



Select Committee on the European Union

EU Home Affairs Sub-Committee

Uncorrected oral evidence: Brexit: movement of people in the fields of sport and culture

Wednesday 7 February 2018

10.40 am

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Members present: Lord Jay of Ewelme (The Chairman); Lord Crisp; Baroness Janke; Lord Kirkhope; Baroness Massey of Darwen; Baroness Pinnock; Lord Ricketts; Lord Watts.

Evidence Session No. 1

Heard in Public

Questions 1 - 10

Witnesses

I: Mark Pemberton, Director, Association of British Orchestras; Andrew Hurst, Chief Executive, One Dance UK; Horace Trubridge, General Secretary, Musicians' Union.

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Examination of witnesses

Mark Pemberton, Andrew Hurst and Horace Trubridge.

Q1 The Chairman: Thank you very much for coming to give evidence to us. We decided a little while ago that it would be good to do a short report on the implications of Brexit for the movement of people in the music industry and the sports industry. We are covering those two partly because, it seemed to us, there was a great deal of interest in both those subjects, and we really wanted to have a genuine spirit of inquiry to find out what the implications might be and how it would affect the industries concerned. Thank you very much indeed for coming and giving evidence to us.

Would you like to introduce yourselves to start with? We will then get going with some questions.

Horace Trubridge: My name is Horace Trubridge. I am the general secretary for the Musicians' Union. I became general secretary last year, but I have worked for the union for 28 years. I am a professional musician as well, and I have worked all over the world in bands, touring, and in studios.

Andrew Hurst: My name is Andrew Hurst. I am chief executive of One Dance UK. We are the industry body for the dance sector in the UK. We are a membership organisation, and we support everybody working in the dance sector. I am also an ex-professional dancer. I have travelled all over the world and have managed a number of different dance companies in this country.

Mark Pemberton: I am Mark Pemberton, director of the Association of British Orchestras, which represents professional orchestras and youth orchestras, but it has other categories of membership that embrace the wider classical music industry. We are an employers' association, so we look after the interests of the management in orchestras. Part of our remit is collective bargaining with the MU.

The Chairman: Thank you very much. That is a very good representation of the musical world. Is there anything that you would like to say by way of initial statement, or should we go straight into questions? It is entirely up to you.

Horace Trubridge: My Lord Chairman, I would just like to say that UK Music conducted a survey of people in the music industry and asked them if they thought that Brexit was going to be good for the industry. I am afraid that only 2% thought that it would be good for the industry, and 50% thought that it would have a detrimental effect on the UK music industry.

Andrew Hurst: I would echo that, in saying that 95% of our members expect Brexit to have a negative impact, sadly. I would say that Mark and I coincide in lots of similar scenarios, and the issues are pretty much the same for dance as they are for music and musicians, particularly the

organisations that Mark represents. There are many parallels with dance companies that tour all over Europe and beyond.

Mark Pemberton: We have gathered substantial evidence on what the practical impact on freedom of movement would be, and of customs controls, and how that might impact on touring, which has become ever more important to the financial viability of orchestras.

Q2 The Chairman: Those are all points that we will want to get into as we go through.

In a way, you have partly done this, but perhaps I could follow that up by asking you each to give a brief snapshot of the industry from your different perspectives, and to talk a little about how far the members you represent and the places you go to are outside the EU and about those that are inside the EU.

One of the things that we are trying to get our teeth into a little is how far Brexit is going to move people who are now within the EU into the sort of position that those who are outside it are in now, and how difficult that would be. If you could talk a little about that, it would be helpful.

Horace Trubridge: I will leave Mark to talk about orchestras. The MU has more than 30,000 members, and they are musicians who work predominantly in the EU.

The problem that we have concerning cultural and creative workers lies in getting people to understand their atypical work patterns. Most of them are freelance, for a start—they are not salaried workers. Much of the work that they do is speculative, inasmuch as it might not be for a payment at the end of the evening or the day; it might be to raise the profile of the music that they are working in, of their act or of their band.

Many of our members collaborate with other musicians and writers around Europe and around the world. In the south London Afrobeats movement, which is becoming quite a serious musical movement, people collaborate with all sorts of established musicians. Those African musicians come to the UK largely from France to work with UK musicians on collaborations in the studios and to do live work together. To tie that to some kind of offer of work is not always possible in our sector, I am afraid.

These cross-cultural activities are so important to the UK music industry in order for it to stay ahead of the game internationally with different genres of music.

The musicians who travel to do work abroad will often not just work in one country. They might go out and do a gig in Amsterdam, a gig in Paris and a gig in Berlin. They member-state-hop on a regular basis. If we had a situation where they were having to get visas for each of those separate gigs and, even worse, having to get their equipment through borders with carnets, as we had in the old days, it would basically make a lot of that impossible to schedule.

That is why our sector is so concerned about Brexit. We feel that cultural and creative workers should be seen as a distinct, atypical workforce, which needs a special treatment post Brexit. What we would obviously like to see is some kind of Europe-wide visa that they could use, so that they are not having to get separate visas for each member state. That would enable them to tour efficiently, as they do now.

Mark Pemberton: I will continue with the music theme. We have done a lot of research, prompted by the Migration Advisory Committee. We made a submission for the research that it is carrying out, as commissioned by the Home Office, and we had a round table with it a few months ago. We have a lot of data on what we know about the proportion of EU nationals. I was quite surprised that it was not higher: it was coming in at 8%.

