

Written evidence submitted by LIVE

DCMS Select Committee inquiry: Reimagining where we live: cultural placemaking and the levelling up agenda

LIVE evidence submission

About LIVE

LIVE is the voice of the UK's live music business. LIVE members are a federation of 13 live music industry associations representing 3,150 businesses, over 4,000 artists and 2,000 backstage workers. LIVE represents the industry in the media and with government stakeholders. A full list of members can be found in the annex.

The UK's live music industry boasts world-class performance spaces, culture-defining festivals, and our passionate, creative workforce builds global superstars that are the pride of the United Kingdom. As an industry we generate over £4.6bn for the UK economy, contribute £4.5bn GVA each year and, bring in £1.6bn in 2019 in VAT alone. Around 30 million fans attend concerts and festivals annually and 11.2 million music tourists travel to the UK to experience live music each year.

LIVE welcomes this important inquiry from the DCMS Select Committee on how cultural industries can play an important role in the Government's levelling up agenda.

Terms of reference response

How can culture reanimate our public spaces and shopping streets?

Live music's role in the levelling up agenda

The UK's live music sector is a proud one, and we have been integral to the UK's international success story. Our industry is diverse, and ranges from some of the largest concert arenas hosting the world's biggest stars, right through to grassroots music venues that provide the next generation of talent a space to learn their craft.

Unlike other industries, the impact of our economic contribution is not confined to a square mile in the capital city, but instead permeates the very fabric of every city, town, and village across the nation. Grassroots music venues, major arenas, world renowned festivals, artists, and supply chain businesses make up the backbone of the economic benefits the sector generates, bringing wealth, direct investment, and culture to communities up and down the UK.

Alongside the direct investment that the music industry brings additional income to local and regional economies. Live music is a powerful draw in and of itself and attracts tourism to all parts of the UK. This brings associated economic benefits capable of sustaining local economies.

An investment in the future of this iconic industry is an obvious match for this Government's levelling-up agenda.

Economic impact of live music

Prior to the pandemic, the UK's creative industries were growing at five times the rate of the wider economy, generating £11.25bn in GVA each year and supporting over 600,000 jobs. Over a third of that contribution is made by the live music industry, which adds £4.5 billion to the UK's annual GVA. Live music directly supports 210,000 FTE roles and many thousands more, through its highly skilled supply chain.¹

Stimulating local economies and creating jobs

Alongside the direct investment that the live music industry brings to local economies across the UK, it also stimulates additional spend and job creation, creating a significant local impact in terms of support for the local workforce and community.

Case studies

¹ Carey and Chambers, (2020). "Valuing live entertainment", LIVE

- Just one night of live music events across Birmingham can generate c.£3 million for the local economy.
- Venues have acted as a catalyst for the regeneration of deprived areas. The Utilita Arena in Birmingham City Centre is a good example of this type of regeneration, with the development of luxury accommodation alongside affordable social housing, bars, restaurants, retail and visitor attractions coming to fruition since the venue opened 30 years ago.
- In 2019, Ed Sheeran played 4 homecoming shows in Ipswich to 140,000 people. Ipswich Borough Council calculated that this generated more than £9 million in the local economy.
- Colston Hall in Bristol contributed £17.4 million to the UK economy in 2015, with 60% of that being in Bristol itself. Following renovation, the hall had been expected to add £412.5 million GVA to the UK economy from 2020-2040.
- Over the last 2 years the SSE Hydro in Glasgow has generated £380 million in revenue for Glasgow, both in direct and additional spend, and a further £66 million for Scotland. It has also created almost 4,000 FTE jobs during the same period.
- In Inverness, Belladrum Tartan Heart Festival generated £6.6 million in revenue both directly and in additional revenue for Scotland in 2014. The same methodology calculates that to be closer the £9 million for 2019.

Music tourism numbers and spend across the UK in 2019:²

REGION	SPEND GENERATED	TOTAL MUSIC TOURISTS	FTE JOBS CREATED
North East	£60 million	242,000	662
North West	£477 million	234,000	4,976
Yorkshire & the Humber	£264 million	754,000	2,918
West Midlands	£252 million	877,000	2,453
East Midlands	£208 million	516,000	2,545
East of England	£212 million	596,000	2,106
South West	£528 million	1 million	6,402
South East	£553 million	1 million	5,371
London	£1.5 billion	4.1 million	10,697
Scotland	£453 million	1.3 million	4,757
Wales	£143 million	440,000	1,843
Northern Ireland	£81 million	234,000	901
Total	4.73 billion	3.89 million	45,631

