

Digital, Culture, Media and Sport Committee

Oral evidence: Live Music, HC 733

Wednesday 10 October 2018

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Members present: Damian Collins (Chair); Clive Efford; Julie Elliott; Paul Farrelly; Julian Knight; Ian C. Lucas; Jo Stevens; Giles Watling.

Questions 224 - 305

Witnesses

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

II: 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.

Written evidence from witnesses:

- [Music Venue Trust](#)
- [UK Music](#)
- [DHP Family](#)

Examination of witnesses

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

Q224 Chair: Good afternoon. Welcome to this evidence session of the Digital, Culture, Media and Sport Select Committee as part of our inquiry into live music. We have started to look at a number of different issues that affect the live music industry. Last month we looked at issues around ticketing and secondary ticketing. I know some of the Members may have some follow-up questions on that, but principally today we want to look at issues around access to performance space and particularly the impact of smaller venues and rehearsal spaces not being available to artists, and to get your insights on those issues.

Perhaps I could start with a general opening question addressed to all the members of the panel, and perhaps, Shao, you could start for us. Do you feel that the loss of smaller venues and practice and rehearsal space is having an impact on younger artists and emerging artists in particular?

ShaoDow: Critically, yes. Not just younger artists but any artists in the process of trying to build a sustainable touring arm to their “business”. I think that small music venues help to not only hone the craft, so when you perform in front of a small crowd, you get good at what you are doing so then you move it up to larger venues, to arenas and so on. It also gives a massive community element and the ability to connect almost one-on-one with your fans, and I think it is a crying shame that there are so few small music venues around the country, and there are a lot of them that are dying. Some of my favourite performances have been in small music venues and having just booked a tour this year I really struggled to find venues of a certain capacity that would meet my needs and would be willing to take the risk on urban music as well. It is becoming more and more difficult.

Ben Lovett: I think the easiest way to understand it is like an ecosystem. So if you strip out literally the grassroots—it is a beautiful image but if you take that out of the ecosystem the music that we all take a lot of pride in as a country just would not be there. We have heard a lot of artists talk about the subject, when they get to the level of Frank Turner and Ed Sheeran, and about how important it was that they had that platform. The reality is it is not as much of an issue now as it will be in 20 years.

Q225 Chair: Do you think it will have a delayed impact? Emerging artists could be lost—people who we do not even know about.

Ben Lovett: Absolutely. I think we are trying to get ahead of the issue, basically. So moments like today are really important. It may not seem quite so prevalent now but when we strip out the roots of our culture it is definitely 10 or 20 years from now that we are going to feel the downside



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of that, and if we get behind culturally as a country I think we will see major impacts across the whole span of our nation.

Q226 **Chair:** Shao, coming back to you on that, you said you have just been through the process of booking a tour. Do you think there are parts of the country that have been more badly affected by this than others?

ShaoDow: Yes, I would say any city or town that is not considered first tier or second tier. 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 like that, so maybe it has an O2 academy or it has a 500-capacity venue but if you want 100 or 200 it is going to be very difficult. That means there is a vast array of people who are into music who are not attending gigs who could be. I think more could be done in providing live music as entertainment and seeing it as a community affair that people go out to just have a good time at.

Q227 **Chair:** I will go to Mark before Jeff because, Mark, you represent the Music Venue Trust. What is your sense of how this is working across the country? Do you agree with Shao that it is principally a problem in the smaller towns and cities or do you think it is a problem everywhere?

Mark Davyd: It is a problem everywhere. It does vary as to how badly some towns and cities have been hit. There are some good examples of cities that have been less badly hit—Manchester and Glasgow particularly—where although music venues have closed other music venues have opened. They have not necessarily completely filled the gaps but we have definitely seen less impact in some of those cities. What we have seen, which is really crucial to the point that Shao is making, is that when a music venue that was on the touring circuit, and that was an established part of the way that we develop these artists, closes down in a small town—you can pick any of the towns around London, because when it goes it is extremely unlikely that it is coming back under the current economic circumstances. That is a very serious issue.

Q228 **Chair:** Jeff, perhaps you could give us your insight on this and also say why your venue has been such a success.

Jeff Horton: Thank you. I think that just in case you did not know the 100 Club is the oldest running live music venue anywhere on the planet, so when you have that as a handle, if you like, it makes things easier than it does for a lot of other venues, because of all the history. There is a lot of heritage there. I am going to come at this with a slightly different angle. I could talk to you all day long about the issues that I have had. I have been there 34 years. It has been in my family since 1958. My grandmother was a shareholder there and my dad was. 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.



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I co-wrote the report on grassroots music venues with Mark and a couple of other people, and one of the things that I came across was that in 2014 something like 70% of the headline acts at British festivals throughout the UK have played at the 100 Club at one point—I am sure that figure is very similar to a lot of other grassroots music venues as well.

Bearing in mind the difficulty that we all find ourselves in, I think there is an impact here on everybody. I think that it is going to be very difficult if the current closures continue to think about 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. I also think that there could be a huge impact on tourism. 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.

There are plenty of statistics that I can give you but one of the ones that I do know to be true is that we still produce 7% of all the records and downloads bought throughout the world, which is incredible bearing in mind how small this group of islands is. If this continues without any kind of help from whoever can help us I think the impact will be for everyone, not just for small or even large music venues.

Q229 Chair: Is it changing the sorts of events you put on? Are you getting more demand for people to perform?

Jeff Horton: Yes, we do and one of the consequences, which is sad really, is that because there are so few live music venues now in London we are one of the few places that promoters can come to. I think that if there were more live music venues the industry would be much more healthy, because it would be a more regular thing that people go to. I think that as live music venues have died, fewer and fewer people think about going to see a live music gig. In 2010 we almost did fold. In fact I had to make an announcement that went out in the press that we were going to shut at the end of 2010. The thing that has kept me going is that I have managed to get fantastic sponsorship deals with two major brands, but that is not an option, I would think, for a lot of grassroots music venues if they do not have the history and the heritage.

One of the things that I have been told is that what big, corporate companies want is history and heritage, and that is something that you just cannot buy. Money does not buy it, but they can have a time with someone like me. That, again, does not help other grassroots music venues.

Q230 Chair: Can I ask Shao and Ben about the way artists particularly in the early part of their careers build their audience? How important do you think live performance bases is as part of building an audience, or is that less important because there are now other routes to your audience that



would not have existed in the past?

ShaoDow: To use an analogy, small music venues would be akin to primary or secondary schools in your educational career. If you were planning to go to university, a master's degree and so on it is integral. You cannot just skip those steps. You can if you have a massive engine behind you, but for the majority of artists in this country it is off our own bat and because we love doing it. I love to perform live regardless and that is all I really want to do, but with the closure of so many small music venues it becomes more difficult because not only is booking a 500 or 1,000 capacity venue too expensive for me to do on my own, it does not make sense if I only have 200 or 300 people in there, because it does not look good and it does not feel good when you are performing.

Furthermore, I think that in an age where streaming has now taken governance over the way that music is consumed, and people are paying less for the physical music as artists, our income stream has taken a massive hit and in order to supplement that and just keep the lights on you have to be doing other things, such as performing live, selling your merchandise, streaming and all sorts of other things like that. But live is still a very integral part of our revenue stream. 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. I live entirely off my music. It is something that I love to do and it is something that I want to continue doing, but it is becoming increasingly more difficult to do that.

Ben Lovett: In 2006 I started a company called Communion Music. That still goes now and is a record label publishing company and concert promoter. We do about 400 shows a year. In London we do about 250 shows below 2,000 capacity, and so we work with all of the different venues across town. Looking at the various breakdowns of income streams I assume that someone getting off the ground could compensate and subsidise through streaming revenue, which is already a very busy landscape, but we think that live is the way of discovery for fans to find out their new music. We applaud people who go out time and again and spend their money on hearing artists and finding out about artists who maybe do not have the kind of profile to be on covers of magazines and be on the radio yet. That is a really important part of our demographic, but as we have all just pointed towards, it is from that point that it is a springboard to becoming part of the wider knowledge.

You cannot strip out the seed if you are hoping to harvest from any side of this, culturally or commercially, and I see it both as a promoter and as a venue owner but certainly as an artist we did probably 40 or 50 shows in London as Mumford and Sons before we broke out of London and our first shows outside of London were playing in these venues. I would say that from the first tour about 50% of those venues exist today, and we are only talking 10 years ago. That is terrifying.



I will just touch on this briefly, but I have spent a lot of time in the United States over the last 10 years. I lived in New York for a while and statistically London has 50% of the venues that New York has and it is important to remember that as well—we are trending down against countries and cities that I think we like to believe we are on a par with. We are a long way off the mark.

Q231 Chair: Final question from me. London, South London in particular, seems to have been reasonably effective at producing new artists, and creating a way for new artists to reach an audience. Is that because the infrastructure in London is still sufficiently strong to give young and emerging artists the chance to connect with their audiences in a way that does not really exist in other cities in the UK now, do you think?

ShaoDow: I think that it is strong in that there are still a lot of options for music venues. To give an example, for my tour I booked a London venue in King's Cross. About a month or so before the first date they called me to say they were being closed down because they had had some trouble in the club that was unrelated to them, but due to their licence they were being closed down. That put me into panic mode and I had to quickly try to find a replacement venue. Luckily, because it was London I was able to, but the trouble was I lost out on the 14-plus element. The other small music venue could only do 18-plus, which on a side note I think is also very important—younger people should be allowed to come to these small music venues, but that is a side point.

Luckily, because it was London there were many other options to choose from, but if it were somewhere like Oxford, Cambridge, Bournemouth, somewhere like that, I may have had to cancel that tour date just because of that one small issue. Luckily, yes, London has a lot of options, but there are not as many as I would hope for and that is also quite scary, I think.

Q232 Clive Efford: Following up on what you were saying earlier on about how critical live performance is, and in terms of your revenue stream, can you give us an idea—this is a question to Ben as well—about how much it is the live performance and how much it is the merchandise and selling the music online now? How important to your revenue stream is live performance?

Ben Lovett: Certainly we know what the flow through is, so to break it down, if you are going to play a show it depends where you are on the bill for a start, and it depends how many of the tickets in that small venue that are carrying. Let us assume for a second that you are worth 200 tickets—you can bring in that much business to the venue and you might get paid anywhere between £500 to £700 in a major market like London or Manchester. Out of that money you are expected to pay for your own rehearsal, pay for a van, parking, before you even get to worrying about your own living costs. It is basically a wash and it continues to be a wash for quite some time. There is no sense of it being a viable revenue stream. Everyone just sees it as being a way to get to



the next show and it is a loss leader. As far as I can see it is a loss leader up until 1,200 or 1,500 capacity for a national tour because of all the costs that you have to incur. You have to find other ways. Certainly in my band we were all working day jobs for a long time up until we could transition over, and then you are compromising where you are focusing your energy. You are working just to be able to support your career, and there are not many industries where we are trying to encourage growth in a sector where we are saying, "Oh, at the same time do you guys mind spending 40 hours a week doing something else?" It is a little bit strange.

