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2.BACKGROUND

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THE LICENSING ACT 2003

- 2.1** The Licensing Act 2003 came into force on 24 November 2005. It provided a single integrated scheme for licensing premises that sell alcohol, provide public entertainment (e.g. live music performances), or provide refreshment late at night. The reforms impacted on around 200,000 businesses, non-profit making clubs, charities, community and voluntary groups.
- 2.2** Permission to carry on all licensable activities is now contained in a single 'Premises Licence'. The Act also introduced a system of giving Temporary Event Notices to permit certain short-term temporary activities.
- 2.3** The Act requires that all licensing decisions must be carried out with a view to promoting four 'licensing objectives'. The objectives are:
- the prevention of crime and disorder
 - public safety
 - the prevention of public nuisance
 - the protection of children from harm
- 2.4** Licensing fees are set centrally by the Secretary of State to ensure that they achieve no more than the recovery of the licensing authority's costs. For example, the fee charged for a Premises Licence is the same regardless of the number of licensable activities being provided at any venue.

THE FORUM'S TERMS OF REFERENCE

- 2.5** The Forum was established by the Government in 2004 as an independent ad hoc advisory body. Its Terms of Reference were to work with the music industry and other key stakeholders to:
- (i) take forward the Ministerial commitment to maximise the take-up of reforms in the Licensing Act 2003 relating to the performance of live music;
 - (ii) promote the performance of live music in England generally; and
 - (iii) monitor and evaluate the impact of the Licensing Act 2003 on the performance of live music; and to make recommendations to Ministers.

MEMBERSHIP OF FORUM

- 2.6 The membership (see Annex 1) comprised representatives of key bodies from across the music industry and non-commercial sectors, together with local and national government, Arts Council England and the hospitality trade. Many of the organisations represented on the Forum had previously demonstrated an active interest in how the new Act would affect live music provision. The organisations represented on the Forum were carefully selected by Ministers to provide a balanced overview of the spectrum of interests. Throughout the Forum's term, industry experts were invited to meetings to inform discussions and a broad range of expertise was drawn on.



IMPORTANCE OF LIVE MUSIC TO ECONOMY AND CULTURE

- 2.7** In a recent BBC news article⁸, Stuart Galbraith, the UK Managing Director of live entertainment company Live Nation, who has 30 years' experience of working in the industry, was reported as saying: "The UK live music scene is more buoyant now than I can ever remember it." Indeed, the live music scene is the fastest growing part of the music industry. Recent statistics published by Creative & Cultural Skills⁹ show that of the 95,000 people working in the music industry the largest sector is live performance, which accounts for 42,480 (or 45%) of the workforce.
- 2.8** Figures published by the Performing Right Society (PRS) show that public performance royalties collected in the UK on behalf of composers, songwriters and music publishers grew from £6.4m in 1999 to £14.7m in 2005. And these amounts relate only to major or formal concerts, recitals and festivals, as distinct from other income from live music generally, such as gigs in pubs, clubs, community buildings, and so on. As these figures represent only the proportion of ticket sales paid to PRS members, they are a small fraction of how much live music is worth overall to the economy. They do however helpfully demonstrate how composers and songwriters benefit directly from a healthy live music industry.
- 2.9** At the same time more and more festivals are helping to add to this healthy picture. Glastonbury has grown to be 30 times its original size, while Reading, Leeds, and T in the Park continue to boom alongside new events like Connect and Latitude. In the same BBC news article mentioned above, Charlie Presburg of concert information service Pollstar was quoted as saying that: "In the last five or six years festival tickets have gone through the roof, they are selling out more quickly and there are more festivals in the UK and Europe." These festivals make a huge contribution to the economy. For example, organisers of the Glastonbury Festival estimated in 2005 that the Festival's impact on the local economy could be over £50m; this includes the £750,000 employers' income tax bill for the 1,100 people employed.¹⁰ A study in 2006 also revealed that the overall value of Scotland's biggest music festival, T in the Park, has increased to £18m.¹¹

8. <http://news.bbc.co.uk/1/hi/entertainment/6542871.stm>

9. www.ccskills.org.uk : The Footprint 06/07 – A Baseline Report of the Creative Industries

10. (www.glastonburyfestivals.co.uk)

11. T in the Park – Economic Impact Assessment for DF Concerts, Scottish Enterprise, Perth and Kinross Council – April 2006