The Chairman: It was what?

Mark Pemberton: So, 8% of the workforce, of the musicians, are EU nationals. I was expecting it to be higher, partly because it is very different in London from the rest of the country. There are London orchestras that have one-third of their musicians from other EU countries or, more usually, around 20% to 25%. Scotland, too, has a very high proportion, but it is much lower in the rest of England and in Wales.

London has a particular problem. That is also because of the different types of employment on offer. Some orchestras provide permanent employment, and they are recruiting permanent salaried musicians, who, for the non-EEA, are coming in under the points-based system. That has its own problems now in relation to the increased salary threshold. Now it has to be £30,000. Unfortunately—and I have to apologise to Horace for this—musicians starting out in a career in an orchestra are not earning £30,000 a year. We are highly skilled but not highly paid. Sometimes, the people at the Home Office do not understand that. They assume that high skills equals high pay, and it does not in the creative sector.

Within that workforce, there are a lot of freelancers. We have the salaried orchestras and the self-governing orchestras in London, which my Lord Chairman will know—for example, the LSO, which owns its own orchestra. They are technically self-employed. There is a fudge that we have to do with the Home Office to treat them as if they are employed to bring non-EEA members in, but at the moment there is complete freedom for EEA nationals to come and work in those orchestras.

Then there is the third layer, which is completely freelance. There are orchestras whose members do not live in the UK. They live in the Netherlands, particularly in the period instrument ensembles, where you are looking for somebody with a specialist skill and a specialist instrument, who may well not be located in the UK but will be coming in and out to do 50 concerts a year with that orchestra.

We have had 40 years of freedom of movement, which now informs the practice of orchestras, which would be impacted very badly were there to

be restrictions on artists coming in for single engagements and on the permanent workforce who are here on a regular basis.

The third part of it is about how we, in turn, tour into the EEA, ensuring that barriers are not erected for that, to mirror whatever we might be putting in here. We need to avoid restrictions to ensure that we can remain world leading.

We are underfunded. Our European competitors are getting 80% of their income as subsidy, against our 25% to 30%.

The Chairman: Did you say 80% as opposed to 25%?

Mark Pemberton: Yes. Our competitive advantage has to be quality, and we need to be able to recruit the very best, book the very best artists and employ the very best musicians to remain globally competitive.

The Chairman: Thank you. How about the dance industry? "Industry" is perhaps the wrong word.

Andrew Hurst: We are not particularly keen on that word.

There are more than 40,000 people working in the dance sector in the UK. As a membership organisation, our members vary from individuals, who are dancers, dance teachers, choreographers, managers and producers, to organisations. They range in scale from a small, local dance school or a project-based dance company right up to the very largest dance companies, including both Royal Ballet Companies, English National Ballet and Scottish Ballet, the vocational schools and higher education institutions that teach dance and the theatres and venues that produce, commission and present dance, including Sadler's Wells.

Our sectors both really rely on EU nationals in a variety of roles. We tend to focus this discourse on performers—the visible, public-facing workers in our sector. We would not be able to replace EU nationals in those roles from any other source. That is not possible.

The average proportion of EU nationals for our members is about 20%, although some smaller companies have much higher proportions of EU nationals working with them. UK nationals account for about half of most workers in these organisations.

About half of EU nationals are employed full-time and about a quarter part-time, and about a quarter work on a freelance or contract basis. As Mark said, there is a real need for us to have access to freelance workers. At the moment, they mostly come from the EEA. They can hop on a train or a plane and come here. Not only can they jump in to replace somebody at short notice, which is a problem that we often have due to casting, illness and what have you; they can also work on a project basis. There are lots of micro-businesses in our sector—very small organisations that rely on freelance workers.

Only the very largest organisations can afford to be registered sponsors to use visa nationals, so the vast majority of smaller organisations do not employ visa nationals, because they simply do not have the capacity or resources to cover the time and cost investment.

Lord Watts: So, at the moment, those small companies do not recruit outside the EU, because it is difficult for them to do so.

Andrew Hurst: They cannot afford to be registered visa sponsors.

Lord Watts: If a deal is not done specially for the creative industries, what will the effect be? Will it be that orchestras will downsize, or will there be fewer of them? What will the effect be on the remaining UK musicians? Are they likely to move to Europe to play with higher-quality musicians?

Horace Trubridge: My members are already moving to Europe, because they are worried about their future work. They want to be able to access the member states. They work there regularly. They want to collaborate with musicians from the member states. It is happening already, I am afraid. It is very difficult to see any sort of upside for the music industry in Brexit.

I am also extremely worried in that we already have massive problems getting musicians into America to work, for instance. Its visa system is extremely restrictive. If we end up with something similar to that in member states, we are going to be cast adrift as an island where our musicians will only be able to work domestically, and that is it.

Mark Pemberton: I would add, on downsizing, that, unfortunately, those pesky composers wrote works for 80 to 100 musicians, and we are stuck with what they wrote, so you have to have an orchestra of that scale.

What is the potential impact? Very clearly, we are reliant on a talent pipeline, and there are shortages at the moment of home-grown talent, which is filled by some talent from the EEA and some talent from outside the EEA. The talent from outside the EEA tends to be in what we would call principal positions. They are leading a section, or they are the concert master. That will tend to be the non-EEA people. The rest of the workforce, the rank and file, will be Brits and EEA nationals.