Q233 Clive Efford: What do you expect to pay for a ticket in those sorts of venues? You say a 100, 200 venue, but in order for a show like that to wash its face financially how much would you have to charge for a ticket?

ShaoDow: For my tour I charge £10 because it was coming out of my own pocket and I felt that was a reasonable amount. I would also have been happy to charge £8. Anything less than that I do not think I would have been able to survive. Luckily I managed to break even on it and make a small profit, but it was a very small profit. It was not enough for me to say that I could do this alone and make a living from it. That is not what I do it for. I perform and I run my own shows and so on because that is what I love to do. It is the same with the small music venues. They are not making a profit on the majority of their shows. They are putting on the shows because they love music and they are trying to bring something new to the forefront, which I think is exactly what they should be doing.

The funny thing about this industry is that as soon as you start generating some sort of interest and a new crowd you move on to larger venues and all of the benefit that that small music venue could have derived is given to a different venue.

Q234 Clive Efford: So what are these venues when they are not being used by performers like yourself? Are they pubs, restaurants?

ShaoDow: To give an example of two venues I know very well, The Joiners in Southampton has a pub in the front, but they only ever open for live music. So they could operate as a pub but they don't. They are only available for live music. I think the same with The Cellar in Oxford. They have the facilities to be a bar or a pub but their primary function is as a live music venue.

Mark Davyd: We have 470 venue members of a thing called the Music Venues Alliance now and an analysis of those suggests that they are open 4.1 days per week for live music. They are increasingly taking on other activities. They are providing different types of music, some of which is not really part of this market. They are increasingly being forced to look at karaoke nights, tribute nights, where there is more evidence of a confirmed crowd.



To pick up the point about what artists are making and when does a show wash its face, shows do not wash their face at this level. We have analysed in-depth 88 of those venues to get some kind of statistical view of what it is—112% of the ticket money in those venues is being spent on promoting live music, which across all of our members would mean that our members at 470 venues are investing around about £11 million a year of their own money in putting on live music across those 470 venues. The artists are not making any money because they are trying to build their careers. These venues are not making any money because there is no money to be made. They all sound mad, don't they? They are all a bit mad, to be honest, but the drivers of why they are doing it are not about being in a business. They are about communities of live music fans. They are established, iconic places within their communities. 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.

Ben Lovett: Before Omeara, which is a venue that opened up in London two years ago, I went to Mark a couple of times for consultation and he said, "Do not rely on the venue component of the venue", which took me a while to get my head around, but basically our operation is run where the venue component is a loss, 112%—a bit worse. Luckily we have food and beverage and we are basically as much hospitality as we are entertainment but people would not be coming down for the drinks and food if there wasn't the entertainment. So you have to look at the wider sphere of influence that these cultural centres bring. There are revenue streams being derived and if you take the cultural cores out there will not be a reason to drive people.

The work that Sound Diplomacy did on this can show the secondary spend, the residual spend that people have, and so if we look at it in terms of sales tax or corporation tax on the companies that exist around these venues, and you just replace them with another hotel or another supermarket, you mess up the ecosystem of the mix of what we are offering in our cities. Again it will knock on in a way that is not just about our poor music industry—you do not have, say, a new headliner at a festival. We are talking about something much more macro, across industry, as an issue.

Q235 **Giles Watling:** Following immediately on from that, in a way everything has changed and nothing has changed. I remember back in the day when everybody had "Keep Music Live" stickers on their guitar cases and pubs were opening up their top rooms and people were going in and the whole thing was burgeoning. But then we went through that period of pubs closing—50 a week at one time I think it was—across the country. Then the pub business model changed. Do you feel there is something that the major chains of pubs and so forth could be doing to encourage live music? As you have just pointed out, Ben, quite clearly there is a symbiotic relationship between providing a music venue and providing



food and beverage and so forth. Is there something that they are missing? Is there something that we should be chasing here?

Ben Lovett: When you say “they” you mean the chains?

Q236 **Giles Watling:** The big chains, the Wetherspoons, whoever.

Ben Lovett: We could all speak to that. Culturally you are asking a major booze chain, whether it be them or anyone else, to put their hands and potentially their expertise into the cultural sector, which is probably the wrong way round. I would suggest that what we need to do is to encourage protecting the cultural sector and then we need to have this Committee, but with the hospitality part, in saying, “Look there is a great opportunity for you guys to be building around these new hubs” rather than piggybacking culture on to where people are going for a drink anyway. If you do that you end up with these karaoke situations where you just have tribute bands, where people are happy to tap along to a song that they have heard 20 or 30 times.

Q237 **Giles Watling:** To keep it original, to move it on, we need to look at it the other way around?

Ben Lovett: Yes, to move things forward you have to put culture first.

Jeff Horton: Probably with the big chains there is a major licensing issue as well. They would not be able to just suddenly open up as live music venues, because the licences I imagine would not allow it.

Q238 **Giles Watling:** On the other hand, of course, there are many established venues where the local planning has changed and residential properties have grown up around them, creating licensing problems. I absolutely see that.

We all know that there is nothing quite like live music and it is better than streaming; it is better than all the other ways of interacting with music, because you get a unique experience. This is a sell that we have to do. Those people who come into that room, those performers, will only do that once in their lives, no matter how many times you play the song. How do we go about selling that to the general public? Mark, this is a good one for you.

Mark Davyd: I think access is the most important issue. There are two things going on here. There is the short-term return of having live music in a town, which I consider to be incredibly beneficial. I could show you lots of health reports about how important it is to have culture live and I think we all know that. There is then the longer tail issue about festival headlines and the future of the music industry and the way it develops. I think picking up on your point about the chains what you have now is mainly independent venues. The vast majority of the venues that are left doing this work are run by one person or by a group of people that have decided that original, new music has a place in their town.



People say to me, "Maybe if they all got really good at business it would be different". If they all got really good at business they would stop putting on live concerts, because their role at this level is to put on music that nobody likes yet. 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 when they first walked on a stage—I am sure Ben and Shao experienced this—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.

Again, it sounds terrible, but they need to be bad before they can be good and there must be spaces for people to be bad in. The music industry itself has to recognise that as the outer limits of research and development.

Q239 Giles Watling: So this brings me back to "nothing has changed", because that has always been the way.

Jeff Horton: The major difference being of course that my dad used to keep cuttings of reviews of shows at the venue in the 1960s and 1970s, and when he got fed up sticking them in a scrapbook he just kept the papers. When I look through the classified advertisements at the back there were something like 110 venues in the West End and Soho alone. The microcosm is how it has fallen off a cliff.

My other point is that I have two kids who are 22 and 18 and I know how much energy there is especially running through my lad, and 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.

ShaoDow: To pick up on that, 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. So the young people who were not allowed into pubs at the time can now come to the festivals and they can be part of that journey from a lot earlier. It is way too expensive for most of these small music venues to do this, and I know as a fact that I was being quoted an extra £200 to £500 in security to book a venue if I wanted to do a 14-plus show. I cannot afford that, so I had to do 18-plus and then I had some of my



fans or their parents saying, "Can my son come? Can my daughter come?" and I had to turn around and say, "I'm sorry, they can't because it's over 18s only". That is a big shame, because these people want to listen to music as much as anybody over 18 but they are not allowed to.

Q240 **Giles Watling:** It would deal with the community issues.

ShaoDow: I think so. I think that the individuality of each of these live music venues in these cities, in these small towns, is as much a part of the fabric of the community as the people there. It is like an art gallery that will showcase a new artist's work before they start getting picked up by the bigger galleries. It is the exact same thing in my opinion. These venues are here to showcase those new artists and new works, and to give them that training ground to really explore what they are doing, to build up that fan base and to continue it on to the festivals, the arenas, abroad and so on, and for foreign artists to come over here on their first tours and to start building their fan base here as well.

Q241 **Giles Watling:** One final question. Turning to the other side of young musicians beginning to start out, there is clearly a passion and that is why they do what they do. They pick up their guitar and they can be bad in places, but they will always find somewhere and to a certain extent you do not want to impose the venues upon them, because they will create that, that will happen. Do you not think that is still the case?

Ben Lovett: I was going to talk about the diversity factor, which is very important when it comes to venues. So we work as a promoter with quite a lot of different artists and what might work really well for a grime artist starting out is not going to be the same environment that would work well for a singer-songwriter or for a rock band. If we are saying that there will be a room somewhere for them to perform, yes, people will maybe find a way but I do not quite believe that we should just completely rescind ourselves of any responsibility to help them. I think we have to provide the places for them to create and provide variety. There is not the ultimate venue. The individuality of these different offerings is key and having the individual owners being able to express themselves and not have a cookie cutter approach to a black box where it is just a stage and a PA but to have cultural beds that curate—I can think of a number of examples but I suppose if you take a venue like The Slaughtered Lamb for example, it's a small room, about 150 tickets, but you know if you live in that area when you wander down the type of thing that you are probably going to experience there. That is curational. What we have right now I think when it comes to music is an interesting time where it has become very open source. I am not sure how you are discovering new artists but the channels in which you do have changed drastically. 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



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and venues that are run by music fans and legacies by people who have committed their lives to this stuff.

My point is basically that, yes, you could just go online right now and press play on literally millions of artists from anywhere in the world, but how is that going to help anything if we are not stirring people into saying, "This is good, this is not so good"?

Q242 **Giles Watling:** Or just ask Alexa to play something nice.

ShaoDow: Continuing on that, I have performed in a library before; I have performed in a car park on top of my van. I was allowed to perform in the library. I did not just walk in there.

Q243 **Giles Watling:** Quietly?

ShaoDow: Yes, very quietly. There are gigs in my past that have been a bit different but there is nothing like a venue with the right sound, with the right lighting, with a crowd that has come to see you, not just happen to be there and going about their business. They have come to this venue to see you. I do not doubt that if all of the live music venues close, which I hope they never do, people will find different ways to perform, whether they go out on the street and start busking. I think as an artist you have a progression as well, and there comes a point where your fans look at you and they have a certain perception and they want to see you in certain places and you need the provision of those places. It is all part of the journey, in my opinion.

