, bar and restaurant. He pointed out that culture still needs to be at the heart of such developments, since important as hospitality might be to a venue, “people would not be coming down for the drinks and food if there wasn't the entertainment.”¹⁴⁸

82. The 100 Club has pursued innovative means of staying afloat. In 2010 cost pressures meant the venue, which has hosted live music in one form or another since 1942, was faced with imminent closure. At that stage, the managing director of shoe brand Converse offered its support for the venue to stay open. During its six-year sponsorship deal, Converse held a series of live events at the 100 Club, and when that arrangement came to an end the venue announced a similar partnership with fashion brand Fred Perry. The 100 Club's owner credits these deals with having kept the venue open; however, he is also clear that the 100 Club's value to such brands is rooted in its history at the heart of Britain's musical heritage.¹⁴⁹ As such, although not all grassroots venues may find similar opportunities available to them, it is evident that preserving venues' heritage has value beyond the music industry.

145 [Save London Music Campaign](#) (LMU 0002)

146 [Q350](#) [Naomi Pohl]

147 [DHP Family](#) (LMU 0051)

148 [Q234](#)

149 [Q229](#)

Parity in policy and funding

83. We have heard consistent calls for the contribution of grassroots venues as cultural assets to be recognised in policy and funding decisions. The Live Music Exchange calls for grassroots venues to be recognised “as key sites of artist and audience development and as cultural and community assets.”¹⁵⁰ Likewise, the Music Venue Trust campaigns for parity for venues in legislation “so that we are not asking music venues [...] to do something that we would not ask theatres” or other cultural organisations to do.¹⁵¹ The Government has eight corporation tax reliefs for the creative industries, including one for orchestras; however, the relief does not apply to other forms of making music.¹⁵² We asked the Minister whether any assessment had been made of the potential to extend the relief and were encouraged when she replied that she does not “see why we should not be looking at extending the tax reliefs to other forms of music.”¹⁵³ However, in a follow-up letter to us, the Minister said the music industry “has yet to present a strong evidence-based case” for extending the relief, which “will be key in making the case [...] to HM Treasury.”¹⁵⁴

84. The Live Music Act 2012 removed a number of regulations for small venues, allowing venues with a maximum capacity of 500 to host live music between 8am and 11pm without acquiring a licence. The Minister told us that the Government believes the legislation is “working broadly as intended”.¹⁵⁵ However, the Music Venue Trust and UK Music argue that there is scope for its provision to be extended to venues with greater capacity or beyond 11pm.¹⁵⁶ Moreover, the Act’s post-implementation review took place in 2014, a relatively short time after the measures were introduced. The review acknowledged that its conclusions were inconclusive because of the lack of data, but it stated that a full review of reforms to the licensing of regulated entertainment, of which the Act is one component, was planned for 2019.¹⁵⁷

85. The Government is expected to produce post-legislative memorandums within three to five years of legislation gaining Royal Assent; however, we are yet to receive such a memorandum for the Live Music Act 2012. The Government needs to conduct thorough scrutiny of the impact of the Act this year. We request that the Government supplies us with a full post-legislative memorandum for the Live Music Act 2012 before the end of this parliamentary session. We believe that the Government should amend the Act to extend its provisions to venues with a capacity over 500 and beyond 11pm and ask for the memorandum to consider these proposals and set out the Government’s intentions for them. We also ask the Government to extend the creative industries tax relief to support other forms of music production, in addition to that already given for orchestral performances.

86. While the Department recognises that music venues are “local cultural assets”, and that Arts Council England funds them accordingly, there is a perception in the industry

150 [Live Music Exchange](#) (LMU 0067)

151 [Q250](#) [Mark Davyd]

152 The creative industries tax reliefs cover film, animation, high-end television, children’s television, video games, theatre, orchestras and museums and galleries.

153 [Q433](#)

154 [Department for Digital, Culture, Media and Sport](#) (LMU 0088)

155 [Q359](#) [Margot James MP]

156 [UK Music](#) (LMU 0047) and [Music Venue Trust](#) (LMU 0022)

157 [Department for Culture, Media and Sport, Post-implementation review of the Live Music Act 2012](#), (9 April 2014)

that contemporary music loses out to other forms in the distributions of public funds. Musician Tom Gray said that “we have a problem in this country of high art and low art. Our class system seems to ride roughshod through our whole art sector.”¹⁵⁸ In April 2018, UK Music analysed the Arts Council’s National Portfolio fund for 2018–2022 and concluded that “pop music gets just 8% of the cash from the council’s main fund for music. Opera gets almost eight times as much, enjoying 62%.”¹⁵⁹ The lack of funding for grassroots venues is even more acute. The Music Venue Trust found that support for the sector equated to 0.06% of the total distribution, with no new grassroots venues added to the portfolio in the last funding round.¹⁶⁰

87. Arts Council England’s CEO Darren Henley OBE was keen to outline his commitment to supporting all kinds of music: “pop music, jazz, world music and then also internationally renowned orchestras and opera companies as well.”¹⁶¹ He also explained that the Arts Council’s funding takes a number of forms other than its National Portfolio pot, and gave the example of Pop Recs, a new arts hub in Sunderland, which was recently awarded a £15,000 project grant.¹⁶² However, such grants tend to be time and project limited, and therefore do not offer the same long-term, strategic support that National Portfolio Organisations benefit from. For this reason, they may not be sufficient to address the systemic problems that grassroots venues face.

88. The reasons behind this relative imbalance are complicated. As the Minister explained, “it is noticeable that the Arts Council do not get very many applications for funding from music venues” even though they are open to them.¹⁶³ However, grassroots venue Sneaky Pete’s suggested that venues’ perception of ineligibility disincentivises engagement:

Music in GMVs is not seen as being as culturally prestigious as the music in the funded sphere, or other art forms that receive significant funding. Because GMVs so rarely seek subsidy, and more rarely receive it, we are not present at discussions about the cultural agenda, and until recently rarely had conversations with relevant public bodies.¹⁶⁴

Darren Henley has pledged that the Arts Council will develop “a higher level of good applications from within [...] this part of the music industry”.¹⁶⁵ To achieve this, the Arts Council is “actively going into places where there has been, traditionally, underrepresentation” and will learn from its work with pub theatres.¹⁶⁶ We welcome this commitment, especially as our predecessor Committee’s 2011 inquiry into ‘Funding of the arts and heritage’ concluded that supporting small arts organisations to apply for funding “should be one of [the Arts Council’s] highest priorities.”¹⁶⁷ The Arts Council is

158 [Q324](#)

