

**SUBMITTING EVIDENCE TO A SCOTTISH PARLIAMENT COMMITTEE**  
**DATA PROTECTION FORM**

<b>Name:</b>	Sam Murray
<b>Date:</b>	29/05/19
<b>Organisation: (if required)</b>	UK Music
<b>Topic of submission:</b>	Call for Evidence on the Non-Domestic Rates (Scotland) Bill

I have read and understood the privacy notice about submitting evidence to a Committee.

I am happy for my name, or that of my organisation, to be on the submission, for it to be published on the Scottish Parliament website, mentioned in any Committee report and form part of the public record.

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I would like to request that my submission be processed in a non-standard way.

## **LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE**

### **CALL FOR VIEWS ON THE NON-DOMESTIC RATES (SCOTLAND) BILL**

#### **SUBMISSION FROM: UK Music**

Please do not add any organisation logos

Please insert your response below

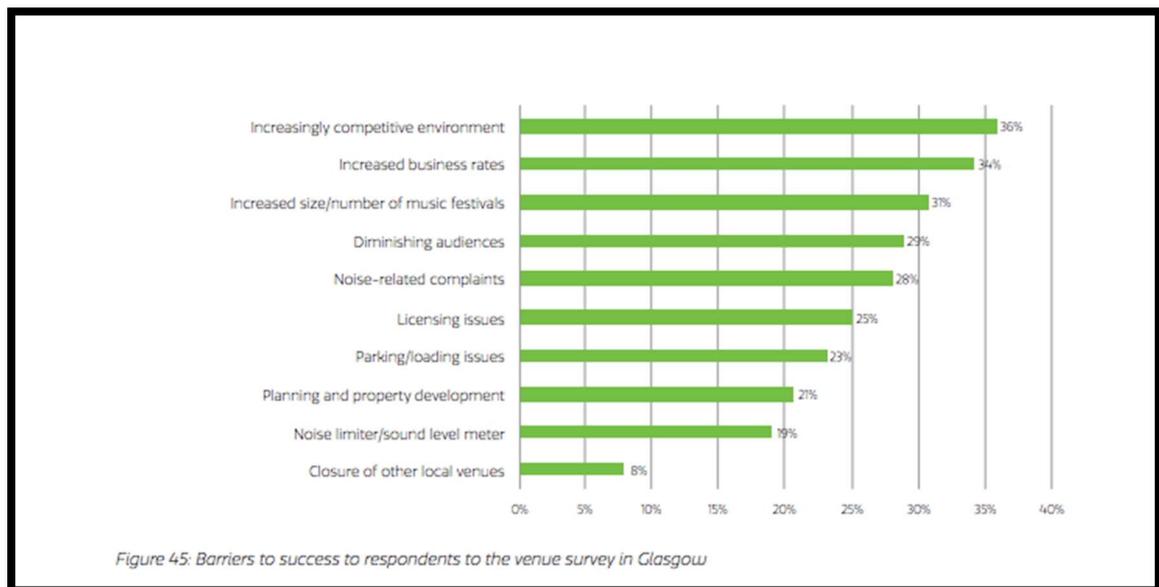
1. UK Music is the umbrella body representing the collective interests of the UK's commercial music industry, from songwriters and composers to artists and musicians, studio producers, music managers, music publishers, major and independent record labels, music licensing companies and the live music sector.
2. UK Music exists to represent the UK's commercial music sector, to drive economic growth and promote the benefits of music to British society. A full list of UK Music members can be found in annex.
3. UK Music welcomes the opportunity to respond to this consultation on non-domestic rates in Scotland. Our interest in this area is based on the impact non-domestic rates are having on the live and recorded music industries. Live music has been impacted with many grassroots venues struggling to afford non-domestic rates alongside other overhead costs for putting on gigs. We are also concerned about the impact of non-domestic rates on music festivals operating in parks and on agricultural land.

#### Grassroots Music Venues

4. The Music Venue Trust have a detailed definition of what a Grassroots Music Venue is<sup>1</sup>. This definition is upheld by bodies such as the Greater London Authority and DCMS.
5. Changes in non-domestic rates are impacting the ability of grassroots music venues to operate with confidence and certainty. The 2017 revaluation of rateable values in Scotland led many venues and studios to close due to not having the finances in place to cope with a rise in non-domestic rates.
6. Research conducted in Glasgow as part of the UK Live Music Census by the Live Music Exchange found that Non-domestic rates (referred to in the study as business rates) was a barrier to success for venues. 34% of respondents to an online survey of venues cited increased business rates as having had a negative impact on their live music events over the previous 12 months.

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<sup>1</sup> <http://musicvenuetrust.com/wp-content/uploads/2018/11/Defining-Grassroots-Music-Venues.pdf>



(UK Live Music Census Report, p.87 – Graphic reproduced with permission)

7. In the past decade 35 per cent of grassroots music venues across the UK have closed. Increased non-domestic rates are often cited as a cause. This past decade has seen the loss of venues in Scotland such as The Picture House and The Electric Circus in Edinburgh, The Arches in Glasgow, and The Garage in Aberdeen.
8. Research by UK Music has found that within Music Venue Trust grassroots venue membership in Scotland there has been an average increase in non-domestic rates of £8,918, which is an increase of 27% as a result of the 2017 non-domestic rates revaluation. Rateable values have also increased for grassroots music venues during this period with MVT members facing an average rateable value increase of £12,000 (26%).
9. Following the 2017 revaluation the average non-domestic rate paid by Music Venue Trust members in Scotland is £28,687.25 compared to £19,769.45 in 2010. The average rateable value at present is £56,545 compared to £44,545 before the 2017 revaluation.
10. The Music Venue Trust report that the cost of delivering live music events last year rose by 4 per cent in grassroots music venues and amounts to 130 per cent of total gross tickets receipts. This is directly attributable to non-domestic rates increases.
11. We have collated data across the Music Venue Trust membership and the following table demonstrates top increases in non-domestic rates for music venues. It shows the non-domestic rates paid before the 2017 revaluation and after. It also demonstrates the percentage increase in non-domestic rates between these periods.