What are the consequences? There are graduates from our music conservatoires, and not all of them want to work in orchestras, so we will be drawing on a smaller pool. When there is a vacancy in an orchestra, there are 150 applicants for a principal oboe position, for instance, all of whom will be great oboists, and we have to see who emerges.

We do not know. There might be enough coming out of the British conservatoires, but equally, you have to track right back to where it all starts: music education. Are we giving children in the UK enough investment in their music education?

Andrew Hurst: And dance education.

Mark Pemberton: That inspires them to pursue it as a career. Becoming a musician requires you to do your grade 1 to 8, to get into a conservatoire and then to get into professional employment. It is a very tough and potentially expensive pathway.

Horace Trubridge: That is another Select Committee hearing, about music education—whenever you want to hold one.

Mark Pemberton: It is generational. If we want to replace the people we are recruiting from outside the UK with UK citizens, you are going to need a long transition period, with increased investment. At the moment, the investment allows each child to get access to instrumental tuition for one term in their time at school.

What if the talent is there? How are we going to enable it? Particularly as we are currently exercised by a lack of diversity in our orchestras, how are we going to remedy the challenge around being representative of British society and ensure that we can recruit within the UK? It needs adequate investment and a concentration on talent to get to the position at which we will very happily employ them in the future.

Q3 **Baroness Massey of Darwen:** Thank you for coming and for your very interesting expositions. I have a vested interest here, as I have a son and his spouse who are involved in the entertainment industry, although they are based in the United States—which is another story.

Could you say whether youth orchestras, youth opera groups and youth theatre are particularly at a disadvantage here? The talent that comes from the youth organisations is very important. Are they at a disadvantage?

Also, could you say briefly how, for example, bringing people in from Japan, North Korea or the States works? Is it really a nightmare, and is there a way of getting round it?

Horace Trubridge: I just need to echo Mark's words about music education and the fact that it is not available to people of certain socioeconomic classes, which is a disaster for the music industry—it really is. I have to say—and I am sorry to use the word—it is a disgrace, too.

Mark might wish to say something about youth orchestras. Many of those youth orchestras do work in Europe—they do gigs abroad. Of course, they will be affected in that way.

As regards non-EU musicians coming into the UK, there are various different ways that they can do that. There are different tiers that they can apply through. It is not easy. It is not as hard as it is to get a UK musician into America, but it is not easy.

Andrew Hurst: It is also quite expensive, and it requires the employer to be a registered sponsor in order to be able to employ visa nationals.

Horace Trubridge: That is right. Our major concern is that whatever system we employ post Brexit will be mirrored in the EU member states. That is what worries us most, because ours is quite tricky, so the French or Germans are likely to say, "Well, we'll employ exactly the same system as they use when our musicians want to go into the UK to work". That is a major concern.

Mark Pemberton: When a youth orchestra goes somewhere on tour, it is not going there to work. I am not envisaging any freedom of movement problems around a youth orchestra in the UK going to do a concert in Italy, because they are not working, so they will not be subject to work permit rules. It is more of a customs issue around tracking their instruments across a border, and their potential six-hour delays at Dover to get across. Freedom of movement is not really an issue, however.

There is an issue concerning youth orchestras around investment, particularly from local government, which has disappeared entirely. We are losing youth orchestras at the moment. Although, in England, the music education hubs are required to provide ensemble opportunities, that can be subject to interpretation. It is getting trickier and trickier to have youth orchestras motoring in every town and city in the UK providing those opportunities for talent to get the experience prior to going to conservatoire.

Q4 **Lord Crisp:** These are a fascinating set of insights. I want to pursue two factual points. First, for Mr Trubridge, you have 30,000 members, I think. Could you give us a breakdown between UK citizens, EU and others, if you have that?

Could I ask all of you: what size is the sector overall? How many people are we talking about overall, working as musicians, who are affected by these issues?

Horace Trubridge: UK Music does quite an extensive survey of the music industry every year, and it estimates that just under 90,000 musicians and composers are working in the UK. Among my members, I would say that probably 10% to 15% could be EU, although I cannot be precise, I am afraid—I will have to go back and get the figure for you—but that could be the proportion of non-UK EU nationals.

We do not, to my knowledge, have any non-EU members, because one of the considerations for joining the Musicians' Union is that you need to have a right to work in the UK.

That is pretty much the breakdown, but that is everything from bedroom grime artists through to principal clarinetists at the Royal Opera House or whatever. We have a very diverse membership. As I say, all of them rely to some extent on income from working outside the UK.

The Chairman: If you could write in regarding the question that Lord Crisp asked about how many are UK and how many are EU, that would be very helpful.

Horace Trubridge: I will get that information for you.

Andrew Hurst: We have some detailed case studies for some of the top dance companies in the UK, so you can see some more detailed information about the proportion of EU workers.

Mark Pemberton: We had 1,160 musicians as salaried employees, of whom 76 were EU nationals. There were just over 1,300 members of freelance orchestras—members having regular engagements—of whom 130 were EU nationals. The proportion is higher in the freelance sector than for those who are employed. In total, that is about 2,500 musicians.