Mark Davyd: We have seen quite a negative outcome of the process that you are describing, which is that we are seeing a massive rise in illegal parties in parts of London where we have lost venues that are within the licensing framework so I am not sure that is a good idea. I would say that nobody on this panel wants to control culture. We want to see culture that has no boundaries, but it should take place somewhere safe, it should take place somewhere where the artist sounds good, where they look good, where the audience can see them, that has good access. That is describing a music venue and 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. That is the reality.

ShaoDow: I want to be clear that it is not just the artists who are starting out and the artists who have not found themselves yet who are performing in these small music venues. It is a whole medley of different musicians and you get a totally different experience in a small music venue than you would in an arena, for example. In my opinion you make your best fans when you can look them in the eye. I think it works. You hear them online, you hear them through streaming, you come to a show, you see them perform and then you become a real fan. Those fans are the ones that give us artists a career. They are the ones who will



spend money on the merchandise. They are the ones who will go over and above what is asked of them as a fan and not just listen to the music, but buy the VIP tickets, tell their friends, watch a video 100 times. Those are the fans you want and I believe you make those fans by looking them in the eye, and you cannot really do that from an arena stage as much as you can from a small music venue stage.

Q244 Chair: I was really interested in your point about algorithms. We have looked at that in another aspect of the Committee's work, but how do you find things that you do not know you like? The algorithm is designed to serve you more of the things it thinks you like or that other people have also liked because they have liked that thing as well. It is a very difficult wall for an emerging artist to break through when they do not already have an audience, because the algorithm will always steer you towards people who have an audience.

Ben Lovett: Absolutely. It is homogenisation, isn't it? It is almost exactly what that risk is, and if we want to push boundaries and stay on the disproportionate output edge of culture globally we need people, cultural leaders or way finders, who are willing to take risks.

When I started out promoting, which I was doing for a while before Mumford and Sons began—Notting Hill Arts Club was the key for this. Notting Hill Arts Club had a quite diverse programme. Every day was run by different people, but they had some nights that were really on the forefront of culture at that time, like YoYo, which was a really key urban night that introduced us to artists that I do not think we would have otherwise known. The reason why you use that platform as a springboard, like a promoter or a night to be a curator and encapsulate a range of different artists, is that the consumer can then trust a brand—they can trust either going to a venue or they can trust a promoter or they can trust a certain radio station or a certain magazine. These outlets are really key. They can choose not to, by the way. I definitely take Mark's point that we are not forcing any of this on people—it is about having the option so you can choose to read a review of a certain magazine that you feel aligns with your own tastes, or you can go to a certain night that celebrates a punk revival, because that is where your taste already lies. You will discover more artists down that path.

I feel like often they are the least celebrated parts of the industry; these guys are not the ones we hear about, it is the ones behind who are pushing these artists up.

Q245 Paul Farrelly: I have a wider question for you all, if you do not mind my asking. One of the things that we are interested in, in the inquiry, is the state of music education provision in the country at the moment and the diversity of backgrounds of people coming through in music. I was also interested very much in the Chair's question to you, Shao, about whether there are differences in different areas where it would be difficult to take a tour. I am from the potteries, Newcastle-under-Lyme, Stoke-on-Trent, and acutely aware since I was a kid of the number of venues that have



disappeared. Our arts centre went, the Irish club centre went, working men's clubs have closed down wholesale, and for the bigger pubs to keep on providing live music it is a struggle for them to make it worth their while. Therefore it is a struggle for musicians to find venues to play in. That said, we are close to Manchester and Liverpool. They seem to be self-sustaining music cultures, so the thoughts among people in education is that areas like ours are not known for music and the music culture, so therefore why should music be a priority in schools? Unless music is a priority, it seems to me, there is a potential for deserts to be created and for everything to viciously circle downward

A broader question, what do you think about the state of music education in the country, and the emphasis put on it with music as a priority? If it is in a parlous state what do you think the cumulative impact is going to be over the next 10 or 20 years?

Ben Lovett: There was a pretty terrifying article that came out today. I do not know if you saw it. *The Guardian* released a study into essentially the uptake of music at A-level and GCSE, which is leading to a review of whether or not music as a curriculum subject is really necessary. I read it and thought it was very disappointing. As a reaction to people thinking, basically we are already seeing a downward spiral. That is how I read the article. If people are not being shown that this is a viable way to go forward after education, then whether it be parent advice, school advice, wherever it is coming from, they are not being encouraged to invest their time and our reaction to that is, "Oh, well therefore we should not be providing it" potentially. If that is going under review I think we need to properly check ourselves. If we are going to take it out of the schools, that idea of pulling the rug from underneath our own feet is going to kick in, in a big way.

I would not say that certainly within my education music was the key part. I had the facilities and I remember the people, especially peripatetic teachers who came in, and we had facilities in the school where I could learn to play the piano, and there was a school band that I could play in and could learn how to do basic things, like how does harmony work. I cannot imagine ever being able to sit here today without having access—at least access. I don't think it needs to be enforced, but at a young age to have it on the curriculum as an option for people to study is really important.

Q246 **Paul Farrelly:** You have touched on another thing. Our peripatetic music service has been contracted out. Say no more. Can I just ask everyone about this?

ShaoDow: My route has been a little bit different. I went to university and I did my law degree. Upon graduating I decided that I wanted to take my music extremely seriously and find a way to live entirely from my creative art. Most of what I learnt throughout those years has been self-taught. I did not go to a specific educational institute to do that, but having learnt all of that, now I go to universities and speak to music



classes about how to build your career independently and live as a creative artist and run a creative business. A big part of that I think is having the initiative and, let's say, the business acumen mixed with the creative side of what you do. I think that it is also quite important to emphasise that music is a viable career and there are ways to make a living from it. A big part of that, going back to what I was saying earlier, is live, and one thing I emphasise to a lot of students is to hire venues yourself, put on your own nights and so on. If you are in somewhere like Newcastle and your closest venue is Manchester, because all of the venues surrounding have closed down, you have added costs of having to travel there, your friends and family and your fan base who are based in that area now have to decide if they want to make the trip all the way to Manchester in order to see these people that they really love but this is going to cost them money and they have work tomorrow and so on. It is just adding barriers to entry to people who do want to see some good music. The fewer barriers we have hopefully the more people will start coming out and attending venues just as something to do of a night.

Jeff Horton: For me personally it is not so long since my kids were at primary school and I am wondering whether the way that music is taught could change. I remember thinking no matter how brilliant the teachers were, which they were, the style had not really moved on since I was at school many years ago. I am wondering if maybe with all the modern influences that are coming into music now maybe schools should be thinking about adapting those and teaching kids—for instance kids who want to be rappers or whatever. I doubt if there are many primary schools that teach kids how to do that; electronic music and stuff like that. I remember when my kids were at school. The teachers were great, but it was all quite classical stuff—kids playing recorders, and pianos, and stuff like that. I think that maybe needs to move on.

The other thing as well is that we at The 100 Club has been involved in a couple of charitable events where we teach kids not just how to play musical instruments but how to get involved in the industry as lighting engineers or sound engineers. I think that part of it is also very valuable, because not everyone can play an instrument, not everyone can sing, but there are still people that would like to be involved in it. I think an education, however it is done, that allows people to be part of the industry through just those two trades—and there are many, many others—would be really useful too.

Q247 **Paul Farrelly:** Mark—and also speak about your membership, the disparities across the country in the priority place and different areas of music.

Mark Davyd: Looking broader than musical education, the jobs in the creative industries and the cultural sector are exploding. I think they are the fastest growing job sector in the country. In the music industry when I wander into record labels, or the promoters, or anything else, the first question we normally ask each other is, "Which failed band were you in?"



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or, “How bad were you at the bass guitar?” because that is what has inspired people to join these things. For everybody stood on the stage at Wembley Stadium there are hundreds of people working behind that person who have an extremely valuable job they are passionate about and that gives them a living within one of our best industries—the one that is exploding the most.

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? I should declare an interest; I am part of that horrible middle-class, as I am now, apparently, where I filled my house with musical instruments, and I know have two daughters who have a band, because they had access to musical instruments. One of them is hassling to go to see a gig on Friday—they want to go and see The Amity Affliction and Dream State, and the other one is currently camped outside the O2 waiting to see BTS. That is great, because they have created themselves as music consumers, they are part of the ecosystem, and they have a band because they were exposed to music.

My concern would be that not everybody is as odd as I am about music and not everybody has filled their house with musical instruments, so we need to make sure that that access to musical instruments and that access to culture is written through our schools if we want to get people into this industry. As Jeff has just mentioned, lighting engineers, sound engineers, tour managers, roadies; these people have incredibly worthwhile careers because they were inspired at the age of five or six to plonk about on the piano. Turns out they are not going to be in Coldplay, but they are going to have a fantastic job in the music industry, which is a great industry to work in—it is one of the best and most thriving we have.

ShaoDow: As Jeff said, I think that there is no harm in emphasising the music that is current today, because this is what the young people do listen to—Grime and Hip Hop. From my perspective, when I was in school I wanted to learn the saxophone. They said, “The clarinet is the same thing, learn this”. So I did, because I really wanted to learn something.

Q248 **Paul Farrelly:** We will get back to venues now, but just for the record, so I do not forget it for the future, one of my bugbears is to get an A-star at A Level you have to get 95%. Where has that come from and how off-putting is that? People who want to just do things where they are going to get an A-star. I will leave that there.

Jeff Horton: Robbie Williams is from Stoke-on-Trent. He hasn't done badly.

Paul Farrelly: Yes. I know his mum.



Mark Davyd: I should just drop in at the end of that, again, what these venues are has evolved and it has changed. Many, many of our members have run music-education programmes to give young people in their communities access to a stage. They are showing them how the lighting desk works, how the mixing desk works; they are having them come in and put on a little show on a Monday afternoon when nobody else is using the venue. That access to that culture is incredibly important.

Somebody mentioned earlier about going from Stoke-on-Trent to Manchester or going to Liverpool. If I am 14 years old, and I have an acoustic guitar, and I have written five songs, do I really have to get on a train to Liverpool before I can put my foot on a stage and find out whether I like it or not? Stoke has The Sugarmill, so that is fine, but there are plenty of towns left in this country where there is no access to that first foot on the stage; you are never going to find out if it is the career you want to be involved in, and that is terrible.

Q249 **Jo Stevens:** I represent Cardiff city centre, so everything I have been hearing today—we have a kind of microcosm of all the issues that you have talked about, and particularly the decline of music venues, small venues. What we are doing in Cardiff is trying to make Cardiff a UK music city and promoting all the sorts of music and culture that we have in the city, working with all levels of local government for the devolved administration parliament. What I am interested in from you are solutions about what you think we can do as legislators working with other elected representatives to help live music venues not just sustain themselves but thrive in the future. What could we do? Mark, do you want to kick off?