159 “[Arts Council funding to opera is unfair – pop needs support too](#)”, The Guardian, 12 April 2018

160 [Music Venue Trust](#) (LMU 0022)

161 [Q359](#)

162 [Q364](#)

163 [Q367](#)

164 [Sneaky Pete’s](#) (LMU 0076)

165 [Q427](#)

166 [Qq363](#), [429](#)

167 Culture, Media and Sport Committee, Third Report of Session 2010–11, [Funding of the arts and heritage](#), HC 464-I, para 53

developing its next ten year strategy for 2020–2030, which gives it an opportunity to assess how well it is serving the live music community, and Darren Henley told us that it is “in listening mode”.¹⁶⁸

89. It has also been suggested that if more grassroots venues are to receive public funds they may have to broaden the range of activities they deliver. Arts Council England explained that:

Venues in receipt of public funds are generally required to perform a number of functions to develop their art form. In particular they are required to take a much more active role in talent development, audience outreach, educational activities, and increasing diversity of their audiences and workforce.¹⁶⁹

This was echoed by Jane Beese from the Roundhouse, which receives about 8% of its income from the Arts Council, who told us that “smaller venues are going to have to learn to be more entrepreneurial about how they proceed.”¹⁷⁰ Yet we have already explored the staffing and infrastructure barriers that might prevent venues from fulfilling such a function, or simply evidencing their work, in the immediate term. That suggests an alternative approach, such as a ring-fenced infrastructure fund as suggested by the Music Venue Trust, is needed to secure the grassroots estate and then enable it to diversify in this way.¹⁷¹

90. The difference between public support for live music in the UK and other European countries is stark. In some mainland European countries “venues receive subsidies that average 42% of operating costs, or as high as 70% in France.”¹⁷² The German Government recently invested €8.2 million to upgrade equipment in grassroots music venues and in the Netherlands, 51 grassroots venues receive Government funding.¹⁷³ This means an improved experience for artists, as Tom Gray explained:

You can travel across northern Europe and play gigs in northern France, Belgium, Holland and across Scandinavia and Germany and there is a small gig in that small town, which is evidently Government funded and beautifully built, for multi-purpose use. It pays flat fees to the people and usually has accommodation as well so the kids can stay there.¹⁷⁴

The risk, as ShaoDow and Jeff Horton from the 100 Club cautioned, is that with mainland European countries offering better terms, artists might prioritise them over playing in the UK.¹⁷⁵

91. It is unsurprising that the live music sector has a history of under-engagement with Government and funding bodies, given the staffing constraints many venues face and the low rates of support for grassroots venues in Arts Council England’s flagship funding programme. Nonetheless, we recognise that the current imbalance in funding

168 [Q380](#)

169 [Arts Council England](#) (LMU 0062)

170 [Q352](#)

171 [Music Venue Trust](#) (LMU 0022)

172 [UK Music](#) (LMU 0047)

173 [Mayor of London](#) (LMU 0069) and [UK Music](#) (LMU 0047)

174 [Q324](#)

175 [Q252](#)

is not sustainable and welcome ACE's commitment to engage with music venues and learn from its experiences with other sectors. *We ask that in its next ten-year strategy, the Arts Council makes explicit how it plans to redress the balance in funding for grassroots venues and contemporary music, with a view to securing the infrastructure and leadership that will enable them to maximise business opportunities.*

4 Threats to the talent pipeline

‘There is now a lot more money in the business than there ever was, but somehow that is not finding its way back down to the bottom.’ (Tom Gray, Gomez)

92. The UK’s reputation as a destination for live music is in no small part due to the generations of homegrown talent the country has produced. Yet securing the conditions for such talent to thrive is essential for the long-term health of the industry. In 2016, musician Noel Gallagher told the *Daily Record*:

It was easy to start a band when I was young because there was rehearsal rooms and grotty clubs to play in. Musical equipment was cheap and accessible as not many people bought it. Now, you have to be middle class to be in a band. Where are you going to rehearse? The rehearsal rooms are being turned into flats. Where are you going to play? There’s only two places to play these days, really small clubs or massive arenas, there’s nothing in the middle.¹⁷⁶

The Royal Albert Hall’s Artistic and Commercial Director indicated that small venue closures and educational reforms are already having an impact on the Hall’s programme. She told us:

We need the young artists to be coming through so they can perform on our main stage. We do see a lack of young artists coming through to perform at the Royal Albert Hall, and it is a major concern.¹⁷⁷

93. While there are many different routes into a career in music, without access to an appropriate education, high-quality facilities or reliable income streams, people from a diverse range of backgrounds will struggle to build viable careers in the industry. It is impossible to know where the next multi-million-selling artist or classical virtuoso will come from, and it is therefore important that young people and musicians have opportunities to develop their talent irrespective of their socioeconomic background.

Music education

94. While not all professional musicians will necessarily have studied a formal musical education, learning an instrument and how to read music from a young age is a fundamental requirement for a career in certain disciplines. Music is compulsory in the national curriculum up to the age of 14; however, we have heard concerns about a “policy clash” in music education, with the consequences of the English Baccalaureate, the rights of Academies to diverge from the national curriculum and local authority funding cuts leading to a “postcode lottery” in the quality of music education.¹⁷⁸

176 [“Rock star Noel Gallagher talks about why Scotland has always been at the heart of his career”](#), *Daily Record*, 26 April 2016

177 [Q260](#)

178 [Musicians’ Union](#) (LMU 0037), [UK Music](#) (LMU 0047) and [Cornwall Music Service Trust](#) (LMU 0060)

The music curriculum

95. A modern music curriculum, closely integrated with the needs of the industry and the opportunities it can provide, is crucial to maximising the impact of music education. We heard concerns from both ends of the spectrum that the current curriculum risks alienating young people by not responding to contemporary genres and production methods, and that expertise in certain classical instruments is at risk of dying out if children do not learn them.¹⁷⁹

96. Music education can also equip young people to perform the whole spectrum of jobs in the music industry.¹⁸⁰ DJ Target, who remembered his school music lessons being a “sanctuary”, told us:

Music in schools does not just need to be about learning an instrument, because in 2018 there are probably 50 times the number of jobs than there were in the 1980s or 1990s [...] You could be a videographer who makes music videos. You could be somebody who is a technician or a sound engineer. There are probably hundreds of jobs that fall within the music industry and I think we should be opening kids’ brains up to that at an early age.¹⁸¹

Many of the jobs in the industry offer attractive prospects for international travel and access to high-profile events; however, there is a risk of a talent drain to other technical industries if young people are not made aware of such opportunities. We were told:

