



Mrs Gill Standen
HM Revenue & Customs
Employment Status Team
Room 1E/10, 100 Parliament Street
London
SW1A 2BQ

18 July 2013

Dear Mrs Standen,

UK Music is the umbrella organisation which represents the collective interests of the UK's commercial music industry - from artists, musicians, songwriters and composers, to record labels, music managers, music publishers, studio producers and music licensing organisations. Our members are listed in an annex.

We welcome the opportunity to provide a contribution for the consultation on National Insurance (NI) and Self-employed Entertainers.

UK Music would like to firmly support the preferred option 4 – repealing the regulations in respect of entertainers. Without repeal, the effect of the regulations on the 124,420 individuals working in the sector, 47,460 of whom are freelance, could be very negative indeed. It is important at this point to mention that 78% of the music sector earns less than £20,000 a year.¹

We believe that self-employed musicians (self-employed for tax purposes) and those who engage them should not be subject to Class 1 NI. UK Music is fully in support of the submission provided by the Musicians Union on this consultation.

The current situation poses huge problems for musicians and for those who engage musicians as a result of them having to pay employees'/employers' NI.

Should option 4 not be taken forward then the situation could be completely unworkable and cause problems for live music performances across the country. For example, if the regulations are not repealed in respect of entertainers a pub landlord who books a

¹ http://blueprintfiles.s3.amazonaws.com/1319716452-Music-Blueprint-Web_26_7_11.pdf

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musician to perform in the pub would have to deduct National Insurance and to know whether to pay an employer's contribution.

UK Music along with its members, in particular the Musicians Union, campaigned for a number of years for deregulation of entertainment licensing from local authorities. This has been achieved via the Live Music Act which came into force in October of last year. The Act has the potential to be of enormous benefit to both musicians and venue operators.

According to recent UK Music research it could mean 17% of venues who had not previously put on live music now doing so and a further 24% who do already put on live music increasing their provision.² UK Music and the Musicians Union are at present conducting a series of Live Music Act roundtables which have been instructive in both informing the impact of the legislation and raising awareness of it. 78% of venues were not aware of the Act before it came into force.³

Government support for this legislation was in part based on the fact that it would decrease regulatory burdens, yet the current situation in respect of self-employed musicians and NI contributions has the potential to increase the red-tape imposed on struggling musicians and venues. It is very welcome that the Government is committed to further entertainment deregulation, as announced at the beginning of the year⁴, yet there is an inconsistency if the preferred option 4 is not followed through. If the proposals for deregulatory entertainment are to have any impact, progress will be stunted by the imposition of additional burdens elsewhere.

We wholeheartedly want to see opportunities for musicians and performers to display their creativity across the nation. It is this creativity that enables the UK to be one of three net exporters of music content in the world. The Government's positive record on this issue can be enhanced by a repealing the regulations in respect of entertainers. We look forward to your serious consideration of implementing this option.

Yours sincerely,



Jo Dipple,

Chief Executive, UK Music

² <http://www.ukmusic.org/assets/media/UKMUSIC-Live%20Music%20Baseline%20Research.pdf>

³ Ibid.

⁴ <https://www.gov.uk/government/news/cutting-back-red-tape-for-community-entertainment>

Annex

UK Music's membership comprises of:-

- AIM – Association of Independent Music - representing over 850 small and medium sized independent music companies
- BASCA - British Academy of Songwriters, Composers and Authors – with over 2,000 members, BASCA is the professional association for music writers and exists to support and protect the artistic, professional, commercial and copyright interests of songwriters, lyricists and composers of all genres of music and to celebrate and encourage excellence in British music writing
- BPI - the trade body of the recorded music industry representing 3 major record labels and over 300 independent record labels.
- MMF - Music Managers Forum - representing 425 managers throughout the music Industry
- MPG - Music Producers Guild - representing and promoting the interests of all those involved in the production of recorded music – including producers, engineers, mixers, re-mixers, programmers and mastering engineers
- MPA - Music Publishers Association - with 260 major and independent music publishers in membership, representing close to 4,000 catalogues across all genres of music
- Musicians' Union representing 30,000 musicians
- PPL is the music licensing company which, on behalf of over 75,000 members (65,000 performer members and 10,000 recording right holder members), licences the use of recorded music in the UK
- *PRS for Music* is responsible for the collective licensing of rights in the musical works of 100,000 composers, songwriters and publishers and an international repertoire of 10 million songs
- UK Live Music Group, representing the main trade associations and representative bodies of the live music sector