Mark Davyd: The music-city movement is an international movement, and I was involved in the first Music Canada report on that called “Mastering of a Music City”. It is a very interesting kind of social, economic, and cultural picture of how you build a city that is a thriving music location. Within that structure, there is a thing called the venue ladder, and that venue ladder must exist for you to not just generate new fantastic artists, but also to retain them. When you come to somewhere like Cardiff you are very fortunate that you do have entry-level places that people can go and work out what they are going to do. Then they can move up, and up, and eventually they can go to—I think it is called the Principality Stadium now?

Q250 **Jo Stevens:** Millennium. Yes. I still call it the Millennium.

Mark Davyd: Okay, the Millennium. That is a functioning model. Your question is what should Government do. We have put in a written submission, which I am sure you have all seen. There is a lot of soft power around this that can be exercised around very simple things like parking. Musicians need to park near the venue. They cannot haul the gear 200 meters up. Cardiff has quite a big problem with parking around Womamby Street. Those are the little soft things you can do.



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It all hinges on one thing though, and that one thing is about cultural parity—cultural parity in legislation—so that we are not asking music venues, which are culturally vital zones and little things of productivity, to do something that we would not ask theatres to do. We are not asking them to do something that art centres are not expected to do, or museums. We give them that cultural parity, and that could influence all the legislation around that. I would extend that to things like business rates, which are crippling music venues at the moment—38% is the average rise. Jeff will tell you; I think it is 48%.

Jeff Horton: 47% mine went up, yes.

Mark Davyd: Went up in one year, which is completely unsustainable. What you have already heard is the profit margin is a tiny thing that is keeping them open. When they receive a new bill that is 47% higher, how are they going to pay that without changing the culture of what they are doing? What we have seen is a failure to really go, “These are culturally important. Let’s address everything about legislation and everything we are talking about—in the way that you are now doing in Cardiff—to make sure that these can thrive and grow”. I can send you a long list of little things that you could do. There has been a great movement on Agent of Change, for example, which we all know, between UK Music and Music Venue Trust, Musician’s Union, and it has been a really important piece of legislation. I have to tell you, it did take three years, and this is an urgent, urgent matter now. Three venues closed last week—three.

Q251 **Jo Stevens:** I was going to follow up, sorry, just before the others come in on the first question. On Agent of Change, obviously we introduced it in Wales in March 2017, something like that, and we have the bill currently going through Parliament here for England—in Scotland I think there is a bill going through—but as you say, in the meantime there are venues still closing. Do you think planning guidance is enough, or do you think we need actual legislation around those principles?

Mark Davyd: The guidance in the National Planning Policy Framework is interesting, because what it does is reinforce things that were really already hidden in there. I think the work that is being done in Wales at a Welsh Government level on this is really interesting, because we put in a lot of evidence and we told them what was happening, and with the help of people like you and a big campaign around Womamby Street I think everybody really understood that. The first draft of the new legislation and the new planning framework came back and it did not mention music venues. Maybe I do not understand how legal frameworks work or planning frameworks work enough to just say, “Okay, so you did a review to make sure that you would protect music venues, and at the outset of it what you sent to us did not mention music venues”.

The problem with that is you end up with people interpreting it. You say, “We want to protect cultural spaces”. What about if the licensing officer or the planning officer does not think the music venue is a cultural space?



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Why don't we just say what they are and say what we mean? That level of opaque language was not very helpful. We did immediately write back, and I am very pleased to say that the latest version says "cultural spaces", and in brackets it says "music venues" first of all, which is probably annoying to theatres, but at least that feels like progress to us.

It has to be explicit. It is really urgent to get on top of this. We need to look at everything we can do. To come back to your point, I want to see people opening music venues. What are we doing legislatively, and in terms of taxation, and everything else we can do to make it viable to open a new music venue? Then young people will do that instead of holding an illegal party.

Q252 **Jo Stevens:** Did anyone else want to come in on that?

Ben Lovett: I will pick it up exactly where you left off. I have been doing quite a lot of work in the States recently, and one of the policies that they have adopted at a Government level is to incentivise property developers, giving them various tax incentives or relief around these kinds of economic development zones. Then they also chair meetings between property developers who are obviously just trying to commercially grow and pay out their financing, but connecting them with the cultural centres, as I pointed out earlier.

If you were to look at a scheme in a redevelopment zone, there have been some amazing redevelopment zones in Cardiff that have been amazing to watch, but a lot of those have been underpinned by cultural hubs. Either cultural or sports hubs, I suppose, are relevant to this Committee, I am sure. You put these places in and it means you can hang off the back of a retail, or residential, or offices. I am fairly involved in the redevelopment of the King's Cross estate at the moment. You look at Central Saint Martins, you look at what their plan is around venues and theatres, and it just does not feel like the mix would work without it.

I feel like we could take a bit of a longer view. I suppose what I have noticed in the States is that they are saying, "In the short term we are going to encourage the economic growth by having these property developers come in and work with venues, slap a grassroots venue in the middle of that scheme and watch it be relevant to people who want to move there". 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. What is the point for the local city revenue if you are looking at a city that does not have that and then they are travelling to somewhere else? It is not helpful for the growth of that town, village, city, or whatever it might be.

Jeff Horton: Just on that, as I mentioned earlier, I run a heritage venue, and we could not have more people walking past our front door on Oxford Street. The biggest thing, as Mark mentioned, is with the revaluation of business rates. Since then we have seen what has happened to House of Fraser—they are not a live music venue, as we know—and what has



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happened to Maplin's. Even very successful institutions like Waitrose have issued a profits warning. To me all these things tie up.

When mine went up from whatever they were up 47%—that equates now to a business rates bill of £1,500 a week, which is ridiculous. The other thing as well that I just have to say is that I have applied for every type of relief, including hardship relief, which to be honest I found very difficult to do. I had to go into a Committee room somewhere off Trafalgar Square and speak to seven people on one side of a desk and me on this side, and to explain to them why I could not pay business rates. I said, "Well, because you have put them up 47%. It is as simple as that".

The whole process was quite humiliating, really. I have never been to a parole board meeting before, but I would imagine they are quite similar. The other thing was that—I am talking individually now, but it must happen to other people—my family has paid business rates for 60 years. My grandmother, as I said, goes right back to 1958. To suddenly have to appear at this Committee for hardship relief because the business rates have gone up 47% is just mad. Anyway, the outcome was that I got relief for 50%, which helps, but that was really only what I was paying the year before, so it is still a problem.

As I have mentioned, you see what is happening in the high street now, and not just with live music venues—it is a serious, serious problem for any business like mine that is independent. It has to be seriously looked at, because I have been very lucky, as I mentioned. I have had two amazing deals—I have a brilliant partner in Fred Perry right now—and without their help and their commitment to me The 100 Club would not exist now. As I said at the top of this meeting, unfortunately not every grassroots music venue has the history and heritage that are going to attract somebody like that. Business rates at the moment for me are top of the agenda to be looking at, really.

ShaoDow: I was speaking with The Cellar Oxford this morning, and they gave me quite a helpful breakdown of how things work for them. If they were to get 80% to 100% capacity they can pay the artists, they can pay the sound engineers, they can pay the security, and they can keep their doors open a little longer. They make whatever profit they do make on selling drinks. The tax involved with alcohol is hitting them very hard as well. Emphasise business rates, yes, but I think also alcohol tax is an issue for them.

It is not just about protecting these venues; it is also about supporting them, because they are not traditional businesses. They are not here to make a profit and to expand themselves. They are as they are, and they help artists move on to the next level. They need as much support as possible, whether that is financial or administrative, because some of these venues are just two people who are full time there, and the rest is just support, and volunteers, and things like that.



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I am sure Mark can confirm this for me, but over in Europe the venues get a great deal of support. If I were to tour over in Europe, I am guaranteed a certain amount of money. Over here it is a lot of negotiation simply because the venues cannot afford to pay because they are not getting enough people through the door, or if they are their costs are way too high. What I do not want to see is artists jumping on the Eurostar or catching a plane over to Europe and building their careers over there because they can actually make a living, when they live in this country. That does not make any sense to me, but it is something that could legitimately happen if we keep going down this route.

Jeff Horton: That has started to happen as well. I have had recently bands fly in from America that are doing one stop, which is at my venue—because the bands want to play there—and then doing everything else in Europe. As ShaoDow has just said, they are making a lot more money, they are being treated better, they are being put up in better hotels and better accommodation because the promoter has the money, because the local cities where they are working welcome the fact that there is this amazing event happening in their town. The hotels profit from it, the transport infrastructure profits from it, the cafes, the bars, everyone. That kind of bigger-picture thinking really needs to happen in the UK.

Q253 **Paul Farrelly:** You mention that you have or had two important partners, but you just mentioned one—Fred Perry. Is there another name you wanted to give some airtime to?

Jeff Horton: Back in 2010 we basically knew that we would be insolvent if we continued, so we made the decision, “We have to finish at the end of the year”. Whether you know or do not know, Paul McCartney decided that he wanted to come and do a show at the club to highlight its importance, because of the history and everything else. Sat reading this piece, which was on the front page of the *Evening Standard* was a guy called Richard Cocker who at the time was the MD for Converse UK and happened to be a drummer in a punk band at the club in the 1980s. I have never had that conversation with him how he went from a drummer in a punk band to becoming the MD of Converse. Anyway, it is for another day.

He just came and said to me, “Look, this is too important. What do you need?” We sat and had a conversation, and a head of terms was signed by me. The first thing I said to him was, “Look, if we sign this you do realise we cannot call it the Converse 100 Club. We cannot put a great big Converse logo in place of that 100”. He went, “Why would we do that?” I said, “Well, because you are a big corporate company”. He went, “Jeff, if you sign this and you start working with us you realise that we do not work like that”. He was to his word. We got to the end of 2016 and Converse decided it was not for them anymore, which is absolutely fair enough, they had given us six years’ support and without them we would not be there.



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Fred, who I had had a previous relationship with, called the chairman, who I know well, and he said, "Jeff, let's speak". I think it took us two meetings in three weeks for Fred to sign off. They have been absolutely amazing. We had an amazing event there on Sunday that involved young bands from all over. We had Grime artists, we had electronica bands, we had every form of music you can think of—12 artists over 10 days, and it was visited by literally hundreds of people. That is the kind of opportunity we can give people to see how brilliant grassroots music venues are when you have a partner like that who is prepared to give you that amount of support. We would not be in existence without Fred, that is for absolutely certain.

Paul Farrelly: I want to give you the chance to give him a double headline.