If we take out the spur that showed them that they were interested in music, they will go and get jobs elsewhere. They have lots of access to the gaming industry, they have lots of access to online attractions and entertainment, where is their access to music if you take it out of schools?¹⁸²

Venues can play a role in this, as evidenced for example by the work of the Roundhouse in north London, which uses its position “outside of a formal education setting” to engage “hard-to-reach young people” through training or access to subsidised facilities.¹⁸³

97. In evidence to our current inquiry into the ‘Social Impact of Participation in Culture and Sport’, the Minister of State for School Standards, the Rt Hon Nick Gibb MP, indicated that the Government will launch a project focused on improving the standard of the compulsory arts curriculum, including music, to ensure more students are equipped and motivated to study these subjects into GCSE.¹⁸⁴ In January 2019, the Department for Education announced that an independent panel of experts from the education and music professions will work to produce a model music curriculum for key stages 1, 2 and 3 that supplements, and is consistent with, the programmes of study in the national

179 [Qq246, 293](#) [Jeff Horton and Lucy Noble]

180 Music education also has many wider benefits for schools and pupils, as we will explore in greater depth in our report into the ‘Social Impact of Participation and Sport’.

181 [Qq317, 323](#)

182 [Q247](#) [Mark Davyd]

183 [The Roundhouse](#) (LMU 0041)

184 Oral evidence taken on 12 December 2018, HC (2017–19) 734, [Qq278, 313](#)

curriculum.¹⁸⁵ It is very important that the role of music in the life of schools is valued by the inspection regime—too little credit is given to teachers who support music in schools, often in their own time.

98. **We welcome the Government’s intention to review the music curriculum. *The Government’s independent expert panel should engage musicians from different genres, stakeholders from across the music industry, and young people to ensure the new model music curriculum reflects how people make and consume music in the modern age, as well as the industry’s skills-needs now and into the future.***

The impact of the EBacc

99. The English Baccalaureate is a school performance measure announced in 2010 by the then Secretary of State for Education, the Rt Hon Michael Gove MP. It is a combination of subjects that the Government considers important for young people to study at GCSE: English language and literature; maths; the sciences; geography or history and a language. It does not include arts or technical subjects. The Government’s aim is for 90% of GCSE pupils to choose the EBacc subject combination by 2025.¹⁸⁶

100. The Schools Minister has been keen to stress that, despite fluctuations, the numbers of students taking GCSE and A-level music have remained broadly stable since the introduction of the EBacc.¹⁸⁷ However, many in the music and teaching professions perceive the EBacc’s impact on music education to have been more damaging. A University of Sussex survey found that 59% of nearly 500 schools surveyed thought the EBacc has a negative impact on the provision and uptake of music (compared to 2.5% who considered it to be having a positive impact).¹⁸⁸ Likewise, more than 200 organisations have signed the Incorporated Society of Musicians’ ‘Bacc for the future’ campaign asking for the policy to be reviewed and consideration given to the inclusion of arts subjects.¹⁸⁹

101. The Minister for Digital and the Creative Industries says she considers the decline in the provision of music education “very concerning”, but has suggested that it should not be attributed entirely to the EBacc.¹⁹⁰ Indeed, evidence from the Cornwall Music Service Trust, which works across 80% of Cornwall’s schools and is the largest strategic and delivery partner for the Cornwall Music Education Hub, suggested that Academies’ autonomy to devise their own curriculums and pressures on school finances also present challenges to the provision of music education.¹⁹¹ As schools experience pressures on their budgets, it follows that they will prioritise subjects against which they are measured and cut subjects that are less in demand. As the BPI highlighted, this makes music particularly “vulnerable to cuts as it sits outside core subjects but does not have as many entrants at GCSE level.”¹⁹²

102. Despite the Schools Minister’s assertion that “the EBacc is about social mobility”, the way it works in practice unduly impacts on pupils from deprived backgrounds, or those

185 [“Government backs young musicians”](#), Department for Education press release, 11 January 2019

186 Department for Education, [English Baccalaureate \(EBacc\)](#), accessed 13 December 2018

187 Oral evidence taken on 12 December 2018, HC (2017–19) 734, [Q292](#)

188 University of Sussex, [Changes in Secondary Music Curriculum Provision over time 2016–18/19](#), (October 2018)

189 [Bacc for the future](#), accessed 13 December 2018

190 [Qq420–21](#)

191 [Cornwall Music Service Trust](#) (LMU 0060)

192 [BPI](#) (LMU 0045)

with lower attainment.¹⁹³ The Minister for Digital and the Creative Industries told us that as the EBacc covers only a limited number of subjects, it leaves pupils free to study arts and creative subjects in their remaining discretionary GCSE options.¹⁹⁴ However, Cambridge Assessment’s research has consistently found that pupils living in areas with higher levels of income deprivation, and those with lower attainment, are less likely to study more than seven GCSEs than pupils living in areas with lower levels of deprivation, or higher attainers.¹⁹⁵ Likewise, the Musicians’ Union told us:

The EBacc poses the biggest threat to the education of children from lower socioeconomic backgrounds, while hubs have a limited amount of funding and cannot pick up the slack for these children.¹⁹⁶

103. In 2013 our predecessor Committee recommended in its report on ‘Supporting the creative economy’ that arts be included in the list of approved EBacc subjects, and the concerns we have heard during this inquiry suggest the need is no less pressing now. We repeat the call for arts subjects to be added to the EBacc to ensure all students benefit from a creative education at GCSE.

The work of Music Education Hubs

104. In 2011, the National Plan for Music Education was published by the Department for Education and the then Department for Culture, Media, and Sport. It set out the plan for Music Education Hubs, stating:

Schools cannot be expected to do all that is required of music education alone: a music infrastructure that transcends schools is necessary [...] Hubs will augment and support music teaching in schools so that more children experience a combination of classroom teaching, instrumental and vocal tuition and input from professional musicians.¹⁹⁷

Arts Council England invests £75 million per annum from the Department for Education in 120 Music Education Hubs.¹⁹⁸ The Government has stated that, in 2016–17, more than 700,000 children were taught to play a musical instrument through the hubs, and 89% of schools benefitted from their support.¹⁹⁹ However, as Darren Henley acknowledged, assessment of Hubs’ effectiveness should be “about quality and not just quantity”.²⁰⁰ Therefore, although the figures for overall engagement are welcome, it is concerning to hear about “postcode lotteries” in the quality of Hubs’ provision.²⁰¹

193 Oral evidence taken on 12 December 2018, HC (2017–19) 734, [Q292](#)

194 [Q421](#)