Then, there are 10,000 casual engagements, or what we call extras and deputies—bulking up for the larger repertoire or replacing musicians who are ill or not rostered for that concert. That is 10,000 engagements—we do not know how many people that represents, because they are doing multiple gigs for a range of orchestras. That gives a sense: we are not talking about big numbers but, crucially, it is about the quality and what those EU nationals bring to the sound and excellence of that orchestra.

The Chairman: Thank you—that is very helpful.

Baroness Pinnock: I have lots of questions coming up through my mind at the minute. Do your numbers include vocalists?

Horace Trubridge: Yes—to some extent. We share that role with Equity, which has a lot of singers in membership, and we have a lot of singers in membership. Generally speaking, it is singers who are already in self-contained bands who would probably join us, whereas soloist singers would probably be members of Equity.

Baroness Pinnock: So, for performances that include an opera or something—

Mark Pemberton: Yes—they would be what we call artists, so the orchestra or the festival would be booking those artists to work with the orchestra, but we would not deem them to be regularly engaged by that orchestra. That is purely and simply on a concert-by-concert basis.

Baroness Pinnock: Often they are from the EU or beyond, are they not?

Mark Pemberton: Yes. I need to reinforce Andrew's point about emergencies. If a singer has lost their voice on the night and there is only one other singer who happens to know that repertoire, who can come in on the day—if we are unable to bring that person in at less than a day's notice, what happens?

Andrew Hurst: It does happen regularly in opera and ballet.

Baroness Pinnock: So, that will be the same with dance.

Andrew Hurst: Yes.

Baroness Pinnock: Sorry, Lord Chairman, for just expanding on that.

The Chairman: No, no—please go ahead.

Baroness Pinnock: I would also like to hear about this at some point, although it might come up in response to other questions. The numbers involved in music and dance are relatively small, but what I have not heard is the impact on the cultural life of the country. Perhaps you can bring that in at some point when you answer other questions—because that is not what I have down in front of me.

Mark Pemberton: Our members do more than 4,000 concerts a year. Now, do I have these figures to hand? We have audiences of knocking on 5 million.

Baroness Pinnock: That is the sort of thing—

Mark Pemberton: They are also engaging with 900,000 children and young people each year—900,000 children and young people through the education and community work that they are doing. They are tapping in to a lot of people in the UK.

Baroness Pinnock: That is the sort of thing. It would be really helpful for us to have that—

Mark Pemberton: I can supply some additional evidence.

Baroness Pinnock: And for dance as well. I am not excluding that.

The Chairman: That would be very helpful.

Baroness Pinnock: Every town has a huge number of dance schools. It will have a huge impact.

That is all. I am sorry that was a diversion from what we have written down here.

The Chairman: Not at all. Carry on.

Q5 **Baroness Pinnock:** You have said quite a lot already about movement and the barriers and difficulties that you will find if and when we leave the EU. You have spoken quite a bit about visas and suchlike. What about things like the effect on prices for orchestras, particularly if you have to pay extra to get folk in, and on the salaries that you have to pay—all that sort of thing?

The other side of it concerns UK citizens who want to be and work in the EU. How will that be impacted? That is across the sectors—as well as EU people wanting to work here.

I have a “pesky composer”—my daughter, who lives in Berlin, so I understand some of these points.

Mark Pemberton: I can certainly talk about the impact as regards wages and ticket prices. I hope that Andrew will concur with me on this.

On wages, it will not make the slightest difference, because we negotiate with the MU. We set the wages through collective bargaining. Wages are not suppressed by having some EU nationals work in our orchestras. We are good guys on this. We do the collective bargaining, and we try to pay as generously as we can in the context of substantially reduced public funding.

That leaves the ticket prices, on which we are market sensitive. We cannot just put ticket prices up willy-nilly, as we would price ourselves out of a market. The Government are themselves telling us to be accessible.

Andrew Hurst: That is exactly it. That goes against what we are trying to achieve in broadening access and diversifying audiences.

Mark Pemberton: We want tickets to be as cheap as possible in order to bring as many people as we can into the concert hall or theatre. If you push prices up, we will become the elite product that we are already accused of being. Somehow we are elitist, but we have also got to be accessible. If tickets get more expensive, people will not be sitting in those seats, and audiences will be smaller. No—ticket pricing is not a solution, and we cannot increase wages in the current financial climate, much as we would like to.

Horace Trubridge: Outside the orchestral world, for the artists and bands that go from the UK and work in the EU, it is a rich tapestry—the way they work. For instance, there might be a band that has a good fan base in Germany. They might go and play Berlin and Frankfurt and earn reasonable money from those gigs. While they are there, they will move to another member state to develop a good foundation in that member state, where they might not get very well paid, because their profile is not so high. It is a mix of being able to earn some money in order to keep reinvesting and speculating in their careers as musicians, trying to extend their fan base across Europe.

That is why I said at the beginning that the work is atypical. It is not just atypical; it is so diverse in the different kinds and styles of work, in the contracts that musicians work under and the reasons why they go to work in Europe. It is not simply to earn money; it is very often to raise the profile of something that they are doing, to extend their fan base and to get more people buying their downloads and streaming—that kind of thing. Much of it is promotional, but it is so necessary. If they cannot get out there and into these territories and play the performances that they play, they will not extend their fan bases and they will not be able to move up.