Mark Davyd: Can I drop some stats on the end of that? Ben mentioned the impact on the night-time economy. For every £10 spent on a ticket in a grassroots music venue, £17 is spent elsewhere in the night-time economy. I always call this the kebab question. I have worked in this industry for 25 years and I have eaten a lot of kebabs. I have never left my house at 11 o'clock to go to a kebab shop, and I have never eaten a kebab before 11 o'clock. Basically that is how it generates other jobs and other impact.

To come back to the issue of the subsidies that we are seeing, every other country in Europe except us is now subsidising its grassroots music venues in some way. The average level of subsidy, including us, is 35%, but ours is 0.1% subsidy, which is basically going to four venues. If you take us out I think it goes to 41% of gross that is going in from public funds or from the music industry to support these research and development labs where we grow our long-tail talent.

If we cannot compete, if we have that imbalance—I own one down in Tunbridge Wells, if I could ship it 100 miles south I would get a 70% subsidy of gross. 70%. The artists would be paid properly, the lighting would look fantastic—it already does. I am going to pick my own venue up. But we have to understand we are in a competitive market here where everybody else is now subsidising this level of activity and we are not. We should expect the artists will be paid less and we should expect that they will go elsewhere to make their living until we get this right.

Jeff Horton: The final point is just to emphasise what I said at the start, that I do think genuinely—I have been around the block, unfortunately, a few times, and I think this will have a big, big impact on things outside of music as well, such as tourism and festivals. Mark will tell you, but I think the income for HMRC in festivals is—

Mark Davyd: It is huge.

Jeff Horton: Yes. If we lose that, everyone is losing without any question of doubt. This conveyor belt of talent that places like The 100



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Club bring through every single year, they are all going to disappear unless they continue. There is no doubt in my mind. I have been in the business for 35 years and I am pretty certain that I do know a thing or two about it now.

Mark Davyd: Tom Kiehl from the UK Music can read you out the stats later on in the second session about the value of the live-music industry, but I think it is £4.4 billion. He can probably shout over my shoulder and tell me. £4.4 billion last year. I have music venues that are closing because they do not have £500. That does not make any sense—not any sense at all.

ShaoDow: Yes, a quick point from a rapper's perspective. I believe that Hip Hop and Grime as a genre is one of the most streamed music genres on Spotify at the moment, but it is still incredibly difficult to find small music venues that are willing to take a "risk" to put it on because they are worried about their licensing terms. It is not explicitly said, but indirectly certain genres of music, if it is urban, you might have a little bit more trouble with your licensing terms. You might have your licence come up for review next year, and some venues, understandably so, are not willing to take that risk.

A very good friend of mine, who is a rapper who does not swear in any of his music and is about as positive as you could possibly be, had a venue in Derby cancel on him this week because they thought he was a band for the past month and suddenly realised he is a Hip Hop artist. They said, "We cannot put this on because we will lose our licence". I think that is a big problem, because people are very clearly listening to this music and very clearly enjoying it. I am not saying book the artists who are talking about shooting people and stabbing people, but in Hip Hop and Grime there is a whole spectrum of things that you can talk about. There is the positive, there is the negative, there is the in-between, and I think it is treated with an almost paintbrush approach. It is one size fits all. Considering how popular it is in this country I think that is also a big problem, and venues should be given a little bit more leeway to present different sorts of music.

Jeff Horton: I will back ShaoDow up on that. That has happened to me quite often. Someone has seen an advert and has asked me what is going on, and we have had to put in on the temporary events notice because we cannot do it under our normal licensing terms. We have to be quite creative, we have found, to find a replacement word for "Grime" or "Hip Hop", because a lot of the time if you do mention those words it will not be allowed. I can back him 100%; that is definitely an issue.

ShaoDow: 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". I was



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on my way to the venue at the time. That happened, I would say, about eight years ago, and I do not see it vastly improving. The repeal of form 696 has definitely helped in London, but in smaller fringe cities where people still listen to this music—Norwich, there is a massive Hip Hop base there, but it is still treated with a lot of suspicion, and I think that is very unfair.

Q254 Chair: A couple of closing questions. Mark, you just referred to the level of subsidy in Europe for music venues. In what form does that subsidy come? Is that tax breaks? Is it direct subsidy?

Mark Davyd: Sometimes it is direct subsidy. They have different models in different places. The overriding summary of that is that each country is finding a different way to do this. In Germany, for example, they have invested €8.2 million in low-energy, sustainable equipment, because they know that is a big issue for music venues, they do not have the money to invest in the latest equipment.

We did a survey of Jeff's venue, for example; a new lighting rig of LED lighting in The 100 Club would reduce his energy bill by about 64%. It is environmentally a good idea to do that, but also it immediately makes his club more sustainable. There is a programme of capital investment there. Most of them now have some sort of programme investment, which is typically written around this whole issue of risk where everybody within the industry, and in the cultural sector, and within Government accepts that their role is to take risks, and so there is normally a fund available that is ring-fenced for music venues to take those risks.

In France you can write a risk assessment and you can draw money out of that fund. There is a live-music tax in France, I think it is 3%, which I have to say most of the big companies we have based in the UK seem very happy to pay in France, but we do not have that here.

Q255 Chair: How does that live-music tax work?

Mark Davyd: It is 3% on the price of any ticket. It goes into a fund that can then be drawn out when you are putting on risky shows. That does not just apply to grassroots music venues. You may have a risky show; for example, when there was the Bataclan attack obviously increased security became a really important factor. They still needed these shows to go ahead, so people started drawing money out of that to pay for additional security. We are talking about what we would describe as a pipeline investment fund. That is what is happening everywhere in Europe, and that is what we ultimately have to do here. We have to start sharing the risk that these venues are taking in allowing people on the first stage to fail. That needs to be shared across an industry that is, as I say, worth £4.4 billion.

There is a lot we could say about the Arts Council. I think it is often seen that we seem publicly very critical of the Arts Council. We are not, actually. I am quite critical of the evidence they have sent to you, but I



think that is something you should ask Darren Henley about. The issue is that everywhere else this has happened it has happened in a process in which the distribution of cultural funding by a single organisation—first of all that organisation says, “We can do this and we can help grassroots music venues”, and eventually another mechanism is found. I would like to short circuit that process here and immediately go to the point where the Arts Council themselves recognise they do not have the funding and they do not have the process to do this.

We need to find a way to really fast track this so we stop losing venues. Honestly, there is plenty of money available. I worked out on the basis of our 88 venues taking all the loss that those venues are making on live music at the moment would cost £11 million. I think that is a tiny amount of money within our cultural budget; £11 million for 470 venues to stop losing money. We should be able to find that overnight, and if we cannot find it through the cultural envelope of money that we have, which we know is shrinking because of the lottery issues, I am sure we can find it in the £4.4 billion that the live-music industry is generating.

Q256 Chair: Thank you. ShaoDow, you mentioned the issues with Hip Hop and Grime artist getting places to perform, but also that it is one of the most heavily streamed genres of music on Spotify. Why do you think Hip Hop and Grime in some ways seem to have been particularly successful as a genre of music that has given opportunities for new and emerging artists to find bigger audiences, and people have almost built up their careers on the back of their audience rather than by singled out by a producer to be made a star?

ShaoDow: I think Hip Hop and Grime have always had an entrepreneurial and independent streak to it. There has been a lot of, “Do as much yourself as you possibly can until you get to a point where people recognise you”. Also because you are literally just speaking your truth, you are speaking about things that you see, that you experience, that ironically the people who live around you and live in your area also see and experience. I feel like people can really resonate a lot more with that, especially the young people who are Ustreaming, who watch YouTube, who talk to their friends, and who share the music. It is very culturally relevant to young people at the moment.

It is just very difficult when you want to do it fulltime. I have been doing this fulltime for, I would say, about seven to eight years. A lot of what I do, while it is music related, is not as music related as I want it to be. I run a store that sells my music and merchandise in major shopping centres, which realistically, as an artist, has absolutely nothing to do with making music, and I would rather just make some music. In order to pay my bills I have to do as many things as possible.

To go back to answer your question, I think that it is because a lot of these people are just literally people who grew up in the area, who people have seen working and performing in these small venues, have seen out and about on YouTube and so on. They are real people; they are



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not just some magical stars who came overnight. With the Hip Hop scene in America, all of the big names, Eminem, Jay-Z, and so on, they are mega stars; you cannot even fathom how they started. Somebody like Skepta, somebody like Wiley, somebody like Ghetts—a lot of these people grew up in London; they grew up around these areas, you would see as they got bigger, and you were part of that journey, and you really feel invested in their success.

As a result it has inspired a new generation of young people who think, “I have seen them do it, and I have watched them do it from when I was young. I think I can do this as well”. But the same opportunities that may have been available five to 10 years ago may not be available to these young people, and some new opportunities are available to them that were not. Ultimately, if you are able to make money from music, and if you are to perform and make a fulltime living, especially touring as an urban artist or as a Hip Hop and Grime artist, it means that you do not have to do other things. You can focus your attention on what it is you are good at, maybe not work a part-time job, maybe not have to spend all of your time focusing on making money just so that you can make music. You can just focus on what it is you are good at and what you love to do.

Jeff Horton: Again, I could not agree more with ShaoDow. He is absolutely spot on. I have always made huge correlations between Grime and Hip Hop with punk in 1976, because if you listen to what they are singing about—they are singing about exactly the same things, because not a lot has changed for these kids. I think the correlations are there. I have quite often said that for me, I have punk through me like a stick of rock. I might not look it, but I have. For me, the correlations are all too clear, and it is exactly that “do it yourself”, going down that road of not going with big labels and getting ripped off. I think it is a really, really important part of our culture now, because it is delivering a very, very strong message and a very pertinent one as well. We all know what everyone thought of the punks in 1976; they are facing similar problems.

Q257 **Chair:** Is there a big enough audience in South London to give it momentum as well?

ShaoDow: I think the UK is bigger than London, and I think that it is very dangerous to assume that music only exists in London or that everybody will just come to London. I have fans across the country. There are people in Southampton who wanted to come to my London show who would not have been able to make it there and back, but it was not possible to do a show in Southampton at the time. There are people all across the country, and I think the musician should go to the music listeners as much as the music listeners need to come to the musicians. If the venues are not there for us to do that then it becomes a lot more difficult. Then you have to perform in a library; then you have to perform in a car park, and so on.

Q258 **Chair:** I suppose I meant that if you were starting in London it is not a



bad place to start.

ShaoDow: Sorry. Yes, it is certainly not a bad place to start. But again, Manchester is becoming more relevant with Bugzy Malone. There is the Birmingham music scene. There are many other music scenes for Grime and Hip Hop that deserve to have that opportunity to grow, but without the infrastructure that London has, it is going to be a lot more difficult to do that. Yes, in London it is certainly easier than other parts of the country.