195 Cambridge Assessment, [Uptake of GCSE subjects 2016: Statistics Report Series No. 114](#), (August 2017)

196 [Musicians’ Union](#) (LMU 0037)

197 Department for Education and Department for Culture, Media and Sport, [The importance of music: a national plan for music education](#), (25 November 2011) p 10

198 [Arts Council England](#) (LMU 0062)

199 [“Record numbers learning instruments in class thanks to music hubs”](#), Department for Education and Arts Council England press release, 24 October 2018

200 [Q419](#)

201 [Q314](#)

105. It has been suggested that the lack of understanding about where provision is good and where it needs to be improved is partly due to the quality of data that Hubs are required to record and report back to Arts Council England. The Cornwall Music Service Trust states that:

with little guidance from Arts Council England or the DfE on best practice, results are patchy, and dependent on individual practitioner skills, rather than a systematic national development based on research and sharing best practice.²⁰²

Although musician Tom Gray from Gomez cautioned against evaluation falling unfairly on under-resourced services, he emphasised the need for a robust, national overview of the state of music education:

What is hard when you are talking about this stuff is that nobody knows. Nobody knows if one music hub is completely failing and another one is doing a good job. No one knows what schools are giving music and what schools are not giving music. No one knows and I think it is brutal and kind of pathetic.²⁰³

In response to these concerns, Darren Henley confirmed that the Arts Council is investing its own money “to build quality measures” into the Hub system.²⁰⁴ The Schools Minister also informed us of the Government’s intention to extend the National Plan for Music Education beyond 2020, and to assess the effectiveness of the current plan before doing so.²⁰⁵

106. Music Education Hubs are a valuable resource and we welcome the Government’s commitment to extending the National Plan for Music Education beyond 2020. However, we are concerned that not enough is known about how provision varies between Hubs and not enough emphasis is put on sharing best practice. As part of its review into the effectiveness of the existing National Plan for Music Education, the Government should conduct a thorough study of where provision by Hubs is good and where it could be improved. We recommend that any future plan ensures all Hubs have sufficient financial resources and workplace expertise to perform high quality evaluation of their work and impact, and that improved processes are in place to monitor performance and share best practice.

Sustainable income streams

107. As we discussed in Chapter 1, despite the wealth generated by the music industry, and the importance of live music to musicians’ income, many still struggle to make a living from playing live. Ben Lovett, whose band Mumford & Sons toured the grassroots circuit extensively before releasing their Grammy Award-nominated debut album, told us that the band worked day jobs “for a long time” until the music started to pay. He highlighted the strangeness of “working just to be able to support your career” and argued that “there are not many industries where we are trying to encourage growth in a sector

202 [Cornwall Music Service Trust](#) (LMU 0060)

203 [Q318](#)

204 [Q419](#)

205 Oral evidence taken on 12 December 2018, HC (2017–19) 734, [Q295–98](#)

where we are saying, ‘Oh, at the same time do you guys mind spending 40 hours a week doing something else?’”²⁰⁶ Similarly, many musicians rely on financial support for family and friends, leading UK Music to state:

We do not want the music industry to become the preserve of the bank of Mum and Dad.²⁰⁷

108. The way that record labels invest in talent development has changed, which has impacted artists’ income streams. Tom Gray told us that development deals, which would pay artists to tour and hone their craft, disappeared in the mid-2000s and that labels’ financial support for musicians doing loss-making tours has also declined. He argued that for major labels “the idea of long-term investment in their own pipeline has more or less disappeared.”²⁰⁸ The Head of Music at the Roundhouse suggested that dominant players are not investing in talent development since rather than “looking for a long-term investment for the artist, they are looking for what their shareholders will see at the end of a year.”²⁰⁹ In these circumstances, she worries “about how we recreate that support system for young emerging artists.”²¹⁰

109. It is in the industry’s own long-term interests to support the talent pipeline, even if doing so does not deliver immediate returns. Yet we asked whether enough of the money generated by the music industry finds its way down to the grassroots and were told: “It is a flat no and there is no mechanism for that.”²¹¹ For example, DHP Family questioned whether PRS for Music does enough to support the grassroots, observing that “many small bands never even collect PRS, but small venues are still forced to pay. In essence small local bands and venues are subsidising the likes of Elton John and Bruno Mars.”²¹² The Minister suggested that a comparison may be drawn with how other industries support talent development:

In the same way as we expect football and the premiership to do more for grassroots football, perhaps we could expect the pop music industry to do more for grassroots music.²¹³

110. Consideration should be given to the role that major music businesses could play in helping to develop the production and performing artist talent that they will later come to rely upon. In football, the Government through Sport England, along with the Football Association and the Premier League, jointly fund the improvement of community facilities through the Football Foundation. Further to this, professional clubs in the top three divisions in England fund the identification and development of young talent, aged from eight to 18, through the Elite Player Performance Plan. Similar schemes could be developed in the creative sector and funded either through the Arts Council or a new body, which could work independently of both Government and the industry, but receive financial support from them. The Music Venue Trust is already championing such an approach by asking leaders in its sector to sign up to support a proposed Pipeline Investment Fund.²¹⁴

206 [Q232](#)

207 [Q296](#) [Tom Kiehl]

208 [Q307–8](#)

209 [Q340](#) [Jane Beese]

210 [Q313](#) [Jane Beese]

211 [Q339](#) [Tom Gray]

212 [DHP Family](#) (LMU 0051)

213 [Q392](#)

214 Music Venue Trust, [Music Venue Trust Launches Pipeline Investment Fund Challenge](#), (18 October 2018)

111. The online streaming of music through platforms such as YouTube and Spotify is also integral to this problem. The digital age provides significant opportunities for artists to distribute their music and reach new audiences; however, the move away from physical sales, and the relatively low remuneration paid by streaming sites, means both labels and musicians struggle to make sufficient returns from their creative output. The International Federation of the Phonographic Industry argues that there is a “value gap” in that:

User upload services, such as YouTube, are heavily used by music consumers and yet do not return fair value to those who are investing in and creating the music.²¹⁵

Likewise, UK Music has called on YouTube to do “fairer deals” and argues that:

The ability for creators to make ends meet is compounded by YouTube. It is the most popular music service in the world, but due to the shameful rates the Google-owned service pays a track needs to be streamed over 50 million times before artists can earn the average UK wage.²¹⁶

112. The Minister for Digital and the Creative Industries stated that she is not satisfied with the current remuneration that platforms offer artists. However, she acknowledged that there have been some improvements and welcomed the European Copyright Directive as “a means of getting artists greater remuneration and greater control over their rights.”²¹⁷ Likewise, the Musicians’ Union told us:

The Copyright Directive would be helpful. It is about the money filtering through from Google down to the performer and not getting stuck either at the top of the chain or when it hits labels and publishers and they only pay out a tiny percentage to the artists on their books.²¹⁸

113. Structural problems within the music industry limit artists’ ability to earn a sustainable income, and that in turn risks excluding sections of society from a career in music. The industry needs to ensure a greater proportion of its revenues is channelled into supporting artists at the early stages of their careers. We recommend that the Department for Digital, Culture, Media and Sport and UK Music convene a taskforce this year comprised of musicians’ representatives and corporate stakeholders to explore how the industry may be supported and incentivised to invest more effectively in supporting grassroots talent.