It is a very hard business—harder than ever. The record companies had a terrible time with the pirates, as you know, and they lost a lot of money. They are starting to make their money back now from streaming, but unfortunately not much of that money is making its way into the pockets of musicians. Musicians moan about it to me every day—that 10,000 streams is probably not enough for them even to buy a pint of milk. It is

a difficult business, and people are very low paid, as Mark has already said.

Andrew Hurst: For subsidised organisations, both public and private funding are either at a standstill or in decline. On average, our members are visiting Europe for work eight times a year, and only twice a year outside the EU. That provides a vital additional source of income for them. It has become a key part of their business model.

Mark Pemberton: Our members reported 96 visits to 26 EU countries, I think—I will add this into the data that I will send you.

The Chairman: That would be helpful.

Mark Pemberton: It was to 26 EU countries in 2016. As Andrew says, we are pushing for even more touring, because you are going to earn from promoters in Europe, whereas here, with the subsidy decreasing, we are losing money every time we work.

As regards UK citizens working in the EU, music and dance are global art forms and, just as we are recruiting EU nationals into British orchestras, there are British citizens who are being recruited into orchestras on the continent. Long may that continue, because it is about cultural exchange and sharing talent globally to ensure that this music that we love, but that is fragile, has a future.

The Chairman: We must move on. I think you have a small question, Lady Massey.

Baroness Massey of Darwen: It is a short question—honestly. It is a quick comment, really. Classical music, opera and dance might be considered to be elite. I know that you know that places such as the Roundhouse and Opera North go out into schools and the community and develop opera and dance. It might be as well to include something about this—about how the impact on music and so on can impact on communities.

Horace Trubridge: This year the Musicians' Union is launching a campaign to profile orchestral musicians. We want to remind the public that, although they may never go to a concert hall and they may not think that they like classical music, when they are watching a film—whether it is "Pirates of the Caribbean" or "Harry Potter"—or playing a video or computer game, there is music, alongside all the work that orchestral musicians do in hospitals, care homes and prisons. The Bournemouth Symphony Orchestra worked with dementia patients and reduced their medication by 20%, for instance. It is fantastic work that these musicians do outside the concert hall. They are not just an elite workforce by any means. They are regular people on low wages, which is no fault of Mark's members or mine, but they are on low wages doing the most wonderful work in the community as well as for the cultural fabric of the UK.

Baroness Massey of Darwen: It might be as well to include something

on this.

- Q6 **The Chairman:** Moving away from what is happening now to what might happen, on the assumption that we do leave the EU and there has to be some kind of new regime, the two regimes that we are looking at that seem to be possible are free movement for workers with a job offer—that is one option that is being mooted—and restrictions along the lines of those currently in place for non EU/EEA citizens, in other words Australians, Americans and others. Could you say briefly which of those two would be best? If the answer is that both would have serious, deleterious effects, let us know.

Andrew Hurst: We strongly advocate for free movement. That would need to encompass the ability for freelance workers to move.

The Chairman: But there would be a job offer.

Mark Pemberton: Well, what is a “job”?

The Chairman: Well, I know—that is why I wanted to ask.

Mark Pemberton: In our world, we are talking about a lot of musicians coming for a single engagement. Is a single engagement a job offer? The points-based system is predicated on employment—on a job.

We have the permitted paid engagement system for artists coming in and out, which works very well. That was a change to the rules that came in in 2010, and it solved a problem that we had around such very short-term visits not being recognised.

That works fine for non-visa nationals, but not for visa nationals, because there is an extra cost. The problem with it is that the individual has to prove that they have the reputation and earnings that justify them coming in under the permitted paid engagement system. It is useless for young artists starting out, who cannot prove that, particularly in an emergency situation. The person who may be brought in could be totally unknown and be made a star overnight by that gig.

Andrew Hurst: Or freelancers with portfolio careers who do not have a huge track record.

Mark Pemberton: Yes. You could perhaps extend PPE, but it must be on a non-visa-national basis. It must be a bit more flexible. We could do with some changes to the post-study work route. It is odd that people who graduate from our conservatoires have to leave and apply to work in the UK and come back. The talent is already here, and we have trained them.

As regards tier 2 and tier 5, these are clunky and not friendly to our world. We had to carve out a special exception for orchestras from the resident labour market test, because it required that you filled the job within six months of it being advertised. In our world, it takes up to two years to fill a position in an orchestra. The Home Office had to do that

specially. We have already had some special deals cut to reflect the way in which we work. We would need to ensure that those are replicated.

It is all that expense of health surcharge, the actual visa fee in the first place—

Andrew Hurst: The administrative burden and the cost makes it impossible for all but the largest of employers.

Mark Pemberton: That brings us back to the salary threshold problem that I talked about earlier: the £30,000 on entry and the £35,000 after five years. We are not going to be able to pay you those salaries.

The Chairman: That is very helpful. Thank you.

Q7 **Lord Kirkhope of Harrogate:** I want to go a little further on the immigration issues. I have been a long-time patron of Opera North. In the discussions that I have had with it, deep concerns have been voiced about future arrangements.