Q259 **Clive Efford:** Just a quick question on a slightly different subject. South London is certainly a good place to start, no question about that, but is there enough accessible, affordable rehearsal space away from live audiences? That is a big part of becoming a live band. I turned up in many a grubby hole before I realised I was not the next Paul Rogers. I think other people had realised that long before I did, but it took a lot of time. Usually under a railway arch, somewhere like that. Do we have the space for that sort of creative development?

Mark Davyd: No, not enough, a bit like the music venues. Although I think the way that people can rehearse has changed a little bit. If we take, for instance, the Hip Hop and Grime scene, the development from literally being in your bedroom with your laptop to taking it on stage is not as complicated as that.

I am going to pick up on everything that everybody has said, which is just to say that all of these scenes revolve around the authenticity. In fact, we have a big explosion in British guitar music coming out of young people at the moment. That is happening in most of our big towns, and certainly in our northern towns like Doncaster, who have The Blindfers; in London we have Sister Ray. These are all new young bands that are suddenly finding their authentic voice. We have all these brilliant, brilliant bubbling up things.

They have managed to find a way to get to the rehearsal spaces, they have managed to find their way to the remaining music venues, but we should be making it a lot easier for those authentic voices to come through. I think that is the thing that runs through all of this. It is about access to these opportunities.

Ben Lovett: It is worth having a look at the various different business models. I do not know how much access you guys can get on this stuff, but rehearsal spaces are pretty brutal, because you do not go there to really do anything but be in a room, and their prices are set by the demand and by how much people are willing to pay to go into their room. You go back to the example of a gig fee and breaking that down into parking and getting into the rehearsal room. There really is not an opportunity for more than—I think the going rate is probably somewhere between £50 and £100 an hour. If you compare that as a space use to some of the other things that people are using, under archways—Omeara



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is under an archway, so I have quite a lot of information about the use of those 8,000 Network Rail properties.

It is just getting more and more competitive out there. I do not think, aside from some of the stuff that has been suggested today, that we have all the answers here. It is worth understanding the value chain a bit better, seeing where people's disposable income is being spent and how that is flowing through to the end users, whether it be the people providing the venue facilities, the rehearsal facilities, or going through into education. I think the mistake is to miss out on the £17 on the £10. That is what has been going wrong. It has been a revelation in my life, to see that the spend around the industry is where we need to bring that back in and to harness it, rather than taking it out of the industry in whatever shape or form that might be.

Yes. There are a handful of different ways, whether it is hotels, or flight operators, or whatever it might be, reinvesting that money into the industry is helping them make their own money.

Mark Davyd: I think you are describing a downward spiral there as well. If music venues of this level are unable to pay the amount that the artist really needs to make their show work, then that downward spiral is to the amount they can pay the rehearsal studio, who probably also have a business rate increase that they cannot afford. You are looking at a series of external pressures that are driving people out of business.

ShaoDow: Just a quick comment to tell a story about how my music career started. I started performing in Oxford while I was studying. It is not known through Hip Hop, by the way. I literally picked up a music magazine, went through all of the listings to see what was going on throughout the week and found the closest to Hip Hop I could find, went to the venue, spoke to the promoter and managed to get myself on the show. Then throughout the two to three years I would perform at a variety of metal and indie nights, and so on, because that infrastructure was not there for Hip Hop, but the small music venues were and the audience was. I think I performed at probably about 95% of the small music venues in Oxford and surrounding areas, Bicester, and so on.

I think the majority of those venues are either closing down, have closed down, are not in existence now. If I were to do what I did then now, I think I would struggle. I do not think I would have realised my extreme love and passion for music had I not had that opportunity to stand on stage and perform. I guess my worry is how many great British talents we are losing or will lose as a result of them not having that opportunity to really cut their teeth and to find out that this is what they want to do for the rest of their life.

Chair: That is great. Thank you all very much for your evidence this afternoon. Thank you.

Examination of witnesses

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 **Chair:** Good afternoon. Thank you very much for joining us this afternoon for the second panel. You will have heard a lot about the issues, obviously, that small venues are facing and the lack of opportunity for artists to perform at smaller venues as a consequence of that.

Obviously operators of large venues have a very different position. Perhaps we could start with you, Lucy, and the Albert Hall, one of London's largest and most prestigious venues. From your perspective do you share the sense of concern that operators of smaller venues have, and people that work across the industry, that for live music in particular this is one ecosystem and if there are problems in one area of it ultimately it can be bad for everyone else as well?

Lucy Noble: Absolutely. We are in a very privileged position, because the Royal Albert Hall is obviously an iconic venue and we are coming up to our 150th birthday. We are very busy, and we will have 400 shows on our main stage this year. We do 1,000 other performances in peripheral spaces, so we do have a secondary performance space that holds 300 people standing, and we have done that so that we can give access to younger artists who otherwise would not have the opportunity to perform at the Royal Albert Hall. We do it for accessible ticket prices, and we can do it because we are able to financially, but we do not make any money from doing those smaller gigs.

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. If we are losing some of those grassroots venues, it is a huge worry. Taking a step back from that, if we are losing music education with the new EBacc where you do not even have to take a creative subject as part of your GCSE anymore—that is a huge concern to us and quite a shocking decision. If right at the start, even before you get to the grassroot venues people are not engaging with music and we are not educating them, how are we possibly going to get to the dizzy heights of performing somewhere like the Royal Albert Hall?

Q261 **Chair:** Yes, I understand that. If there is a decline in the amount of performing space and artists are not able to develop themselves and their careers in the way they would like, do you start to see a knock-on for larger venues with fewer new acts looking to perform at big stages because the pipeline of those acts coming through is not there in the way



that it was before?

Lucy Noble: Definitely. We have had to undertake initiatives to try to encourage younger artists to perform because they are just not coming through in the same way as they used to, so it definitely impacts.

Q262 **Chair:** Michele, I am interested in your perspective on this issue of loss of performance space. Do you agree with what you have heard so far this afternoon?

Michele Phillips: Yes, totally. We are in a position where we have small venues and a large venue and have seen a progression through both. As a business, we understand that shows that we put in our smaller venues are loss leaders and the plan is that we try to get that smaller show up to the medium and then up to the larger venues. But we are not really seeing the young emerging artists that we have done in the past. It leads to our shows in our larger venues being a bit more stagnant. We have benefited from revival tours where bands that have previously said, "That's it, we're done" have come back and said, "Actually, we are going to do another tour". We are picking up from that, but where do we go in the future? Where are the new artists coming from to go to the larger venues?

Q263 **Chair:** Tom, you have a perspective across the industry. Do you feel there are parts of the country that are doing better than others or is this a problem that affects everywhere?

Tom Kiehl: The overall picture of the live music industry as a whole is one of very sustained growth in the context. Something like 29.1 million people attended live music events across the board last year. The live music industry itself contributes around £1 billion to the economy. We have a very strong, vibrant live music industry in the UK. I think it is having trouble with legislative issues and some of the issues that we heard being articulated in the earlier session. You are right in saying that the picture is mixed around the country. The figures that we have show areas where there is a high concentration of activity, particularly in the south, but there are areas, perhaps in the north, where we could be doing more, certainly if you look back at some of the historic figures.

Q264 **Chair:** We heard in the previous panel about the idea of a sort of ticket tax to create a music fund to support venues. Is that something that you would support? I am asking all members of the panel.

Lucy Noble: Smaller venues or all venues?

Chair: The way it was described sounded like a tax on all tickets that are sold. It is slightly redistributed because bigger venues would be making a bigger contribution to the pot, but it sounds like the money in the pot would be going more to the smaller venues. Is that something the Albert Hall would support?

Lucy Noble: There needs to be something to support smaller venues. I am not sure about a tax that would impact on the larger venues. We are



a charity and we do not have any Government funding at all and it costs us £6 million just to maintain our grade I listed building every year. I would not necessarily be supportive of taking money off us to give to the smaller venues but there is a need for financial support for those smaller venues.

Michele Phillips: Large and small venues are expected to pay a lot of taxes and payments. One thing that they did not go into in the first panel is that a lot of live music venues, because live music does not sustain the bills, put on other events. There are nightclubs that are having to pay late night levy taxes. To put an extra 3% on ticket revenue on top of that would make our margins smaller and could impact on the business.

Tom Kiehl: We are very strongly in support of working together as an ecosystem. UK Music brings together a lot of organisations and we can collaborate together. What we have seen in recent years, with the formation of the Music Venue Trust, is having a very strong voice for grassroots music venues. That has definitely helped with the work that we have been doing to support them in this campaigning.

Q265 **Chair:** Do you believe that the issues here are not to do with a lack of demand, a lack of interest or appetite from the public in going to watch live music events, but just the rising costs that are associated with running a venue? Do you think that is where the problem lies?

Tom Kiehl: I would say it is the cost and also the legislation. You have talked a bit about Agent of Change and planning. That has particular solutions in place and we hope to make some further progress there, but I think licensing generally is still a problem. 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. Although we have had reforms in that area, what we do not have with the Licensing Act 2003—it is a very pernicious piece of legislation. It is not just the cost, although I do agree that that is a significant barrier. You have to look at the legislative framework too and get that right. It is great to have achieved what we have done on planning but I think there is more we can do in other areas.

Q266 **Chair:** We are going to come on to talk about Agent of Change in a moment. Before we move on to that, Lucy, I wanted to ask you, looking at the way that London in particular—but this can affect the whole country—is served by major venues, do you feel that we have enough capacity? Is there scope for additional large venues in London? Do you feel that from the perspective of a venue like the Albert Hall there is far more demand than you can meet?

Lucy Noble: We are in a very fortunate and unique position. We have some big venues—the O2 and Wembley—but then we have the Hammersmith Apollo, Shepherd's Bush Empire. There are a lot in London and we have talk of the new Simon Rattle concert hall. There is the MSG Sphere, which is fantastic. We met with them last week in New York and



it is quite a different proposition to the other venues. It is going to be all about virtual reality and innovative ways of doing performances as opposed to the more traditional format. I think a venue like that will have an impact on places like the O2 Arena and Wembley Arena. We need to be careful about saturating the market in London and perhaps incentivise people to do more things regionally and to tour regionally as well.

Q267 **Chair:** Michele, do you feel there is a lack of big performance space in this country or do you feel we are meeting the demand, from the perspective of the venues that you work with?

