



Darren Henley OBE
CEO, Arts Council England
21 Bloomsbury St
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9 April 2018

Dear Darren,

UK Music welcomes the opportunity to contribute to the public conversation that Arts Council England (ACE) has initiated on its next ten-year strategy, running from 2020 to 2030. An open and engaging review is exactly the right approach and we commend ACE for taking this step. The consultation presents a timely opportunity to assess existing provision from ACE for popular music in particular. Our comments, and any criticisms that we have, should be treated as constructive. We very much welcome the engagement we enjoy with ACE and offer to work closely with you in formulating your future funding strategy.

We ask that you accept this letter and recommendations as evidence for the public conversation.

- **The UK music industry**

UK Music published its annual Measuring Music report in September 2017¹, concluding that the UK music industry grew by 6 per cent in 2016 and is worth £4.4 billion to the economy, with the live music industry contributing £1 billion. Successful acts such as Adele helped UK exports soar in 2016 by 13 per cent to £2.5 billion. There are 142,208 people employed within the music industry.

The UK is also home to some of the most popular festivals and venues in the world, such as the Glastonbury Festival, The O2 in London and the SSE Hydro in Glasgow. As set out in UK Music's Wish You Were Here report, some 30.9 million people attended live concerts and festivals in 2016.²

¹ <https://www.ukmusic.org/research/measuring-music-2017/>

² <https://www.ukmusic.org/research/music-tourism-wish-you-were-here-2017/>

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UK songwriters are also experiencing phenomenal success internationally. Wayne Hector, Alex da Kid, Cathy Dennis and Tom Fletcher are amongst a growing number of UK songwriters achieving global recognition for their work with domestic and international acts such as Nicki Minaj, Eminem, Kelly Clarkson and One Direction.

UK popular music makes a massive contribution to the international music scene and is the dominant music genre that fuels the UK industry's economic success. Ed Sheeran's third album ÷ (Divide) was the biggest selling album in the world in 2017. This is the third time in the past five years that a UK artist has achieved this accolade. It was reported last year that British recorded music exports have now risen to £364.6 million, their highest level in decades.

According to Pollstar, UK acts Coldplay, Depeche Mode, Sir Paul McCartney, Ed Sheeran and the Rolling Stones all feature in the top ten worldwide tours last year.³ Reflecting heritage and contemporary artists, these acts demonstrate that the generations of popular music artists continue to contribute economic and culture value to the UK for decades. However, all but one of these five acts released their debut single in the last century, underlining the need to develop new artists to maintain the UK's headline status at the forefront of popular music.

In order for UK popular music's success to continue, we need to continually be looking to where the next stars of the future will emerge from and how they can be supported to grow and develop their talent.

UK Music is not complacent about the future. There is a real need to ensure popular music's infrastructure has adequate funding available to it. Venues, rehearsal spaces, music education and recording studios need to be accessible to all, irrespective of socio-economic background or geographical location. ACE has a crucial role in this regard and should engage more extensively with popular music to support us in this endeavour.

This is not about giving public money to those that have reached commercial success. Despite the top line economic data, the music industry is a low earning sector which needs support. The Musicians' Union found that over 60 per cent of its members surveyed last year had worked for free at some point in the last 12 months. Average earnings in the music industry are actually less than the average earnings for people working in the economy as a whole.

- **ACE funding for music**

UK Music believes that ACE plays an important role in our cultural identity and shares its aspiration for the arts to thrive across the next decade. It is clear that many important music projects and events would not take place without ACE support. We strongly back ACE's role in maintaining our nation's place as a world leader in opera, classical, jazz, folk and other genres for instance.

³ https://www.pollstar.com/Chart/2018/01/2017YearEndTop100WorldwideTours_621.pdf

As a result, we seek a diverse music offering for creators, performers, musicians and audiences. This should be reflected in the way ACE funds genres yet UK Music’s research of publicly available data, as set out in Table 1, regrettably indicates otherwise.