Accessing employment opportunities after Britain leaves the European Union

114. Many in the industry are concerned about the potential impact of Britain leaving the European Union on musicians’ ability to make a living from touring. More than one-third

215 International Federation of the Phonographic Industry, [CONNECTING WITH MUSIC: Music consumer insight report](#), (September 2017), p 3

216 UK Music, [Securing the Talent Pipeline](#), (September 2018), p 3 and p 12

217 [Q366](#)

218 [Q339](#) [Naomi Pohl]

of musicians who responded to surveys by the Incorporated Society of Musicians stated that they receive half, or more than half, of their income from working in the EU.²¹⁹ Tom Gray explained how the touring landscape has changed over recent decades:

People think that because back in the 1960s people used to tour in Europe it was fine, but here is the thing: there used to be a massive national touring circuit in the UK. You could do 60 to 70 shows regionally and build up and grow and get big enough that you had enough money to be able to go to Europe. You had already made it, effectively, when you left the country. But that has disappeared now. People have made Europe part of their low-level touring system, so if you are a young band, you will do five gigs around the country and then you will go to Benelux and Germany, but that is going to go. You are going to scythe off half their income.²²⁰

Often job opportunities in the industry come up at short notice, and leading cultural institutions such as the Southbank Centre are concerned that complicated visa arrangements could impact their ability to book talent at the last minute.²²¹

115. Many are therefore calling for the introduction of an EU-wide touring visa, which will be “affordable, multi-entry [and] admin-light” to enable musicians to tour easily after Brexit.²²² The arrangements for moving musical equipment around Europe are just as urgent, and there is a concern that the reintroduction of temporary customs documents, or carnets, could lead to increased costs and bureaucracy that “would have a crippling effect on bands”.²²³ Similarly, the Production Services Association cautioned that a quota system for road haulage “would force any tours in the EU to choose suppliers from outside our borders,” which would mean that “the rock ‘n roll trucking business, invented in the UK, would be lost forever”.²²⁴

116. Ensuring frictionless travel for musicians, touring personnel and their equipment is essential for musicians to continue to access work opportunities abroad, and for foreign artists to tour to the UK. We support the industry’s calls for the introduction of an EU-wide touring visa, which the Government should pursue in its future relationship with the European Union. We also urge the Government to resist any arrangements that would result in the reintroduction of temporary customs documents for touring equipment.

117. We have also heard about the potential impact of changes to the UK’s immigration policies on the music workforce. Trinity Laban Conservatoire of Music and Drama told us that around 20% of conservatoire students and 10% of total conservatoire staff come from mainland Europe—with the proportion of teaching staff coming from the EU “considerably higher”. Moreover, it says that “the input from EU teachers is vital in supporting UK students who wish to establish careers in mainland Europe.”²²⁵

118. The Department for Digital, Culture, Media and Sport told us:

219 Incorporated Society of Musicians, [Musicians and Brexit](#), (July 2018), p 2

220 [Q354](#)

221 [Southbank Centre](#) (LMU 0063)

222 Musicians’ Union, [Concerned About Your Right to Work in the EU Post-Brexit? Ask Your MP & Devolved Representatives to Back Musicians](#), accessed 15 October 2018

223 [The Live Music Forum](#) (LMU 0054)

224 [Production Services Association](#) (LMU 0064)

225 [Trinity Laban Conservatoire of Music and Dance](#) (LMU 0081)

We are carefully considering a range of options for the future immigration system and will make decisions on the future immigration system based on evidence and engagement. That is why we have asked the independent Migration Advisory Committee to advise on the economic and social impacts of the UK's exit from the EU. The Government will have plenty of time to take account of the MAC's advice when making any final decisions about our future immigration system, which would not be implemented until 2021.²²⁶

However, when the Migration Advisory Committee published its report in September 2018, it made no explicit mention at all of the creative industries and cultural workers, let alone specific sub-sectors such as music and film—a situation UK Music described as “very disappointing”.²²⁷

119. The Migration Advisory Committee did, however, recommend that the annual salary threshold of £30,000 for tier 2 visas for skilled workers be retained.²²⁸ In its White Paper on “The UK's future skills-based immigration system”, the Government did not commit to retaining this salary level, but said it would “engage businesses and employers as to what salary threshold should be set.”²²⁹

120. In our inquiry on ‘The potential impact of Brexit on the creative industries, tourism and the digital single market’, we concluded “that salary levels are a crude proxy for value and fail to recognise the central role that workers from the EU and beyond play” and recommended “that the Government explores ways in which commercial value, and value to specific sectors of the economy, can be factored into the UK's post-Brexit immigration system.”²³⁰ The evidence to this inquiry supports that conclusion. The Musicians' Union told us that the majority of its members earn less than the threshold for a skilled worker:

Even if you are employed full time in an orchestra, you might be on less than £30,000 a year. They are the most stable jobs that musicians are likely to have and they are funded organisations.²³¹

Tom Gray argued that the loss of touring opportunities, combined with the salary requirements, would put musicians in a “Catch-22” situation:

If you cut off half of somebody's income and they are already below and they are getting half their income from Europe, how is that going to work?²³²

121. Given the Migration Advisory Committee's failure to mention the creative industries in its report, it is important that the Government gives due consideration to the needs of the creative industries when formulating its post-Brexit immigration policy. We welcome the fact that the Government will undertake further consultation before deciding on the salary threshold for skilled workers; however, we maintain the view that salary is not an accurate reflection of value to the country's cultural life or

226 [Department for Digital, Culture, Media and Sport \(LMU 0055\)](#)

227 [Q298](#)

228 Migration Advisory Committee, [EEA migration in the UK: Final report](#), (September 2018)

229 Home Office, The UK's future skills-based immigration system, [Cm 9722](#), December 2018, p 16

230 Digital, Culture, Media and Sport Committee, Second Report of Session 2017–19, [The potential impact of Brexit on the creative industries, tourism and the digital single market](#), HC 365, para 53

231 [Q357](#) [Naomi Pohl]

232 [Q357](#)

economy. We repeat our call for the Government to develop an immigration policy that recognises the broader contribution individuals make, beyond their salary level. We also ask the Government to detail in its response to this report how it will engage with the music industry and consider the industry's views in the formulation of its immigration policy.