Michele Phillips: It is a difficult balance. When a tour is booked, it is booked keeping in mind where that tour is going to go. If you start putting larger venues in different regions it can take away from going on a normal route, but then it also keeps the venues competitive. We do not want our industry to become stagnant and stuck in its ways. There is definitely a complete movement. We discussed the pub trade. That feeds into live music where we want to be able to offer our customers good quality products and not just warm beer and sticky floors. That is not acceptable anymore and the industry will decline if there is not that competitiveness. It is definitely a balance that is needed.

Q268 **Jo Stevens:** We touched on Agent of Change in the first panel but I was interested to know what more each of you thinks licensing and planning authorities could do to protect and help music venues of all sizes thrive?

Tom Kiehl: One area that we have explored a bit, which is again about collaborative working, is that London has something called a music board that brings together a lot of the local actors. It is probably very similar to the work that you are doing in Cardiff. It might manifest in something like that, but it is really helpful to get the planning and licensing authorities—those people in control of the decision-making process—to work with the industry and be collaborative in that regard. We have seen some great success in London with the music board.

In other areas of the city regions, we are working closely with Steve Rotherham in Liverpool, who has plans to set up a music board there, and we are talking to the mayors in Greater Manchester and the Sheffield City Region. There is a role for local leaders bringing those kinds of systems together because there is such an overlap between the two. Agent of Change is pre-empting problems further down the line in the licensing system. It is almost like taking one step forward before you have the actual problem and trying to bring it together.

That kind of collaboration does need to work across the board. What you can do within England is maybe create structures that are enhanced by being together. There has been talk about bringing the planning and licensing decision-making process much closer together and being one and the same committee. That would be quite a radical change and would take some time to bed in but the principle is a good one and is worth looking into a bit more.



Lucy Noble: Agent of Change has been fantastic; just to have common sense applied to that kind of thing is a really brilliant step forward. We were chatting the other day about making the venues a destination, somewhere like the South Bank that used to be the dead end of nowhere. Now look at how much it has thrived and benefits tourism and it is a real social and cultural hub. We have those ambitions at the Royal Albert Hall and would love to do something similar but I imagine that we would come up against planning difficulties or restraints. I would suggest some support when we want to improve an area in that way to make it more of a hub.

Michele Phillips: 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. We have a venue in Soho that haemorrhages money and part of that is because of the restrictions on our licensing as well as rates and rent increases. It makes it very difficult and that is a small live music venue and an iconic venue that is not supported and it feels that there is a lack of support from licensing. There are certain areas of the country that definitely have an agenda, potentially, to eradicate live music venues that have a late night licence.

Q269 **Jo Stevens:** Leading that across to Agent of Change, is that an argument for putting Agent of Change on a statutory footing rather than a policy guidance? You do get that inconsistency of approach across different devolved areas.

Michele Phillips: It is difficult to say because, as was said earlier, it is not always one size fits all. There is a lack of understanding sometimes, and the decisions that are made are not necessarily made by people who even know the venue. They have never set foot in that venue. They are all sat behind a desk just making a decision and are not actually there.

Tom Kiehl: The UK Government were quite clear when they announced the plans on the Planning Policy Framework. That is a very strong document and is something that councils are legally bound to comply with. There will still be an onus on the councils to take it forward, but in some ways I think we have achieved a lot with Agent of Change and what we have changed should not be forgotten. There are certainly more things you can do to strengthen it further. An area that is quite interesting is culturally significant areas and creating designations. I think the Welsh Government committed to that in Wales but I do not think the UK Government committed to do that in England. There has been



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progress in Scotland with the Bill that is going through there on something along that line. Having a zoning mechanism in place would take forward the proposals in the NPPF and give it even more oomph within legislation.

Q270 **Jo Stevens:** Then you would prevent different things operating in different parts of the country?

Tom Kiehl: Yes.

Q271 **Clive Efford:** Can you say what the large venues that you are involved with do to prevent ticket touting?

Lucy Noble: After the recent changes, we have put several measures in place. We have measures on the website. We do ID check, especially for the high profile artists and we invite the promoters to do that. We have clarified our terms and conditions and made them easier to find and easier to read. We turn away people who hold secondary tickets and we have written to the secondary ticket sites as well. We are trialling a company called Neon, which is a verified resale platform, at face value, a fan-to-fan platform, because we were not offering any refunds or exchanges. Obviously that then pushes people towards people like Viagogo. We are trialling this platform called Neon now and they have to check every purchase with us before they then resell it so that we can say that they are legitimate tickets in the first place.

Q272 **Clive Efford:** You are selling your tickets direct to the clients yourselves? You are not going through TicketMaster or anyone like that?

Lucy Noble: We have our own box office, yes.

Q273 **Clive Efford:** Neon are alongside your box office?

Lucy Noble: No, they are another independent company. We are just trying a few shows. We are just about to.

Q274 **Clive Efford:** They are only allowed to sell at face value?

Lucy Noble: Yes.

Q275 **Clive Efford:** There is no surcharge on that? How do they make their money?

Lucy Noble: I do not know. I imagine there is a small booking fee, as there would be with anyone.

Michele Phillips: Yes. Most ticket agents do have to charge a booking fee.

Lucy Noble: To cover their costs.

Michele Phillips: Otherwise they would not be able to cover anything.

Q276 **Clive Efford:** Invariably, but then there will be artists on some of those sites—sorry, carry on.



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Lucy Noble: It is not inflated. They will not be inflating the ticket prices and making them £1,000 each. It is face value with a booking fee.

Q277 **Clive Efford:** Sorry, you were about to say something? I will come back.

Michele Phillips: I was about to say the same thing. That is a standard measure. Being a business they do have to cover their costs as well but it would not be a case of, because it is a secondary ticket—it is not—bumping the price up to ridiculous measures to make a huge profit.

Ours is similar to yours. We have a ticketing site that manages our allocations for tickets and that is given to legitimate ticketing agencies. We have worked really hard with Ed Sheeran's people to stop the reselling of tickets and secondary ticket sites.

Q278 **Clive Efford:** Just so I am clear, the face value of the ticket that is resold is sold as the price on the ticket?

Michele Phillips: We do not resell. It is sold. The ticket is sold as the price of the ticket plus the booking fee plus—

Q279 **Clive Efford:** Right. What if it appears on a secondary ticketing site?

Michele Phillips: We are trying to stamp it out, the same as every music venue in the country. We are all trying to work together to stop those secondary ticket sales. We are a bit behind the times, really, but we now scan our tickets so that it can be reported if they are duplicated or if they have been sold on a secondary site. It is an ongoing battle.

Q280 **Clive Efford:** What do you do to monitor the secondary ticketing sites to make sure, as far as you can, that your tickets are not being resold?

Michele Phillips: The company I work for looks into that more than I do. I am no expert in that field, to be honest, but I know that we have done a lot of work to eradicate that.

Q281 **Clive Efford:** If you had identified a ticket that was one of your tickets and was up for resale at a huge mark-up price on one of the secondary ticketing sites, would you cancel that ticket?

Michele Phillips: Yes. We would be contacted and that ticket would be cancelled.

Q282 **Clive Efford:** Right. Is that the same with the Albert Hall? Do you prevent secondary ticketing sites putting on huge handling fees? That is what they can do, too. They can sell the ticket for one price but put on a surcharge for handling.

Lucy Noble: If those tickets are being sold on a secondary site, we have no control over that. They can charge whatever they like if the person buying the ticket is willing to pay. They have gone to that site and they are buying a ticket. We do not have an influence.

Q283 **Clive Efford:** You do not monitor and try to prevent the sale?



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Lucy Noble: We try to cancel tickets if we know, but often what they do is put seat numbers on that are not true. We have identified tickets that are being sold with seat details that are not even seats at the Royal Albert Hall. We can cancel them when we can identify where the tickets are.

Q284 **Clive Efford:** You do that?

Lucy Noble: Yes.

Q285 **Clive Efford:** Do you have a system where people own seats?

Lucy Noble: Yes.

Q286 **Clive Efford:** Can they sell them? Are there any regulations that limit the price that they can charge for those seats?

Lucy Noble: I thought you might ask that. It is a very complex issue because the seats were sold up to 150 years ago to families and businesses and they have been passed down the generations. They were sold to raise money to finish building the Hall because there was not enough money. They ran out of money. Now, they own those seats, they have property rights over them and the Hall has absolutely no control or influence over those seats. Their rights are protected and enshrined in an Act of Parliament.

However, we do offer a ticket return scheme so the members can return them. They are not reselling them because when they sell their tickets they are selling them on the primary market. They have not bought those tickets. They bought those seats as property as much as 150 years ago. If they want to sell their tickets, we offer what is called a ticket return scheme. A high proportion of them do sell their tickets through our box office, about 60%.

Q287 **Clive Efford:** At the same rate that you would sell the ticket?

Lucy Noble: Yes, absolutely. Then 40% either use them or donate them to charity. We have a process where our promoters or charities can write to those members and ask them to donate their tickets. Many of them do that. Many of them pass them on to family or friends to use. A very small proportion might choose to sell them in other places.

Q288 **Clive Efford:** We are not talking about large numbers of tickets being sold for massively inflated prices for very popular events?

Lucy Noble: No.

Clive Efford: That does not go on?

Lucy Noble: No. I would say again that those tickets are not within the Hall's control or influence.

Q289 **Clive Efford:** When they do sell those tickets, do they contribute anything back? You say your maintenance costs are £600 million a year.



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£6 million.

Lucy Noble: £6 million.

Q290 **Clive Efford:** Not £600 million. Sorry, I did not want to give you a heart attack. Do they put anything back into that?

Lucy Noble: They do. They contribute £5 million a year.

Q291 **Clive Efford:** From those seats?

Lucy Noble: Yes, the seat-holders contribute that amount. I will say again that we do not get any Government funding or any funding from anywhere else. We are a charity and we have to act in a commercial way. It is tough. They absolutely do contribute.

Q292 **Clive Efford:** Just one last question on this issue about secondary ticketing. Do you feel that there has been enough done by other venues to take on these secondary ticketing sites that are making huge profits while you are struggling to run a big, iconic venue?

Lucy Noble: I think everyone is doing everything they can. We also need help from people from you, and obviously you are tackling that now. The whole industry has been extremely vocal about secondary ticketing. I do not think there is anyone who has condoned it, apart from the people who operate the secondary ticket sites, of course.

Tom Kiehl: Recent campaigns have achieved law changes and our focus has been very much on trying to ensure that they are properly enforced. That is something we are very much behind, as well as consumer awareness and education. That ties into the Google point, if you like. We think it is ridiculous that Viagogo appears so high in search rankings and so on, given all the problems that are going on there. 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. There could be more done.