Table 1 – ACE Music National Portfolio (2018 – 22) funding by genre

Genre	Total Sum of Portfolio grant 18/19 - £	Total Sum of TOTAL Portfolio grant 18/22 - £	Percentage of music funding - %
Opera	£ 57,179,863	£ 228,719,452	62%
Classical	£ 21,294,221	£ 85,176,884	23%
Popular music	£ 7,169,809	£ 28,679,236	8%
Multi genre	£ 2,581,151	£ 10,324,604	3%
Jazz	£ 1,738,940	£ 6,955,760	2%
World music	£ 994,248	£ 3,976,992	1%
Folk	£ 527,046	£ 2,108,184	0.6%
Brass band	£ 353,054	£ 1,412,216	0.3%
Choral	£ 112,978	£ 451,912	0.1%
TOTAL	£ 91,951,310	£ 367,805,240	100%

Table 1 is UK Music analysis⁴ of Arts Council England (ACE) funding⁵ as designated for music disciplines as part of the National Portfolio for 2018 to 2022.⁶ We have used

⁴ Data source available here - <http://www.artscouncil.org.uk/national-portfolio-2018-22/more-data-2018-22>

⁵ Research was conducted by UK Music on each music recipient within the National Portfolio to assess their primary music genre. If the activities equate to 50 per cent or more time being devoted to a certain genre, on the basis of a typical 30 day period, then that recipient is classified within a specific genre.

If it is not possible to identify one genre equating to 50 per or more time on the basis of a typical 30 day period then that recipient is classified “multi genre”.

Specific genres have been defined as follows:-

- Opera – art form that combines singers and musicians to perform a dramatic work encompassing text and a musical score.
- Classical - Music written in the European tradition during a period lasting approximately from 1750 to 1830, when forms such as the symphony, concerto, and sonata were standardised. Including orchestral and chamber music.
- Popular music - Contemporary music routed in styles with widespread audience appeal.
- Jazz – Music routed in US/African-American traditions from the late 19th and 20th centuries.
- World music - Contemporary music routed in traditional styles from outside the UK.
- Folk – Music originating from a traditional art or culture within the UK.
- Brass band – Musical ensemble entirely of brass instruments.
- Choral – Form of music specifically written for a choir to perform.

⁶ We have used terms of genres which we understand from private conversations with ACE that it is familiar with. The figures we are reporting do not include ACE Grants for the Arts or strategic funds as publicly available data is not available.

categories of music genres that we understand ACE is familiar with. Popular music is defined as “contemporary music rooted in styles with widespread audience appeal”.

Only 8 per cent of music funding is awarded to bids related to popular music. This is in stark contrast to opera which enjoys 62 per cent. For every £1 awarded to popular music, opera gets £8. We understand the importance of opera, the immense contribution and the enjoyment that it brings, yet the huge disparity in ACE funding is simply indefensible.

It is deeply disappointing that ACE funding decisions have not been geared towards supporting the further development of popular music given that the genre overwhelmingly fuels the majority of music’s £4.4 billion economic contribution. We believe that the breadth of ACE’s support for music should not be so heavily weighted to supporting genres that are perceived to be commercially less successful in comparison to popular music.

We acknowledge that there are projects which form part of the National Portfolio, such as Music For Youth, that involve multi genres and incorporate popular music as well. This has been factored into our analysis yet these projects still account for only 3 per cent of all music National Portfolio awards.

It is important to also note the Royal Opera House alone accounts for 42 per cent of money awarded to opera under the National Portfolio. We believe there is a case for the Royal Opera House in particular to access more private funding, given that they will be better placed to do so than a grassroots music venue for example.

It is not as if the past record of ACE funding of popular music is without success. The PRS Foundation Momentum Music Fund was set up in 2013 by the PRS Foundation and ACE to address the growing disconnect in the funding of emerging artists. The Fund provides career-boosting grants to pre-commercial, independent artists at a crucial tipping point in their career. 49 per cent of grantees are Black, Asian and Minority Ethnic (BAME). Urban music (Hip Hop, Rap, Grime, R&B and Soul) is the most supported music style. The Fund contributes to diversity in the talent pipeline for future signings and commercial deals. The Fund has also helped overcome socio-economic barriers into the industry with two-thirds of applicants not previously working full-time in the industry and 43 per cent of grantees now working full time. The Fund’s partners include PPL and Spotify. For every £1 granted by Momentum, artists have returned £7.46 to the economy. ACE’s withdrawal of funding from Momentum in 2018 is deeply disappointing indeed.