Regeneration and culture

There are a broad range of economic and social impacts that can be achieved through culture-led regeneration approaches, and these have been well-documented in the regeneration of cities such as Manchester, Liverpool, and Newcastle. In and of themselves, these demonstrate the need to for culture to be at the heart of the levelling up agenda. Benefits include:

- Creating employment
- Attracting more visitors, boosting the tourism sector
- Stimulating town centre footfall, boosting local business
- Stimulating and supporting creative sector growth
- Enhancing the area's image, helping it attract skilled people and business investment
- Developing the skills, knowledge, and confidence of residents
- Enhancing community cohesion and pride
- Bringing enjoyment for residents.

Director of the V&A, Tristram Hunt, has stated publicly that “cities need the kind of cultural infrastructure that appeals not just to residents and tourists, but investors. Cultural communities time and again provide the seedlings for civic regeneration.”

Case studies

Cornwall 365

Cornwall 365 has spearheaded an innovative approach to marketing Cornwall as a distinctive cultural destination, supporting growth in the visitor, cultural and creative sectors.

- 1/3 of the £165,000 annual budget spent with local artists and businesses
- 2/3 of businesses attracted more visitors as a result of engaging with Cornwall 365

Green Man Festival, Powys

² Oxford Economics, (2020), “Music by Numbers 2020”, UK Music

Running since 2003, the Green Man Festival has attracted 20,000 visitors a year to Powys, as well as providing training, promoting local food and drink suppliers, and fundraising for local causes.

- Over 20,000 attendees with 5% travelling from outside the UK to attend
- 50% of the visitors also visit an additional site or attraction in Wales
- The 'settler's pass' generates £500,000 per year for the local tourist and retail economies

How can creatives contribute to local decision-making and planning of place?

Ensuring that culture and live music representatives are involved in a local planning process is vital.

Working in partnership with local cultural and music industries allows local officials to generate a shared vision for regeneration, enabling them to benefit from the unique expertise, perspectives, and capabilities of local cultural partners in delivery. This could include where and how to best divert resources in order to generate specific cultural outcomes or highlighting opportunities to support local talent to the benefit of the community.

Venues, events, and festivals have a unique perspective on and ability to spotlight the history, heritage and current cultural mood of local areas, meaning it is critical to bring representatives from these groups into the conversation from an early stage. Their input can help ensure that any enhanced cultural investment feels authentic to the local area, allowing residents to feel a genuine sense of place, and for them to see a true reflection of their home - offering a real source of pride.

One successful model that numerous councils have used is the creation of cultural boards. The board works alongside the Council, and incorporate a wide range of local cultural representatives to support the planning process of the Council and works in partnership with the council to deliver projects.

How can the Government support places without established artistic infrastructure to take full advantage of the opportunities that the levelling up agenda provides?

The most important intervention that could be made is the creation of a favourable economic and regulatory environment for investment in the live music industry, with the intention of generating live music events and venues in areas where they are currently absent. The UK live music industry is truly regional in nature but sadly, due to decisions made over the past twenty years, there still places where local live music infrastructure is missing.

The Levelling Up White Paper focuses on reinvigorating high streets across the UK - yet, 35% of the UK's grassroots music venues have closed over the last 20 years, because of the constant failure of understand their true value to local communities. Unsustainable business rates and inappropriate ownership models have contributed to this, and only sustained reform will allow for existing venues to remain open and new venues to establish themselves.

Business rates

Business rates are determined based on economic viability, which fails to take into account that grassroots music venues (GMVs) are the Research and Development arm of the music industry, with the sector investing 125% of ticket sale revenue on the delivery and promotion of music.

They do not benefit from the increased footfall a city centre provides for businesses like retailers. Unlike retailers, GMVs can only have one gig limited by their capacity per evening. These factors drive GMVs out of city centres, removing them from their role as destination spaces which encourage footfall. This depresses high street activity, particularly in the night-time economy - for every £10 spent at a GMV £17 is spent in the wider economy.

GMVs' individual profit margins are negligible. Historically, GMVs have remained under commercial business structures due to the lack of support and financial means to convert to a not-for-profit model which better recognises the cultural output and activity taking place. This is evidenced by the fact that the percentage of GMVs with a not-for-profit business model rose from 3% in 2015 to 31% in 2020 with Music Venues Trust's support. The existing Business Rates mechanism also penalises physical cultural space in comparison to digital space.