What I really want to press you on is this. What plans have you in place, assuming Brexit and assuming that we do not have as free a movement as we have seen before—in other words, that we have restrictions in place? You mentioned about the Musicians' Union a moment ago, for instance, and the terms that apply to membership. If the rules are changed so that we do not have compliance, presumably there is a shrinkage in membership and, I presume, if we have these restrictions, it will have a direct effect on the salaries that are paid to the British workers in the industries. I presume they will have to increase. I presume also that there is an issue for consumers and support for the arts as a result of all that.

Or have I got that completely wrong? Is that not how it will be? Will we actually end up with much more national content in all the arts, perhaps to our deprivation yet perhaps to encourage more people, who will have to stay in this country and work in the arts? Does that have a knock-on effect financially, and how do you look at the rule changes for you and how they will affect you?

Mark Pemberton: I have to tell you, I am afraid, that we are not planning. We are putting a finger in the air hoping that things will be okay. Orchestras—and it is even worse in opera—are already signing contracts that go beyond 29 March 2019. The planning cycle for planning a season is two years. In opera, it is three to four years. I am afraid that we are signing contracts in the hope that nothing will change.

We have benefited from the collapse in the pound. That is what has helped us, because we are now a better proposition for foreign promoters, as we are cheaper. Thankfully, the weakness of sterling has been to our financial advantage. That is our wiggle room for any additional costs that might come as a result of whatever happens after 29 March 2019—but it is a bit of a gamble.

We cannot plan, because we are tankers in the sea, veering forward, and it is very hard for us to change course. Because we do not know what the Government's intentions are around this, it is difficult for us to plan.

Back to the issue on wages, as I think I said earlier, it will not make any difference on wages, because the wages are negotiated through collective bargaining with the MU. At any rate, we cannot afford to pay more because of our funding situation. Where it will dent us financially is if there are a lot of additional costs on touring. Then, we will have to fulfil the engagements that are already contracted, but the foreign promoters are less likely to book us in future if we become a more expensive proposition.

Horace Trubridge: My Lord Chairman, can I clarify something that was asked of me earlier? I am looking at my notes again, and UK Music, through its diversity survey, estimates that roughly 10% of people working in the music industry in the UK are EU nationals, and possibly 10% are non-EU, from the rest of the world.

Lord Crisp: That is 10% of the 90,000, is it?

Horace Trubridge: That is 10% of the 140,000 people who work in the actual industry. It is an estimated 142,000 who work in the industry.

Mark Pemberton: That is in line with what we have.

Horace Trubridge: Yes—it is roughly 10%.

Andrew Hurst: One further observation is that only the very largest of dance companies and employers have started to address some of these concerns, by paying to put eligible employees through the naturalisation process. However, as I said earlier, lots of the companies are micro-businesses—they are very small organisations. They cannot employ these nationals, as they cannot afford to pay to put somebody through that process or to cover visa fees. It is a very real problem.

Q8 **Baroness Janke:** My question is about low and medium-skilled jobs. I do not know what sorts of numbers you would be thinking about. If you do not have access to labour from the EU, what impact will that have on you, and to what sort of extent? What numbers of people are we talking about?

Mark Pemberton: Our focus has been on the musicians, whom we consider to be highly skilled.

Horace Trubridge: Highly skilled.

Andrew Hurst: Yes—highly skilled.

Mark Pemberton: We have an issue with how you interpret low, medium and high. We want the administrative staff to be a mix. As I say, we have to negotiate contracts with promoters abroad. It helps to have a few native speakers from those countries in our staff. Is somebody who joins an artist management company or an orchestra on the

administrative team low, medium or high? How do you determine that? They are probably graduates but, again, they are even worse paid than the musicians. Yes, the musicians might complain, but management is seriously badly paid. We are relying on a lot of people who are in it for the love—they love working in a creative organisation.

We like to have the richness that other countries bring to our workforce, but it is around the interpretation of the skills levels that we are not quite clear.

Baroness Massey of Darwen: And what about stage hands?

Mark Pemberton: Exactly. What is their skill level?

Horace Trubridge: If you talked to my colleagues at BECTU, they would say that they were skilled people.

The truth of the matter is that this is an industry that most young people want to work in. It is only when they get in it that they realise that there is very little money in it. However, it is a great industry and a wonderful industry to work in. We are not faced with the same challenges as, say, the catering industry as regards low or medium-skilled labour being in shortage. We do not have that problem.

Andrew Hurst: The detailed case studies that I mentioned, which I will submit, include some information about office and support staff, too, and what the levels of EU workers are among office and support staff, outside of performers. We often focus on the performers, but there are EU nationals working in those support and office roles, too.

Q9 **Baroness Massey of Darwen:** You have touched on some of these issues already, but what should the Government's policy be towards temporary workers or touring artists coming to the UK, and vice versa, after we leave the EU? What would be the impact on your sector if the systems fell back on the rules for non-EU/EEA nationals? I think I know the answer.

Horace Trubridge: It would have a massive impact on the sector. Many of my members work with visiting musicians. They provide backing bands for visiting artists. Those artists that come over often have some core players that they bring with them, but they need to augment those core players by using UK musicians. Much of that work would be lost to the UK because, if the restrictions are going to be as damaging as they could be, artists will simply choose not to come.