Appendix 1: Visits in support of the inquiry

During this inquiry, we undertook the following visits to gather informal evidence and gain greater insight into the workings of the industry:

- Royal Albert Hall (9 May 2018): we heard from the Chief Executive Craig Hassall AM and the President of the Council Jon Moynihan OBE, and were shown around the venue's performance and backstage facilities. We heard about the Hall's governance structures and development plans, as well as the way it uses unusual spaces such as the loading bay for performances.
- Sunderland (9–10 July 2018): we met the then Chief Executive of Sunderland City Council, Irene Lucas CBE, and representatives of the city's Music, Arts and Culture Trust. We visited the MAC Quarter, which has received funding from the Heritage Lottery Fund, Arts Council England and the local council to develop performance spaces. We also visited the Sunderland Empire and heard from its creative learning department, which partners with the local Music Education Hub.
- Royal Opera House (5 December 2018): we met Chief Executive Alex Beard CBE, who showed us around the venue's newly reopened public spaces. Those include the renovated Linbury Theatre and its foyer, which hosts free lunchtime recitals.

Conclusions and recommendations

The live music success story

1. Live music is a valuable and vibrant part of the UK's culture; however, we cannot take its past success for granted, and must safeguard the industry and spread its benefits more evenly. Historically, this may not have been considered a role for central or local government because of the strength and profitability of the UK's music industry; however, there are practical ways in which policymakers and local authorities can support the sector. (Paragraph 18)
2. *We recommend the establishment of regional 'Music Boards', comprising representatives from the music industry, policymakers and other relevant stakeholders, to advocate for the live music sector and promote its interests in planning and policy decisions. We ask the Government to support the formation of such bodies through its devolution deals, or the Local Enterprise Partnerships in areas where no combined authorities have been established.* (Paragraph 19)
3. *We ask the Competition and Markets Authority to consider conducting a market study of the music industry to assess whether competition in the market is working effectively for both consumers and those working in the industry.* (Paragraph 20)
4. We welcome the abolition of the Metropolitan Police's form 696 following concerns that it unfairly targeted certain artists and audiences, but it is concerning to hear that prejudices against urban acts persist. *The Department for Digital, Culture, Media and Sport, Ministry of Housing, Communities and Local Government and the Home Office should work together to develop guidance for licensing authorities, police forces and music venues on how to collaborate on managing risks to ensure that urban music acts are not unfairly targeted.* (Paragraph 24)

Problems in the ticketing market

5. We welcome the changes that the Advertising Standards Authority and Competition and Markets Authority have secured to the business practices of some of the major secondary ticketing platforms; however, we regret that such time and public money is being spent on bringing the platforms, principally viagogo, into line with consumer law that they should have complied with from the outset. We believe that viagogo has yet to prove itself a trustworthy operator given its history of resisting compliance, court orders and parliamentary scrutiny, and flouting consumer law. We recognise that it will take the CMA time to prepare evidence on whether viagogo is compliant with the court order against it; however, we are concerned that while that work takes place, consumers remain vulnerable to the site's misleading sales practices. It is imperative that the CMA acts promptly and decisively to bring viagogo into line with consumer law and, until it does so, we advise the public not to buy or sell tickets via viagogo. (Paragraph 41)
6. StubHub and viagogo's ultimate compliance with consumer law should mitigate many of the problems that consumers have previously experienced; however, it would be naive to assume all problems will immediately cease. Indeed, this is recognised in

the primary market, which has the STAR Code of Practice and Alternative Dispute Resolution scheme, both of which are also needed in the secondary market. Fans need a quicker and easier process for dispute resolution; given that the ticketing market is the first stage in most fans' journeys, poor experiences risk blighting people's enjoyment of live music and draining even more money out of the industry. (Paragraph 46)

7. The Breaching of Limits on Ticket Sales Regulations 2018 are a welcome step in the fight against ticket touts; however, they are not the only solution to the harvesting of tickets. Robust enforcement, technological solutions and the work of primary platforms will be central to combatting the use of bots. *We request that in its response to this report the Government lays out how it intends to review the effectiveness of the regulations. We also ask the Government to publish a review of the regulations no later than 18 months from their coming into force, and for it to include how much has been spent by National Trading Standards on monitoring and enforcement activity related to the regulations.* (Paragraph 51)
8. This is a time of significant change in the ticketing market, as illustrated by Ticketmaster's new integrated platform; however, voluntary fan-to-fan exchange is not going to solve all the problems in the secondary market. Touting for profit, or harvesting tickets ahead of other consumers, is still a major source of consumer dissatisfaction. We recognise the industry's adoption of technological solutions such as digital ticketing or terms and conditions limiting resale; however, it is important that these are always exercised in the interests of consumers and are not used to stifle competition or unfairly penalise fans who have unknowingly bought tickets on resale sites. (Paragraph 54)
9. It is firstly the responsibility of the advertiser to ensure that they are complying with the advertising code and consumer protection law when marketing their goods and services to potential customers. However, media owners also have a responsibility to the audiences they serve. Google has repeatedly allowed ticket resellers to target customers with products that are being sold in breach of Google's own ad policies and UK law. It is time for companies such as Google to take more responsibility and act against such advertising, or else be considered to be knowingly making money out of fraudulent selling. (Paragraph 59)
10. *We ask the Government to set out the responsibilities of companies such as Google to ensure that adverts targeted at their users comply with UK consumer protection law. This should include what action these companies should take against the adverts themselves, and the advertisers. Ticket sellers found to be trading in breach of the law should be prevented from advertising. Companies such as Google should also face some sanction for failing to act against sellers in breach of the law.* (Paragraph 60)

Challenges facing music venues

11. The closure of music venues presents a significant and urgent challenge to the UK's music industry and cultural vibrancy. The Government has not acted promptly enough to stem the tide of these closures, which have been happening at a rate unprecedented in other cultural sectors for more than 10 years. The full impact of

these closures may not be felt immediately; however, there is a real threat that without access to spaces to hone their live craft, the next generation of musicians will struggle to maintain the UK's position at the forefront of the industry. (Paragraph 65)