To resolve this problem, we recommend:

- The government should recognise the value of the existing structures and simply deliver cultural equity. We believe the aim should be that a theatre, arts centre, museum, gallery, and music venue should make the same contribution to Business Rates as cultural premises, based on the government's position on what that contribution needs to be.

Ownership model

93% of grassroots music venues are tenants, paying commercial rent to landlords who do not share their aims. This is a problem specific to grassroots music venues and not to other cultural institutions (theatres, art centres etc.) in the UK.

It is increasingly difficult to justify investing money back into the freehold when a venue's long-term tenancy is not assured; the average amount of time left on a grassroots music venues tenancy is just 18 months. The existing private freehold owner/leasehold tenant model is a significant weakness and threat within the sector. It results in poor use of available resources resulting in under investment, a lack of security, resilience and sustainability, less investment in British talent and intellectual property training/apprenticeships. Additionally, it results in the decline of high streets and town centres and a permanent loss of vital cultural spaces.

To resolve this problem, we recommend:

- Expand the scope of the Community Ownership Fund to encourage Communities to acquire their local Grassroots Music Venue through Co-Operatives, Community Benefit Societies and other mechanisms which can issue Community Shares.
- Optimise Social Investment Tax Relief so it can be offered to enterprises undertaking leasing and rental activity of premises hosting cultural performances to allow for MVT's ownership project 'Music Venue Properties' (MVP) to be able to take advantage of the fund.

Cost: Expanding the scope of the Community Ownership Fund, the financial impact is budget neutral; amendment to the application criteria can achieve the purposes of the fund while supporting Music Venue Trust's Community Ownership initiative. Optimising Social Investment Tax Relief so it can be offered to enterprises undertaking leasing and rental activity of premises hosting cultural performances would cost £6,555,000 per year and £65,550,000 across 10 years.

How might changes to the UK's broadcasting landscape affect investment in cultural production outside the capital, and what could the consequences be for artists and communities?

The relationship between the live music industry and the UK's broadcasting landscape has a long and rich history. Any changes to the models and funding of our broadcasting landscape, especially public service broadcasting, will have a substantial impact.

Both public service broadcasting (PSB) and music provide a form of 'social glue' that connects communities and reflects the creative talent of the UK. Live music and PSB have shared a long and successful history, with live music across the spectrum enriching the content of broadcasters. PSB also acts as an important platform for musicians - 77% of the British public spend over 2.5 hours listening to music in a typical week, which includes music in broadcast form.

Music forms a key part of the 'purposes' of public service broadcasting as defined by Parliament and enshrined in statute. These were articulated in the 2003 Communications Act to form the basis of the requirements of for the UK's public service broadcasters. Beyond these broad purposes, the BBC is required to include music within its services, as specified in its Service Licence agreement with Ofcom.

The BBC has dedicated coverage of music events across different types and genres, such as the BBC's coverage of major music events, including the Proms and Glastonbury). The staging and broadcast of BBC-branded live events, such as BBC1's Big Weekend, Radio 2 in Hyde Park, Proms in the Park. Whilst supporting new artists and unsigned talent through the brands such as BBC Music Introducing.

Any move to further commercialise public service broadcasting would risk the diverse nature of live music that is represented to audiences. The opportunities for up-and-coming artist to be provided a platform, and the range of less commercially focused live music would be put at risk and weaken the UK's diverse, and world famous live music industry.

How should Government build on existing schemes, such as the UK City of Culture, to level up funding for arts and culture?

These schemes have been hugely successful in increasing the investment in culture and live music across the UK. However, while they have an important role, the nature of the schemes necessitates a sole focus on one area at a

time. We believe the focus should be adjusted to create a positive environment for the live music industry to flourish across the UK, as listed above.

Our established industry has a fantastic ability to continue to create important economic stimulation, job creation and sense of local pride quickly. The opportunities and solutions outlined throughout our submission demonstrate the powerful role live music can play in the levelling up agenda and we look forward to working with the Select Committee in their inquiry.

LIVE members are: Association of Independent Festivals (AIF), Association for Electronic Music (AFEM), Association of Festival Organisers (AFO), Association of Independent Promoters (AIP), British Association of Concert Halls (BACH), Concert Promoters Association (CPA), The Entertainment Agents' Association (TEAA), Featured Artists Coalition (FAC), Music Venue Trust (MVT), Music Managers Forum (MMF), National Arenas Association (NAA), Production Services Association (PSA), and Society of Ticket Agents and Retailers (STAR)
