



***PRS for Music* Popular Music Concerts Tariff 'LP' consultation**

Arts Council England response

29th September 2015

In summary:

- Potential proposals for change to the LP Tariff should take into account the possible negative effects that will be felt across smaller venues and festivals, as well as larger, charitable and local authority-run organisations.
- Business models across the live music ecology are widely varied and the 'ancillary' costs outlined in the consultation guidance are not always applicable to smaller music venues, festivals and performing arts venues.
- The collection of royalties and remuneration of artists should be viewed as a part of sustaining a vibrant music and performing arts ecology. The impact of change to the LP Tariff on those who support talent development and showcase new talent must be considered.

Introduction

Arts Council England's mission is 'great art and culture for everyone' and we work to achieve this by championing, developing and investing in arts and cultural experiences that enrich people's lives, enabling new artistic developments, realising talent, and championing culture in public policy. As the national development agency for the arts, museums and libraries, we support a range of activities from theatre to music, reading to dance, photography to digital art, carnival to crafts. We support and invest in high quality arts practice and the best emerging practitioners whom we believe are the backbone of a dynamic creative economy.

We recognise and value the important role that *PRS for Music* plays in representing the rights of over 110,000 musicians, composers, song-writers and publishers across the UK. The royalties it collects and distributes is a vital part of any musician's income, ranging from the emerging artist¹ to the internationally renowned, and for that reason, *PRS for Music* is duly accountable to its members². Goal 1 of our strategy, *Great art and culture for everyone*³, sets out how we want to achieve excellence and develop talent across the arts and cultural sector. An example of this work is the Momentum Music Industry Talent Development Fund delivered in partnership with *PRS for Music*'s independent charitable body, PRS

¹ <http://livemusicexchange.org/blog/hidden-revenues-in-playing-unsigned-stages-on-the-festival-circuit/>

² <https://www.prsformusic.com/aboutus/ourorganisation/Pages/default.aspx>

³ http://www.artscouncil.org.uk/media/uploads/Great_art_and_culture_for_everyone.pdf

for Music Foundation (PRSF)⁴. We are keenly aware of the value of PRSF's music-creator focussed investment into the sector.

Proposals for change to the LP Tariff should take into account the possible negative effects that will be felt across smaller venues and festivals, as well as larger, charitable and local authority-run organisations

We are concerned that changes to the terms of the LP Tariff may have an unduly negative effect on music venues of all sizes. There are already concerns about its operation, including the £38 minimum fee and how this affects small capacity venues. Many smaller music venues, festivals and performing arts venues, as well as larger and local authority-run organisations already operate to tight profit margins in an increasingly challenging financial environment. Goal 3 of our strategy, *Great art and culture for everyone*⁵, sets out our vision for a resilient and sustainable arts and cultural sector. In 2014, Live Music Exchange published a report noting that the 'weakest point of the live music ecology is the small to medium independent venues'⁶. We have heard anecdotally that some are being forced to charge *PRS for Music* licensing costs to performers – often *PRS for Music* members - just to make ends meet. We are concerned about the nature of this practice for performers as well as organisations. We are keen that it does not continue but this may not be possible if the LP Tariff is set to increase.

Clearly there are existing challenges for music venues, festivals and performing arts venues that are not acknowledged in this consultation. Section 2.4 of the consultation guidance does not ask for evidence of how the current system impacts music venues, festivals and performing arts venues or how any changes might accrue more challenges, therefore impacting their ability to support the bedrock of the music industry and other performing arts sectors. The consequences of a potential change to the LP tariff should be evaluated in terms of the vital role charitable, local authority-run and not-for-profit organisations play in supporting the music and wider creative ecology. **We ask that PRS for Music consider how proposed changes to the LP Tariff will affect charitable and not-for-profit organisations.**

Business models across the live music ecology are widely varied and the 'ancillary' costs outlined in the consultation guidance are not available to many music venues, festivals and performing arts venues

The ancillary revenue streams outlined in Section 2.3 are often not available or applicable to smaller music venues, festivals and performing arts venues. Where these are available then we would be interested to know how changes to the LP Tariff could benefit artists. It is important, however, to explore this with caution and

⁴ <http://www.prsformusicfoundation.com/funding/momentum-music-fund/>

⁵ http://www.artscouncil.org.uk/media/uploads/Great_art_and_culture_for_everyone.pdf

⁶ <http://livemusicexchange.org/wp-content/uploads/The-Cultural-Value-of-Live-Music-Pub-to-Stadium-report.pdf>

to consider the hugely varied and nuanced make up and business models of an undeniably socially and economically valuable sector⁷. For example, many of our publicly funded National Portfolio Organisations (NPOs) programme a range of work, balancing commercially-orientated work with support for developing artists or experimental music genres.

Goal 2 of our strategy clearly outlines our mission to ensure that everyone has access to excellent arts and culture⁸. For that reason, we are keen to know how *PRS for Music* will model for the potential impact changes to the tariff may have on audiences who may be affected by increased ticket prices, booking fees or other costs.

The collection of royalties and remuneration of artists should be viewed as a part of sustaining a vibrant music and performing arts ecology. The impact of change on those who support talent development and showcase new talent must be considered.

Bearing in mind *PRS for Music's* need to represent the rights and interests of its members, we nonetheless urge you to consider the collection of royalties as one part of a music and performing arts ecology, whereby artists income is seen as contingent on a vibrant and well-supported live music sector. Arts Council England and the organisations we fund have a responsibility and a key role to play in developing the bedrock of talent that feeds this sector. **For that reason we are keen to be involved in future conversations around proposed changes to this and any other tariffs.**

We recommend that the next stage of consultation should propose models for changes to the LP Tariff. We request that it acknowledges the huge variety of organisations that are subject to the LP Tariff and proposes how these organisations will be fairly charged for presenting live music. Where possible, we also ask that attention is paid to those organisations that are being charged the LP Tariff but who present predominantly niche genres or improvised music – performers whose work is often not registered with *PRS for Music*.

PRS for Music are obliged to ensure that the licensing system is 'simple, efficient and fit for purpose'⁹. We hope that the complexity of the live music sector does not discourage *PRS for Music* from making appropriate changes to the LP Tariff that account for the variety of sizes of festivals and music and performing arts venues that it covers. We are keen that the implications for different business models and income streams of smaller organisations, festivals and local-authority run venues are considered when drafting proposals for changes to the LP Tariff.

⁷ <http://www.ukmusic.org/research/music-tourism-wish-you-were-here-2015/>

⁸ <http://www.artscouncil.org.uk/what-we-do/mission/>

⁹ <http://www.musicweek.com/news/read/concern-at-potential-prs-for-music-tariff-increase/061722>

As pressures on the live music and performing arts sector increase, we recommend that technological possibilities that reduce administration time and costs are embraced and that *PRS for Music* continue to work towards an ever more user-friendly, clear and transparent licensing system. Closer working with the sector is likely to have strong benefits for PRS for Music as well as artists and organisations.

To conclude, we are keen to ensure that we are involved in the next stages of this consultation. We would like to use this opportunity to offer our assistance to help *PRS for Music* gain a representative picture of the subsidised, charitable and non-subsidised live music economy and to shape an LP Tariff that reflects the value that a vibrant live music and performing arts economy has for its members.

For more information, please contact:

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