

## Written evidence submitted by the Association of Independent Promoters

[www.aiporg.com](http://www.aiporg.com)

The Association of Independent Promoters is the trade association that supports independent concert promoters in the UK. It was formed in late 2019 to support, represent and empower music promoters who, until that time, had no collective voice. The onset of Covid19 has highlighted just how important it is to have a body that represents this vital part of the sector, and we now represent over 200 independent music promoters within the UK. A promoter might be a company or individual who puts on concerts; a promoter might also hold or run a diary on one or more venues and a promoter may be an independent music venue who books not only in-house but also outside of their venue. As such, our membership has some overlap with Music Venue Trust, though our work is entirely focussed on the promoting of concerts, rather than the buildings, and with the Music Managers Forum, where some managers are also promoters. However the majority of our members do not own venues, and work independently across not only Grassroots Music Venues but Local Authority Venues, Academy Venues, Arenas, and other spaces in their community, town, city or region. Almost all are based in their hometown, working within that region, but some work across the whole of the UK. In terms of size our smallest members have turnovers around the VAT threshold, whereas our largest members sit within the £15M-£20M bracket. The largest number of members are small SMEs with a turnover of £0.5M-£2M.

There are four things needed to make successful a live music event. An artist, a venue, an audience and a promoter. Our promoters are responsible for the great number of shows and events that take place in the UK, in particular in grassroots music venues where they hire these spaces to promote emerging new artists. Many of our members then develop these acts through other live music spaces in their region to play the likes of larger venues such as the O2 Academy or Arena. The majority of independent promoters work, however, is in the grassroots. Evidence from Music Venue Trust, for example, shows that where one of their member venues works with independent promoters - rather than booking in house - around 90% of their shows in that venue are provided by independent promoters. Whether a promoter puts on a handful of shows a year, or many hundreds of shows a year, the collective content from independent music promoters is what makes up the majority of all music concerts in the UK.

**QUESTION :** How effectively has the support provided by DCMS, other Government departments and arms-length bodies addressed the sector's needs?

Effective for those who can access it, but promoters fall in a gap.

Whilst we have welcomed the Govt backed furlough scheme and support for the self-employed, the majority of our member independent music promoters run small limited companies. This has meant many have been unable to access support for themselves. But the particular issue for music promoters is that, regardless of governance, they all have multiple concerts and events on sale at any one time - mostly with programmes of activity running for an upcoming twelve more (or longer) period. This can be anything from few dozen events to many hundreds of concerts and shows. The onset of Covid19 meant that, at first, many artists, and agents, chose to postpone events pushing them back from Spring to Summer or Autumn. This meant promoters could not furlough themselves or their key members of staff, as they were busy re-booking venues, re-allocating tickets,

communicating with audiences and re-marketing shows with the new dates. As the weeks progressed, so more shows were postponed, and the cycle continued, preventing them being able to furlough. The sector, as a whole, chose to postpone events, rather than cancel. At first this was because they thought the onset of Covid19 would mean a short stoppage of live shows. But as things progressed, this was a move by artists, managers and agents in order to keep some income in the sector. By way of explanation a cancellation would trigger refunds to audiences which in turn would mean the collapse of some parts of the ecosystem - principally some ticketing companies (who retain ticket revenue) and some live agencies (who retain artists deposits, which would be refundable to promoters on cancellation). As time has gone on, so the shows for the Autumn - both existing shows and shows already moved from the Spring and Summer - are now rescheduling for 2021. So, despite having no income, promoters are unable to take up the likes of furlough support, and are bearing additional costs not only of wages, but of rescheduling events. Looking ahead, Independent Promoters will need not only the continuation of full furlough and self-employed schemes whilst they are unable to put on concerts, but in addition require support whilst they are rescheduling shows (and booking new shows) at a time whilst they also have no income from events.

**QUESTION What will the likely long-term impacts of Covid-19 be on the sector, and what support is needed to deal with those?**

Almost all of our independent music promoters will collapse and go out of business. What is needed is financial support for them sort of 'mothball' BUT able to be active in rescheduling events - as the window on potential re-opening moves back and forth - ,but also available to book in new shows and events as artists become available for a possible re-opening - so the sector is 'ready to go' (the lead in time for most touring is at least three months). That would require an average of £10,000 per AIP promoter a month, so approx £2M a month to cover all AIP promoters. Our suggestion is that would be a UK Treasury payment to a known organisation - ideally us of course - but I'd imagine more likely to such an organisation as Paul Hamlyn Foundation or PRS for Music Foundation, or the respective Arts Councils of each nation, who would then set the criteria for application for independent promoters, using their expertise in grant giving to manage the demand and strategic priority.

During a period of recovery, we'd urge for there to be a reduction on VAT to 0% in order to give some space and innovation for building audience confidence in the return to live.

The view of our members is that they won't be able to return to putting on concerts and events until venues can offer something close to 100% capacity. The reasons behind this are manifold - too long for the 3000 words here. Let's pick one key one - In short, the finances of running a grassroots show are so marginal, that even with a sellout event, after paying all the show and artist costs a promoter might take as little as £10 from from which they are expected to then draw their wages as well as contribute to their other running costs. Almost all of the shows independent promoters promote in grassroots venues are promoted hand in hand with larger shows in much larger spaces, where the financial return is better, which in turn offsets the investment they make in these grassroots shows. The grassroots shows are where promoters invest in new talent, some of which they expect to then develop into larger spaces - and so the cycle goes.

By way of example, here is a real settlement from a sellout grassroots music show :

## INCOME

Sales 150 (capacity - SOLD OUT) x £6 = **£900**  
minus VAT on tickets @ 20% = £150

**Net Income** **£750**

## EXPENDITURE

PRS	£22
Grassroots Music Venue Hire	£160
Marketing	£150
Rider / Catering	£83
Support Act	£50
National Advertising Contribution	£50
Door Person	£20
Ticket printing	£20
Staff	£60
Balance	£135

### **Offer £100 vs 80%**

So Band took a fee of **£108**

Promoter took £27

Even at that point, many will also need to know they can confidently book a good number of artists, selling at various levels from grassroots upwards, in order to have enough revenue to afford to return to market.

### **QUESTION What lessons can be learnt from how DCMS, arms-length bodies and the sector have dealt with Covid-19?**

It seems DCMS now have a working group and structure with which to listen and engage in a very pro-active way. We were such a new organisation we weren't known to DCMS but we'd hope to be an active part of future conversations.

### **QUESTION How might the sector evolve after Covid-19, and how can DCMS support such innovation to deal with future challenges?**

DCMS should intervene in the live sector to create a trickle-down between the clearly successful commercial elements and the muddier areas where that R&D and investment is done but not by the companies that then exploit it. In particular they could :

1. Ensure PRS for Music charge a levy on secondary ticket sellers.

**2** Bring the Academy Music Group into National ownership, or into Not For Profit ownership. It's at this level of touring where artist begin to realise commercial potential, yet here none of the profits are returned to the grassroots. In new ownership, the capacity for artist development would remain, but the profits would be owned and returned to the grassroots. Such a move would increase capacity building and commercial return for larger companies above this level, whilst ensuring the protection of all independent promoters; grassroots music venues and many more. It would negate the need for any further investment from UK Treasury.