ACE has made solid progress in recent years in ensuring more funding goes outside London. The new ten year strategy is an opportunity for ACE to break the mould in terms of increasing funding for popular music that has historically secured disproportionately less funding than those which ACE traditionally favour.

Current ACE funding for popular music, compared with other music genres, is however woefully inadequate and urgently needs to be improved over the next decade. This is critical in order to support the development of the music industry’s talent pipeline in the years ahead.

- **What ACE should do to support popular music**

This conversation is an opportunity for ACE to realign its relationship with popular music and provides a positive platform for engagement with the music industry and to address the current imbalance in funding.

We ask that ACE give greater consideration in its new strategy to the funding of rehearsal spaces, particularly when considering the impact these can have on the social mobility of young people. Grassroots music venues are also facing many challenges and given the rate of recent closures it is key that they receive support in order to assist the development of a talent pipeline across the country. We also ask that music education is considered by ACE across all genres, particularly access to instruments in schools for children of poorer backgrounds and in projects focussed on talent development within popular music. Other aspects of the music industry eco-system and the ACE bidding process also need to be addressed.

Education

Music education is a vital part of the talent pipeline of today's music industry. There is a body of strong evidence that young people who are engaged in their education through music, or who play a musical instrument, make greater progress at school and achieve better academic outcomes than those pupils who do not play music.⁷

Creative skills, including music, need to begin at primary school and play a significant part in continued curriculum learning. Music provision in schools is under threat however. It has been reported that music is only compulsory for "all Year 9 students" in 62 per cent⁸ of schools, despite it being compulsory in the National Curriculum. In addition, Music GCSE uptake has seen a decrease of 8 per cent. This trend needs to be reversed to avoid a catastrophic effect on the industry in the short, medium and long term.

In 2010, the EBacc was introduced as a school performance measure in England. Creative subjects such as music are excluded from the EBacc. According to a recent study conducted by the University of Sussex, 59.7 per cent of state schools indicate the EBacc has had a negative impact on music provision and uptake.⁹

It is concerning that one fifth of schools did not offer GCSE Music at the start of the 2016/17 academic year. Of those schools that do offer Music GCSE, 11 per cent are taught outside curriculum time. Beyond GCSEs, the number of schools offering pupils a chance to study BTEC Music Level 2 has declined by 70 per cent over four years.¹⁰

ACE should consider how educational programmes can be developed to support emerging talent within successful funding bids for popular music. In light of this, improving young people's access to music and instruments must be a key objective of the next

⁷ <https://www.cambridge.org/core/journals/british-journal-of-music-education/article/impact-of-instrumental-music-learning-on-attainment-at-age-16-a-pilot-study/F439F0A77A79858988B66C172FF5CC72/core-reader>

⁸ <http://www.sussex.ac.uk/broadcast/read/39525>

⁹ <http://www.sussex.ac.uk/broadcast/read/39525>

¹⁰ <http://www.sussex.ac.uk/education/newsandevents/news?id=39525>

strategy. There are many positive examples of ACE funded activities partnering with schools which can be developed in this regard.

The creative industries are growing at twice the rate of the wider economy and are now worth £92 billion to the UK. Given the increasing importance of sectors like music we need to ensure we are equipping young people with the relevant skills.

Social mobility

Reduced access to music is leading to an inequality of opportunity. Music has a key role to play in enabling social mobility. Top earners are four times more likely to pay for social-enrichment classes for their children. 50 per cent of children at independent schools receive sustained music tuition, whilst the figure for state schools is only 15 per cent.¹¹ Given its importance to developing our future workforce, compulsory creative learning needs to continue and efforts to improve access to music must be redoubled.

ACE supported Music Education Hubs potentially present an opportunity to increase social mobility yet there is no clear plan in place for them after 2020. Hubs should also be required to report more publicly on the outcomes and opportunities they provide.

UK Music's rehearsal spaces are now firmly embedded in their local communities and have been used to deliver meaningful projects for young people from poor socio-economic backgrounds, boosting skills, fostering creativity and driving down crime in local communities. UK Music recommends that ACE should consider further investment in the current scheme and assistance with expanding it to support the future development of popular music.