There is a deeper and more significant impact—the cultural impact. The UK music industry is very diverse. The old cliché that we punch well above our weight is true, internationally. The music industry is worth £4.5 billion to the UK economy, so it is a very important sector. The reason it has been so successful is that we are very good at listening to other genres and styles of music and other musicians and learning from them, taking their ideas and using them in our own way. I fear that we would lose much of that cross-fertilisation, which is so important with

music, if visa restrictions were introduced, such as those that they have in America.

Andrew Hurst: Again, for us, the smallest organisations would be most heavily affected, because it is only the largest organisations that can afford to be registered as sponsors and to pay the costs related to working with visa nationals. We would strongly advocate for some sort of cultural exemption, or perhaps a quick, easy and either no-cost or low-cost, long-duration, multiple-entry arrangement for creative and cultural workers.

Mark Pemberton: Arts Council England has suggested one approach. Part of the problem with the non-EEA system is that it only focuses on the reputation of the individual trying to come in. It does not focus on the reputation of the sponsor. A bit more trust in the system would be most welcome. Arts Council England is suggesting some kind of trusted sponsor system. If the Royal Opera House is the sponsor, it is very clear that the individual is coming for a very good reason. We could do with a little bit more recognition of how our sector works.

Andrew Hurst: Trade bodies or unions could also endorse the quality of those workers.

Mark Pemberton: The endorsement of the organisation that is bringing them in—much like, at the moment, there is a work-permit-free festival system, so that the Proms and the Edinburgh Festival, which have this endorsement process, can bring in ensembles from outside the EEA, because they are trusted through that permit-free status. An extension of that across a range of employers would make the difference.

Q10 **Lord Watts:** I wish to pursue the issue about the £4.5 billion. We lead the world in many of these areas of the creative arts. Music, film, drama, dance and games—they are all interlinked. What would be the effect? Would there be a global effect on the likelihood that people would come and make films and games here if they found it more difficult?

I went to a games studio the other week to find out that the biggest cartoon that is made in the world is made here. They have 17 illustrators, and only seven of them are from the UK. They cannot recruit here.

What might the financial cost be? At the moment, we seem to be going in the right direction. Manchester is building a brand-new studio for film, but that will require people to dance, it will require orchestras and it will require actors and musicians. What is the likely overall impact? I know that it is difficult, but do you have views on that?

Horace Trubridge: I do not think that UK Music has any predictions on the impact, but you kind of said it in your question. If it becomes more difficult and more expensive for these people to come here, we are going to suffer.

The UK is pretty good for film music, but we are competing with Los Angeles and the Americans generally for film music. There is currently a bill moving through the Senate, where they are looking to get extra tax

breaks for recording film music in America. That is going to threaten our standing in that respect.

It is more than that. Artistically and culturally, as I have tried to express, we have always been a very welcoming country. We love artists to come to the UK and perform because, as I say, we learn and draw from them so many things that we can use ourselves. If we become less welcoming, they simply will not come. It is our reputation as a country that embraces all arts and culture that would be severely damaged.

Mark Pemberton: There is one specific problem, which we have and which will be shared by the other art forms: the A1 system. The A1 system is a Europe-wide mechanism by which, when you go and work in another EU country, you become what is known as a posted worker. It is very annoying. This is where the EU is bad. The EU directive on posted workers makes no distinction between an orchestra going in for a day and somebody going to work for a year. We have to abide by all these rules. The A1 means that the individual does not have social security deducted in the country where they are performing. An orchestra goes to France—and France is a bad guy on this, and applies the posted workers directive and gold-plates it. That means that the French Government cannot sting every musician or technician by getting them to pay into the French social security system.

When we leave the EU on 29 March 2019, we leave the A1 system. That means that they will deduct 15% to 20% of the salary paid to all the musicians, technicians and administrators, and that will disappear into the social security system. Technically, we will do the same for organisations coming here. Switzerland has a bilateral agreement that enables the Swiss to maintain the A1 system, and we desperately need that to be part of the discussion and negotiation between the UK and the EU. That will cause substantial damage. If we have to go to the promoter and say, "In order to avoid that 20%, which we never get back, we are going to have to put our entire pricing up by 20% to offset that difference", we will be too expensive.

The Chairman: Do you have the impression that the Government understand the point about the need to have a Swiss-type arrangement?

Mark Pemberton: We hope so.

The Chairman: You have lobbied on it, presumably.

Mark Pemberton: We cannot be alone in posting workers. Film companies must be the same. If you are taking a film crew and actors over to the Czech Republic, you need the A1s for all of them, too. We are looking for friends who share the same problem.

The difficulty with our world is that we are so highly mobile. We just go in and then we go back out again—yet we get shoved into the same rules that apply to a bank posting a banker to Frankfurt for a year. What we need is that flexibility that recognises the highly mobile status. Really,

each country should back off from applying these rigid, draconian rules when it is clearly very short-term and when it is to the cultural benefit of their country.

The Chairman: Are you unique, or are there other industries that you can think of that have the same kind of issues that you have?

Mark Pemberton: Do you mean outside the creative industries? I have mentioned film, obviously.

The Chairman: Yes—more generally.

Mark Pemberton: I have not found many, but there must be.

Horace Trubridge: There must be other industries that use short-term freelance work.

Mark Pemberton: The construction industry, for example, and drivers crossing borders. They are being written an exemption from the posted workers directive, because it is impossible, when you are a truck driver, starting your journey in Budapest and coming to the UK, to register with an employment office at every country that you enter into. It is in those sorts of things where we should be able to get some friends in construction and transport.