12. Business rate rises and applying for associated reliefs place a financial and administrative burden on already over-stretched grassroots music venues and independent festivals. *The Government should immediately review the impact of recent business rates changes on the live music sector and introduce new, or extend existing, relief schemes, such as those for pubs or small retail properties, to lessen the burden of business rates on music venues.* (Paragraph 71)
13. We welcome the inclusion of the 'agent of change' principle in planning policy as there is a legal obligation on local authorities to comply with it; however, robust and consistent implementation of the principle nationwide is crucial for it to be of meaningful benefit to live music venues. Moreover, the principle does not address the full array of development pressures that live music venues experience. *We recommend that in the next legislative session the Government appoints a statutory consultative body to promote the protection of music venues, provide advice to local authorities on relevant planning applications and monitor how 'agent of change' is applied in practice around the country.* (Paragraph 76)
14. The Government is expected to produce post-legislative memorandums within three to five years of legislation gaining Royal Assent; however, we are yet to receive such a memorandum for the Live Music Act 2012. The Government needs to conduct thorough scrutiny of the impact of the Act this year. *We request that the Government supplies us with a full post-legislative memorandum for the Live Music Act 2012 before the end of this parliamentary session. We believe that the Government should amend the Act to extend its provisions to venues with a capacity over 500 and beyond 11pm and ask for the memorandum to consider these proposals and set out the Government's intentions for them. We also ask the Government to extend the creative industries tax relief to support other forms of music production, in addition to that already given for orchestral performances.* (Paragraph 85)
15. It is unsurprising that the live music sector has a history of under-engagement with Government and funding bodies, given the staffing constraints many venues face and the low rates of support for grassroots venues in Arts Council England's flagship funding programme. Nonetheless, we recognise that the current imbalance in funding is not sustainable and welcome ACE's commitment to engage with music venues and learn from its experiences with other sectors. *We ask that in its next ten-year strategy, the Arts Council makes explicit how it plans to redress the balance in funding for grassroots venues and contemporary music, with a view to securing the infrastructure and leadership that will enable them to maximise business opportunities.* (Paragraph 91)

Threats to the talent pipeline

16. While there are many different routes into a career in music, without access to an appropriate education, high-quality facilities or reliable income streams, people from a diverse range of backgrounds will struggle to build viable careers in the industry. It is impossible to know where the next multi-million-selling artist or

classical virtuoso will come from, and it is therefore important that young people and musicians have opportunities to develop their talent irrespective of their socioeconomic background. (Paragraph 93)

17. We welcome the Government's intention to review the music curriculum. *The Government's independent expert panel should engage musicians from different genres, stakeholders from across the music industry, and young people to ensure the new model music curriculum reflects how people make and consume music in the modern age, as well as the industry's skills-needs now and into the future.* (Paragraph 98)
18. In 2013 our predecessor Committee recommended in its report on 'Supporting the creative economy' that arts be included in the list of approved EBacc subjects, and the concerns we have heard during this inquiry suggest the need is no less pressing now. *We repeat the call for arts subjects to be added to the EBacc to ensure all students benefit from a creative education at GCSE.* (Paragraph 103)
19. Music Education Hubs are a valuable resource and we welcome the Government's commitment to extending the National Plan for Music Education beyond 2020. However, we are concerned that not enough is known about how provision varies between Hubs and not enough emphasis is put on sharing best practice. *As part of its review into the effectiveness of the existing National Plan for Music Education, the Government should conduct a thorough study of where provision by Hubs is good and where it could be improved. We recommend that any future plan ensures all Hubs have sufficient financial resources and workplace expertise to perform high quality evaluation of their work and impact, and that improved processes are in place to monitor performance and share best practice.* (Paragraph 106)
20. Structural problems within the music industry limit artists' ability to earn a sustainable income, and that in turn risks excluding sections of society from a career in music. The industry needs to ensure a greater proportion of its revenues is channelled into supporting artists at the early stages of their careers. *We recommend that the Department for Digital, Culture, Media and Sport and UK Music convene a taskforce this year comprised of musicians' representatives and corporate stakeholders to explore how the industry may be supported and incentivised to invest more effectively in supporting grassroots talent.* (Paragraph 113)
21. Ensuring frictionless travel for musicians, touring personnel and their equipment is essential for musicians to continue to access work opportunities abroad, and for foreign artists to tour to the UK. *We support the industry's calls for the introduction of an EU-wide touring visa, which the Government should pursue in its future relationship with the European Union. We also urge the Government to resist any arrangements that would result in the reintroduction of temporary customs documents for touring equipment.* (Paragraph 116)
22. Given the Migration Advisory Committee's failure to mention the creative industries in its report, it is important that the Government gives due consideration to the needs of the creative industries when formulating its post-Brexit immigration policy. We welcome the fact that the Government will undertake further consultation before deciding on the salary threshold for skilled workers; however, we maintain the view

that salary is not an accurate reflection of value to the country's cultural life or economy. *We repeat our call for the Government to develop an immigration policy that recognises the broader contribution individuals make, beyond their salary level. We also ask the Government to detail in its response to this report how it will engage with the music industry and consider the industry's views in the formulation of its immigration policy.* (Paragraph 121)

Formal minutes

Wednesday 6 March 2019

Damian Collins, in the chair

Clive Efford	Simon Hart
Julie Elliott	Ian C Lucas
Paul Farrelly	Jo Stevens

Draft Report (*Live music*), proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 121 read and agreed to.

Summary agreed to.

Annex agreed to.

Resolved, That the Report be the Ninth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No.134.

[Adjourned till Tuesday 12 March 2019 at 10.00 a.m.]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Wednesday 5 September 2018

Lucinda Brown, Venue Business Manager, Islington Assembly Hall, **Stuart Galbraith**, Chief Executive, Kilimanjaro Live, **Andrew Parsons**, Managing Director, Ticketmaster UK, and **Adam Webb**, Campaign Manager, FanFair Alliance

[Q1–104](#)

Wayne Grierson, UK Managing Director, StubHub

[Q105–223](#)

Wednesday 10 October 2018

Mark Davyd, Chief Executive, Music Venue Trust, **Jeff Horton**, Owner, 100 Club, **Ben Lovett**, Member of Mumford & Sons and founder of Omeara, and **ShaoDow**, Musician

[Q224–259](#)

Tom Kiehl, Deputy Chief Executive and Director of Public Affairs, UK Music, **Lucy Noble**, Artistic and Commercial Director, Royal Albert Hall, and **Michele Phillips**, Area Manager, DHP Family

[Q260–305](#)

Tuesday 30 October 2018

Jane Beese, Head of Music, The Roundhouse, **Tom Gray**, Member of Gomez, **Naomi Pohl**, Assistant General Secretary, Musicians' Union, and **DJ Target**, DJ and author

[Q306–358](#)

Wednesday 5 December 2018

Margot James MP, Minister for Digital and the Creative Industries, and **Darren Henley OBE**, Chief Executive, Arts Council England

[Q359–445](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

LMU numbers are generated by the evidence processing system and so may not be complete.