We are encouraged by initiatives such as Youth Music which ACE recently announced would benefit from £38.6 million over the next four years which offers funds to diverse, creative and inclusive music projects. We advocate that further funding should go to projects such as these.

In addition, the UK music industry is committed to helping talented young people get paid jobs in the sector. The creation of apprenticeships in music have coincided with a growth in the music industry's workforce. Funding to develop careers within popular music would definitely amount to progress from ACE throughout the new strategy.

Venues

Venues act as important centres for cultural activity in our towns and communities. Grassroots music venues in particular act as important hubs for local music talent and offer a means by which musicians and performers can cultivate and nurture their creativity.

¹¹ The Sutton Trust (2014) *Research Brief: Extra Curricular Inequality*, <http://www.suttontrust.com/wp-content/uploads/2014/09/Extracurricular-inequality.pdf> The Sutton Trust research includes private tuition and extra-curricular activities across *all* subjects but the implications for access to the creative subjects are clear.

UK Music has long campaigned on the issues which face music venues across the country, putting strain on thousands and leaving many struggling for survival. It is estimated that 35 per cent of grassroots music venues have closed in the last ten years. Much loved music venues including The Square in Harlow which kick-started the careers of many iconic popular music bands have now closed. Venues continue to face challenges including from the regeneration of urban areas with new residential developments pushing out existing businesses, the recent hike in business rates and licencing issues.

Supporting grassroots venues is key to maintaining the UK's vibrant and diverse music scene, as well as ensuring we have the talent pipeline to maintain Britain's position as a global force in music. In developing a new strategy, we would seek ACE to consider proposals to support grassroots venues to help halt this decline and preserve accessibility to the sector by the wider public.

Industry eco-system

We believe that ACE must give a greater focus to the music infrastructure which is in place to support the talent pipeline of emerging artists within popular music. In order for this talent to be nurtured, new artists need to be able to access a team of managers, producers and staff in order to receive the necessary support to develop.

Building on this premise, ACE could make funding available for producer-artist partnerships. This would enable an experienced music producer to guide the planning and application for a project from the outset, which could be helpful for less experienced artists.

UK Music believes that there is further scope for collaboration between ACE and the music industry, especially with regard to international trade missions. There is particular scope for collaboration when putting on showcases to ensure that we highlight the best of UK music while abroad.

It is also worth highlighting that in Canada key elements of the music industry ecosystem, such as music managers, receive cultural funding. FACTOR Canada provides this support, enabling the Canadian industry to punch way above its weight. Popular music in the UK runs the risk of being left miles behind in face of international competition if this is not addressed by ACE, particularly as the implications of Brexit emerge and develop over the next decade.

Bidding process

We urge ACE to use this conversation as an opportunity to review the structure and procedure of its application process. It is important to address the potential barriers which are in place through the current application system, and the resources and time implications of this on smaller organisations and projects. ACE should consider how training can be developed to assist popular music applications. It is important that the application process is an open and transparent process which is fair to all organisations.

ACE must set high standards in terms of the bids that they accept, yet there are many potentially worthwhile projects that are put off by the application process. ACE should collaborate more with local authorities who can then assist good popular music initiatives which may not have the expertise to navigate the application process. It would also be helpful to have more transparency on ACE's key performance indicators and objectives when assessing applications.

Such a review of the ACE application process would be very useful. UK Music was particularly disappointed that the Music Venue Trust's bids for ACE funding were rejected last year, despite the critical issues music venues currently face.

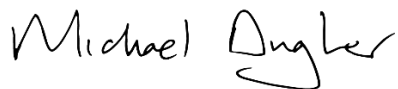
Next steps

Aside from our calls for greater funding provision and support from ACE for popular music, we support calls for the new ACE strategy to address damaging cuts to orchestras that provide employment opportunities to many musicians.

In the spirit of the public conversation that you have initiated on ACE's strategy for 2020 to 2030, UK Music will put this submission on our website.

We have been grateful for the engagement we have enjoyed thus far with your officials and look forward to working with you further in the development of ACE's new strategy.

Kind regards

A handwritten signature in black ink that reads "Michael Dugher". The signature is written in a cursive style with a large, sweeping 'M' and a distinct 'D'.

Michael Dugher
CEO, UK Music