The Chairman: Are you in touch with them, or are you thinking about getting in touch with them?

Mark Pemberton: No, but it is a good suggestion.

The Chairman: I am neutral. Lord Crisp.

Lord Crisp: I would just be sweeping up a question. Were you going to come in?

The Chairman: Go on—Baroness Pinnock.

Baroness Pinnock: I wondered if I could follow up. I think the Lord Chairman asked whether you have done any lobbying of Ministers or had any meetings with Ministers.

Horace Trubridge: Yes.

Baroness Pinnock: What is your view of the outcome?

Horace Trubridge: The Musicians' Union is running a campaign for free movement for cultural and creative workers in Europe. We have more than 20,000 signatures now on a petition. A number of MPs and Lords across the House have signed it.

Baroness Pinnock: Have you been to see any of the Ministers involved?

Horace Trubridge: We regularly meet the Performers' Alliance All-Party Parliamentary Group, so we lobby them.

Mark Pemberton: We have not as yet had direct interaction, because the culture Ministers have recently changed. However, Andrew and I were at a meeting with the Home Office Minister, and I previously had two round tables with the Secretary of State for Digital, Culture, Media and Sport. We are trying to get these points across.

The Chairman: You have submitted evidence to the Migration Advisory Committee.

Mark Pemberton: Yes.

Andrew Hurst: So have we.

The Chairman: Is that a conduit that you think is useful?

Mark Pemberton: We hope so.

Andrew Hurst: Yes.

The Chairman: You hope so.

Mark Pemberton: We are just awaiting the outcome now. They were very receptive—they listened.

Andrew Hurst: Yes, they were. The slight concern is that they were presenting evidence, rather than making recommendations. It is unclear exactly what the response will be and what impact that evidence will have.

The Chairman: Lord Crisp again.

Lord Crisp: I think I am sweeper-upper here.

It has been a fascinating insight that you have offered us here.

Mark Pemberton: Thank you.

Lord Crisp: You have described the problem extremely well, and I think we have grasped it. Could you, perhaps in turn, say what you think the solutions are in a bit more detail? It would be really useful for the Committee to have the very practical things that can be done to avoid the difficulties. You have talked about touring and the Edinburgh example. It might be useful to have some written evidence of solutions, too, to ensure that we really understand them. Perhaps people could, in turn, highlight two or three points that they think are critical.

Horace Trubridge: We would like there to be a Europe-wide visa for cultural and creative workers. We think that is the best solution. That is what we have been campaigning for through the Musicians' Union, and all our lobbying has been based around that.

People who look at our sector think that a band probably goes to France, plays some gigs and comes back. They do not do that; they go to France, and then they go to Holland and Germany—they move around. A general

visa that covered all the EU states is what we would like to see for our sector. We think that our sector has particular needs in that respect.

Lord Crisp: In putting that forward, are you talking about that in some detail—about how that would work? There would obviously be complications with that, I would assume.

Horace Trubridge: Yes.

Lord Crisp: Perhaps we could see what your working is on that.

Horace Trubridge: I can talk to UK Music about that, and we can get something across to you.

Mark Pemberton: I would say it is about looking at the existing permitted paid engagement system and at how that could work better for the non-EEA but also be applied to EEA. That would in effect be the equivalent of a creative visa, because it would simply say, "You've got a gig", or, "You are being engaged by a theatre or dance company or orchestra that we trust, which is endorsed by a trade body and the respective arts council in each of the home nations. We therefore trust that". Obviously, we would have to agree to some kind of sanction in the event of abuse of that system.

Lord Crisp: These are the sorts of details.

Mark Pemberton: That is a small price to pay for having the flexibility, so that somebody can come in, show that they are booked and be swept through. That is all we want.

Lord Watts: One organisation could be the Musicians' Union. It could be a trusted organisation. Do other countries have similar organisations—music unions that it would be possible to have a reciprocal deal with?

Andrew Hurst: Yes.

Horace Trubridge: The Musicians' Union is a member of an organisation called the International Federation of Musicians, which represents about 80 musicians' unions around the world. All the European states have well-established musicians' unions.

Mark Pemberton: We are a member of PEARLE—the federation of performing arts employers' associations league across Europe. Equally, we can use that as a conduit for some kind of endorsement process.

The Chairman: Good. That has been extremely helpful. Is there anything else that you would like to say to us that you think we ought to have asked you but we have not?

Andrew Hurst: I feel strongly that international cultural exchange is the lifeblood of our art forms. That is something that we need to maintain if we want our art forms to flourish in the UK.

Horace Trubridge: Quite right.

Mark Pemberton: We have not mentioned Ireland, and we need to stress that, in our world, we equally have a problem around Northern Ireland and the Republic. We have the Ulster Orchestra, where musicians live in the Republic and work for the Ulster Orchestra in Belfast. Just as there are many concerns around freedom of movement into the EU, in a nutshell, they are a representation of the challenges around both freedom of movement and the imposition of customs.

The Chairman: Thank you very much indeed. It has been extremely interesting and very useful to us. I am afraid that we have left you with one or two—or more—pieces of paper, which you very kindly agreed to provide more evidence on. That would be very helpful to us, too, in putting together our short report.

On behalf of all of us, thank you very much for coming and giving evidence to us today.