- 1 Agutter, Ms Kirsteen ([LMU0009](#))
- 2 Alexander, Mr John ([LMU0013](#))
- 3 Arts Council England ([LMU0062](#))
- 4 The Association of Independent Festivals (AIF) ([LMU0042](#))
- 5 Association of Secondary Ticket Agents (ASTA) ([LMU0031](#))
- 6 Barry, Mr Barry ([LMU0029](#))
- 7 BPI ([LMU0045](#))
- 8 British Entertainment Industry Radio Group ([LMU0032](#))
- 9 CAA ([LMU0049](#))
- 10 Cornwall Music Service Trust ([LMU0060](#))
- 11 Crossland, Andrew ([LMU0014](#))
- 12 Cunnane, John ([LMU0079](#))
- 13 Cunnane, John, supplementary evidence ([LMU0089](#))
- 14 Dale, Mr Paul ([LMU0016](#))
- 15 Department for Digital, Culture, Media and Sport ([LMU0055](#))
- 16 Department for Digital, Culture, Media and Sport, supplementary evidence ([LMU0087](#))
- 17 Department for Digital, Culture, Media and Sport, further supplementary evidence ([LMU0088](#))
- 18 DHP Family ([LMU0051](#))
- 19 Fair Ticket Solutions Inc. ([LMU0048](#))
- 20 Fair Ticketing Alliance ([LMU0070](#))
- 21 FanFair Alliance ([LMU0044](#))
- 22 Fast Entertainment Ltd T/A The Fulford Arms ([LMU0036](#))
- 23 Gray, Mrs Melissa ([LMU0004](#))
- 24 Hart, Terry ([LMU0023](#))
- 25 Hayter, Baroness Dianne ([LMU0026](#))
- 26 Incorporated Society of Musicians (ISM) ([LMU0073](#))
- 27 Institute of Economic Affairs ([LMU0075](#))
- 28 Jeffery, Katy ([LMU0052](#))
- 29 Johnston, Mr Ronald ([LMU0005](#))
- 30 King, Gerry ([LMU0071](#))
- 31 Laverick, Carl ([LMU0065](#))
- 32 Live Music Exchange ([LMU0067](#))

- 33 The Live Music Forum ([LMU0054](#))
- 34 Live Music Now ([LMU0059](#))
- 35 Making Music ([LMU0066](#))
- 36 Martin, Miss Karen ([LMU0012](#))
- 37 Massey, Mrs Anne ([LMU0011](#))
- 38 Mathieson, Brian ([LMU0003](#))
- 39 Mayor of London ([LMU0069](#))
- 40 Mcdonald, Mr Charles ([LMU0020](#))
- 41 Merry, Allan ([LMU0040](#))
- 42 Music Education Council ([LMU0053](#))
- 43 Music Venue Trust ([LMU0022](#))
- 44 Musicians' Union ([LMU0037](#))
- 45 O'Byrne, Mrs Christine ([LMU0025](#))
- 46 Perkins, Mr Richard ([LMU0007](#))
- 47 Production Services Association ([LMU0064](#))
- 48 Roetgering, Tom ([LMU0035](#))
- 49 Rose, Mr Graham ([LMU0027](#))
- 50 Roundhouse ([LMU0041](#))
- 51 Royal Albert Hall supplementary evidence ([LMU0083](#))
- 52 Rozbicka and Michael D. Conroy, Dr Patrycja ([LMU0077](#))
- 53 Sarah Toomey and Olly Toomey ([LMU0086](#))
- 54 Save London Music Campaign ([LMU0002](#))
- 55 Sneaky Pete's ([LMU0076](#))
- 56 Society of London Theatre and UK Theatre ([LMU0043](#))
- 57 Society of Ticket Agents and Retailers (STAR) ([LMU0038](#))
- 58 Sound and Music ([LMU0072](#))
- 59 Southbank Centre ([LMU0063](#))
- 60 Spencer, Clive ([LMU0001](#))
- 61 StubHub ([LMU0033](#))
- 62 StubHub, supplementary evidence ([LMU0084](#))
- 63 Thomas, Mrs and Mr Jen and Rob ([LMU0019](#))
- 64 Ticketmaster, supplementary evidence ([LMU0085](#))
- 65 TicketSwap ([LMU0030](#))
- 66 Trinity Laban Conservatoire of Music and Dance ([LMU0081](#))
- 67 Turnham, Ms Claire ([LMU0068](#))
- 68 UK Music ([LMU0047](#))
- 69 University of Sheffield ([LMU0034](#))
- 70 viagogo ([LMU0061](#))

71 viagogo, supplementary evidence ([LMU0082](#))

72 Waterson, Michael ([LMU0078](#))

73 Wiggins, Mrs Patsy ([LMU0008](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2017–19

First Report	Appointment of the Chair of Ofcom	HC 508
Second Report	The potential impact of Brexit on the creative industries, tourism and the digital single market	HC 365 (HC 1141)
Third Report	Appointment of the Chair of the Charity Commission	HC 509 (HC 908)
Fourth Report	Combatting doping in sport	HC 366 (HC 1050)
Fifth Report	Disinformation and 'fake news': Interim Report	HC 363 (HC 1630)
Sixth Report	BBC Annual Report and Accounts 2017–18: Equal pay at the BBC	HC 993
Seventh Report	BBC Annual Report and Accounts 2017–18: Equal Pay at the BBC: BBC Response to the Committee's Sixth Report of Session 2017–19	HC 1875
Eighth Report	Disinformation and 'fake news': Final Report	HC 1791
First Special Report	Appointment of the Chair of the Charity Commission: Government Response to the Committee's Third Report of Session 2017–19	HC 908
Second Special Report	Combatting doping in sport: Government Response to the Committee's Fourth Report of Session 2017–19	HC 1050
Third Special Report	Failure of a witness to answer an Order of the Committee: conduct of Mr Dominic Cummings	HC 1115
Fourth Special Report	The potential impact of Brexit on the creative industries, tourism and the digital single market: Government Response to the Committee's Second Report of Session 2017–19	HC 1141
Fifth Special Report	Disinformation and 'fake news': Government Response to the Committee's Fifth Report of Session 2017–19	HC 1630