Q293 **Paul Farrelly:** I am sorry that I was out, Lucy, when you mentioned—EBacc. Could you say a few more words about that?

Lucy Noble: I feel so passionately about this—

Paul Farrelly: Be as passionate as you like.

Lucy Noble: —as does, I am sure, anyone who has been involved with the power of music or the music industry. The fact that we are saying that as for GCSEs you do not have to take a creative subject anymore—of course I am particularly passionate about music—I just find incredibly unbelievable, very disappointing and very saddening. It is detrimental to music. Someone earlier spoke about classical music and how schools only teach classical music but that is not true. We have instruments that are now in danger because schools are not teaching them, like the harp, the oboe and the bassoon.



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I have two young daughters. I have not had one single letter about music in the three years they have been at school. I pay for them to have music lessons because I know about music. I went to the Royal College of Music. I know the value of it. I went through the system, I played in a youth orchestra, and I had lessons paid for me. It is so worrying that that opportunity is not there for young people. If we do not have people engaging with music, whether it is classical or rock or pop or folk or jazz, if we are talking about the grassroots, if music is not being taught in the classrooms, how can we be talking about people playing at the Royal Albert Hall?

Q294 **Paul Farrelly:** We went through this very critically in respect of the impact on the creative industries in a previous inquiry—STEM versus STEAM, as it were—but it seems, just looking at some of the University of Sussex research that has come out in an article in *The Guardian* today about the impact on schools, it seems as if the EBacc juggernaut is still going on.

Lucy Noble: Definitely. Since 2016, there has been a 15% decline in people taking GCSE music. That is a huge amount. We are at the lowest ever amount of people that are doing music as a GCSE. I cannot speak for the other creative subjects, but they do not have to do any creative subjects. How has the decision been made that those subjects are not as important as the other so-called academic subjects? They should be. We know the power of music, how it can help with wellbeing, teamwork, character-building, confidence-building, as well as all the fun that you get out of music, the love and the enjoyment. I just cannot believe that that decision would be made.

Q295 **Paul Farrelly:** As far as I am aware, the intention is to expand this EBacc measure to 90% of state secondary school pupils by 2020, with no correction at all so far. Presumably it will just get worse.

Lucy Noble: It will. We can see the decline happening. Those A-level results were really interesting today and it is a huge worry. We desperately need people to help on this because if these creative subjects are just pushed to the side, everything will change, the whole way that we operate as a country, without culture. How many people use culture for enjoyment or just as a part of their everyday being? We support lots of amateur groups at the Royal Albert Hall, lots of school groups playing. Where are all those people going to come from if no one is studying music anymore?

Q296 **Paul Farrelly:** We are going to discuss this in more depth in a later session, I hope. I think we want to move on to Brexit and Europe at the moment. Over summer, if you will allow me, I lost a great friend, a wonderful lady called Cynthia Leach who was the wife of my agent, David. She was recovering from cancer but did not make a full recovery. She was a teacher and she played the violin. One of the last conversations that they were having as a family was about the 'Scallop Wars' and Cynthia was very unequivocal. "I blame Michael Gove", she



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said, who was the Education Secretary between 2010 and 2014. Apart from blaming Michael Gove, who else should we blame?

Lucy Noble: I do not know the answer to that question. I do not know who was involved with making those decisions. All we know is that we at the Royal Albert Hall and other major cultural institutions are trying now to give back. This is why we do an extensive education and outreach programme for music where we go to 200,000. We pay for young people to have instrumental lessons, we invite them to listen to performances at very low ticket prices and we are just doing as much as we possibly can to engage young people in music.

Tom Kiehl: I just wanted to add that we have launched a report just last month called "Securing Our Talent Pipeline", which is very focused on the fact that yes, we do have some very strong industry figures and we can present a very good macro picture of what the industry looks like, but there are also some real problems, particularly music in education, infrastructure, which we are talking about, venues, rehearsal spaces and finance.

A lot of that is social mobility issues as well. Some of the statistics that we have come up with recently are that 17% of music creators went to independent or private schools. There is nothing wrong with that at all, but compared to the rest of the population it is 7%. There is the disparity there. Also, something like 46% of music creators have some form of financial help from friends and family. We do not want the music industry to become the preserve of the bank of Mum and Dad. The Government are supposed to be looking into a new national plan for music education. The new one expires in 2020. There is no commitment yet from Government to take that forward. In other areas such as Ofsted, to have a broad, balanced educational experience you should not be awarded to have an Outstanding achievement if you do not have some kind of creative learning aspect. We feel very strongly that you should have it from a very early age. Creative learning should be at an early age, maybe your children's age, going onwards. That is key.

Q297 **Paul Farrelly:** You have let us have that report, have you?

Tom Kiehl: Yes.

Q298 **Chair:** The Committee produced a report earlier in the year on the impact of Brexit on the creative sector and one of the issues we looked at then, in particular, was visa rights for performing artists and to understand with music venues you may need to bring people in at very short notice and you need flexibility in the system to do that. Obviously this is not an area of negotiation with the EU, it is a matter of national competence. It is a question of we design the rules of who comes into the country and the Government will publish and introduce its immigration bill in due course. I would be interested to know from your perspective what engagement you have had with the Government on this so far. Do you feel this is moving in the right direction? Do you have any ongoing



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concerns about the artists performing at your venues being able to bring in the people they need to bring in to make their events a success?

Tom Kiehl: We have had quite a lot of engagement with Government on this general issue. We met with the Migration Advisory Committee, we submitted to their consultation. They had somebody working on creative industries but their recent report didn't have anything particular on the creative industries at all, which is very disappointing because there are some very unique challenges and experiences that the music industry faces and the creative industries as a whole.

We are slightly disappointed, to say the least, at that outcome. There may be very particular issues, like you say, in getting people to come to the UK to perform, and that was not acknowledged in the way it could have been.

With Brexit we have always been arguing for a reciprocal approach as well, we want people to come, to continue to perform and be an open country in that way. We also need to be able to travel around Europe as well. Free movement has been key to us. We have been talking about the idea of some kind of visa or passporting arrangement that could be put in place, because at the moment it is very easy for a band to do a gig in Amsterdam and then do the next night in Paris. After 29 March that might not be so easy. We want to be open and allow people to come in and to continue to perform, but we do have to accept that again a key driver to the great economic performance of the industry is to have the ability to perform overseas too.

Q299 **Chair:** Lucy and Michele, from the artistic performers at your venues have you had any concerns about Brexit? Do you have any concerns about this at the moment?

Michele Phillips: Again, I don't book bands, I am an operator but from what I understand is it is adding more risk to putting that show on. The cost of getting that artist to be able to tour around Europe, including the UK, is just another add to that gamble in a way where we could end up with quite a stagnant live music industry, where you will only get pretty much guaranteed sellouts who will opt to play in larger venues. The same knock on effect to the smaller venues as well.

Lucy Noble: As far as we are concerned, we are taking reservations as much as three years out and we are very booked up in the next two years. The market is very buoyant, we are still in high demand. We are about to take over as chair for the National Arenas Association and represent 23 of the arenas. I asked them this question and they have all come back saying they are not really seeing a massive change, they still have all the artists booking in. They are not particularly worried.

If, due to Brexit, there was a massive economic downturn those venues that rely on any subsidiaries from the Arts Council or local authority funding, or even sponsorship, you could argue that their financial models



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could be impacted. However, largely they are okay about it at the moment.

Q300 **Chair:** Just a final question from me. I want to go back on the line of questioning on secondary ticketing. Lucy, with regards to the Albert Hall, I understand the position that you set out and you set it out very clearly. What does the Hall do if an artist has stated that it doesn't want any of the tickets for the performance to be sold on secondary ticketing sites? Do you have an obligation in the contract you enter into with the artist to monitor what the debenture holders of the Albert will do with their tickets?

Lucy Noble: We don't because they are just not within our control. They are not in our manifest, they are something completely separate. We do not have any control or any influence. Actually, they regard that as a primary sale because they have not bought them in the first place, they see it as property rights.

Q301 **Chair:** Ultimately if they decide to put it on Viagogo and sell it there, there is nothing anyone can do about it?

Lucy Noble: Yes, as I said, it is out of our control.

Q302 **Chair:** What proportion of the seat in Albert Hall are owned by the debenture holders?

Lucy Noble: I think it is 1,270 out of 5,500.

Q303 **Chair:** Okay. When major artists come, if they put that stipulation in place that they do not want tickets resold, they just have to understand that you can only have control over the tickets you sell and not the ones that you don't sell?

Lucy Noble: Exactly.

Q304 **Jo Stevens:** On Brexit, you mentioned, Lucy, the venues and that you have things booked ahead and you don't think there is an issue at the moment. Would you agree, for example, that for orchestras looking to tour, it is more about the musicians and them not having that uncertainty about what things are going to look like after 29 March next year?

Lucy Noble: Yes, that is one thing I would add, is that with conservatoires—I think Trinity have put some evidence that 20% of their students are from the EU. Many of the soloists and conductors we hire for orchestras are European. It would restrict the movement perhaps. Also it could restrict the quality, the diversity and the artistic development. I do think classical music could be an area that it possibly might impact. As we all say, until it actually happens it is difficult to say.

Q305 **Paul Farrelly:** Tom, I do not know if you were involved in the organisation of this but over the weekend Bob Geldof was certainly concerned, with a lot of other names coming in behind him, at the potential impact on the industry of Brexit. How do you see it?



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Tom Kiehl: Yes, we weren't directly involved in that. That was very much a Bob Geldof led initiative. The way the industry views Brexit, there are three areas in particular. There is the issue around legislation, copyright, and there is a concern obviously that once we leave we could lose the protections that we have in existing EU laws because that has a very strong backdrop. Second to that you have the tariff implications that may come up and the delays. On physical products such as CDs, DVDs and so on, they are at zero rate so that probably will not change, however musical instruments and some degree of recording equipment will have tariffs associated with it. That will be a potential problem.

The big concern overall is what we consider to be the non-tariff barriers, which are freedom of movement changing, being much harder to tour one of our biggest and key markets that has a huge appetite for music content as a whole, and then associated with that there is potentially a restriction on goods as well, such as merchandise, a potential carnet system coming in. In fact it really probably will greatly affect the smaller up and coming artists. Those people who are trying to improve their set up in the UK with venues but if they cannot then tour very easily across the EU, so that is going to put significant barriers into their ability to grow their careers too.

Paul Farrelly: Chair, if that was Sir Bob's own initiative perhaps we could invite him in. We don't sit on Mondays.

Chair: Yes, we will follow up on that. If there are no other questions, thank you very much for your evidence this afternoon.

Tom Kiehl: Thank you.

Lucy Noble: Thank you.