## Top Increases in Non-Domestic Rates

Venue Name	Town	Previous Non-domestic Rate Amount	Current Non-domestic Rate	Non-Domestic Rate Increase since 2017 Revaluation £	Non-Domestic Rate Increase since 2017 Revaluation %
PJ Molloy's	Dunfermline	£8,269.80	£16,660	£8,390.20	50%
SWG3	Glasgow	£44,863	£88,140	£40,277	47%
Drygate Brewing Company	Glasgow	£33,258	£52,632	£19,374	37%
The Voodoo Rooms	Edinburgh	£34,670	£51,600	£16,929.40	33%
The Lemon Tree	Aberdeen	£28,566	£43,086	£14,520	34%
Whistlebinkies	Edinburgh	£28,276	£41,641	£13,364	32%
Macarts	Galashiels	£6,878.30	£9,163	£2,284.70	25%

Festivals

12. UK Music are concerned about the impact of Section 4 of the Non-Domestic Rates (Scotland) Bill, which aims to increase the degree to which parks are subject to non-domestic rates, will have on music festivals on park land. Music festivals are temporary by nature and operate within temporary structures and it is unclear if section 4 will impact such activity. There is a need for clear guidance on what activities section 4 will impact.
13. We are also concerned the impact of Section 4 of the Non-Domestic Rates (Scotland) Bill on uses of bandstands for local performances. This might include local brass bands, emerging talent or community festivals. UK Music wishes to seek assurances that any activity on bands stands would not be subject to costs as a result of non-domestic rates.
14. UK Music welcomes the response of the Scottish government to the Barclay review which has clearly indicated that there is no intention at present to review the agricultural exemption. Many festivals take place on agricultural land and as a result often make large contributions to local rural economies despite only operating for one weekend a year. In 2014 the Belladrum Festival did an economic impact study showing the festival was worth £4.6 million to the Belladrum-Beaully- Inverness area and a total of £6.6 million to the Scottish economy. Continuing such an exemption means that festivals are not inhibited by landowners making them pay the total non-domestic rates as has happened in England. The continuation of a historical agricultural exemption in practice for landowners hosting festivals is crucial to the Scottish music festival industry.

15. Many venues also participate in and host music festivals. The increase in non-domestic rates has an adverse impact on multi-venue or venue-situated music festivals with many losing festival locations to host performances and having to change spaces they hire year-on-year. Some festivals have had to close as a result of the revaluation as the costs are often passed on through rent. A retail discount would allow festivals based in venues the opportunity to be consistent and run year-on-year programmes.

#### Transitional Relief

16. An immediate step to help combat the impact of non-domestic rates on the live and recorded music industry would be the enabling of transitional rate relief for grassroots music venues. Currently the relief has been introduced to serve the hospitality sector and includes pubs and nightclubs where music takes place but not specifically music venues. Creating a specific grassroots music venue category in guidance to local authorities would ensure all can benefit from the relief as current guidance is unclear as to whether such venues can benefit.

#### Specific Non-Domestic Rate Relief for Music Venues

17. Grassroots music venues are often the first step onto the talent pipeline for emerging musicians. They provide vital opportunities to undertake first performances in front of an audience, are where musicians receive first professional payment and where they develop songs with audience feedback. It is with this in mind UK Music would like to see the exploration of specific non-domestic rate relief for music venues acknowledging their role in communities and career development.
18. Grassroots music venues have intrinsic social value often being meeting places within communities for a shared love of music, they can host community groups such as folk clubs and choirs as well as being hubs for people to express themselves as being part of music-related sub-cultures.
19. Such relief could draw on the example of the retail high street discount introduced by the Chancellor of the Exchequer in the 2018 autumn statement which grants a relief of a third off non-domestic rates to high street retailers but excludes music venues. In England music venues are discriminated against by not being explicitly eligible for equivalent support under the terms of the Chancellor's scheme. This is disappointing given the difference it could make. We therefore believe there is an opportunity for the Scottish Government to take the lead by creating such a relief for Grassroots Music Venues to ensure their continued presence in communities sustaining their role in developing the talent pipeline.

## Annex

UK Music's membership comprises of: -

- AIM – The Association of Independent Music – the trade body for the independent music community, representing over 850 small and medium sized independent record labels and associated music businesses.
- BPI - the trade body of the recorded music industry representing 3 major record labels and over 300 independent record labels.
- FAC – The Featured Artists Coalition represents and promotes the interests of featured recording artists in the music industry.
- The Ivors Academy - The Ivors Academy exists to support, protect and celebrate music creators in the UK. We are the independent professional association representing songwriters and composers in all genres, whether they create song, symphony or sync. Previously known as BASCA, we can trace our history back over 70 years. As champions of music creators, we have three main activities: campaigning, cultivating and celebrating.
- MMF – Music Managers Forum - representing over 650 UK managers of artists, songwriters and producers across the music industry with global businesses.
- 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 works on behalf of over 100,000 record companies and performers to license recorded music played in public (at pubs, nightclubs, restaurants, shops, offices and many other business types) and broadcast (TV and radio) in the UK.
- *PRS for Music* is responsible for the collective licensing of rights in the musical works of 114,000 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

For more information please contact Sam Murray, Policy & Research Officer, UK Music on [sam.murray@ukmusic.org](mailto:sam.murray@ukmusic.org) or 02037 138456