- 2.10** The incredible recent growth in festivals across the UK was also underlined in Sir Les Elton's report of the Independent Fees Panel published by DCMS in January 2007. This stated that there had been an increase of almost 130% (from 60 to 142) in licences granted to events of over 5,000 capacity between 2005/6 and 2006/7.¹²
- 2.11** A buoyant live music scene impacts on other parts of the industry. For example, figures released by the Music Industries Association show that in 2005, musicians spent £110m on electric, bass and acoustic instruments; this is up from £102m in 2004.¹³
- 2.12** But it's not just large live music events that have a substantial impact on our national and local economies. A report published in 2004 by Arts Council England and the Association of Festival Organisers estimated that UK folk festivals generated spending of over £82m a year.¹⁴ And think of the additional money spent in local pubs and restaurants in Camden or Newcastle when there are gigs on at the Roundhouse in Camden or The Sage, Gateshead – two recently established venues that are further testament to our appetite for live music.
- 2.13** The Forum considers that the impact of live music on local economies is important, not only to the venues staging gigs, but also to local businesses, such as restaurants, pubs and transport providers. In 2006, a study was jointly commissioned by the Forum and DCMS to examine the feasibility of measuring such economic impacts.¹⁵
- 2.14** However, it is not just the economy that benefits from a healthy live music scene. As the rehearsal room scheme in Wrexham demonstrates (see paragraphs 4.4 to 4.12), during the summer months of 2006, over 700 young people on average spent almost five hours per day in a safe, secure environment, productively and successfully engaging with live music. That is not to mention the millions of people throughout the United Kingdom who are entertained and thrilled by the live music experience. One ticket outlet had reported to us that in 2006 they sold 15 million tickets for live music events throughout the UK.¹⁶

12. Para.9.25 http://www.culture.gov.uk/Reference_library/Publications/archive_2007/final_ifrp_report.htm

13. Signposts to Success 2005 <http://www.mia.org.uk/publications/>

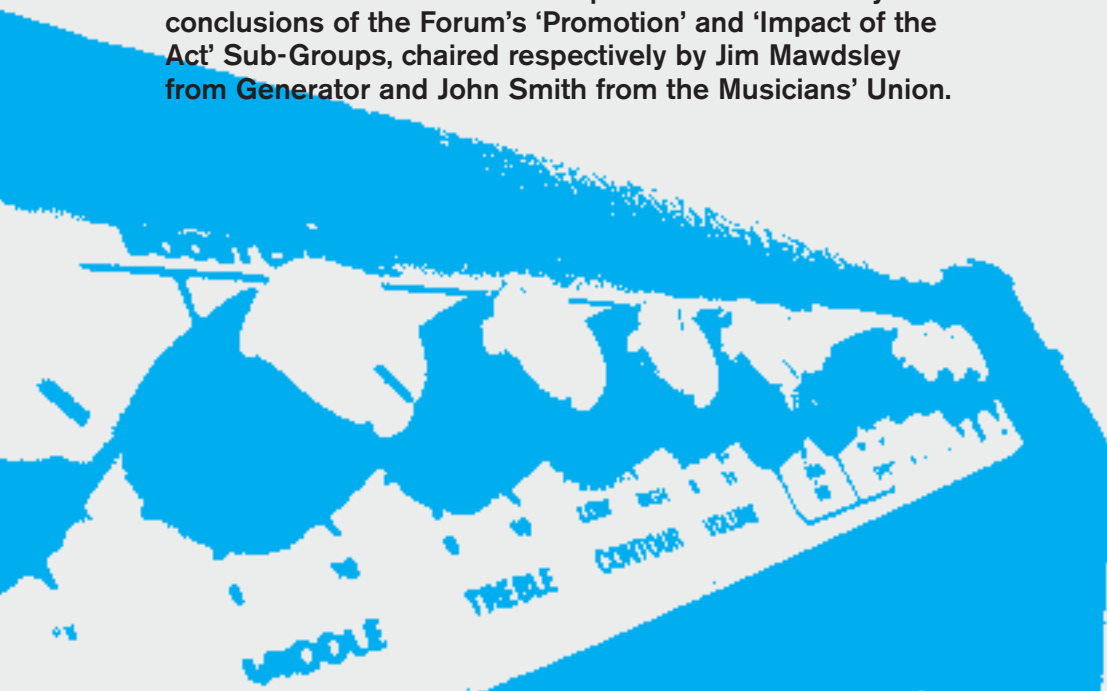
14. The Impact of Folk Festivals <http://www.folkarts-england.org/graphics/AFO%20Impact%20Report%20March%202004.pdf>

15. www.culture.gov.uk

16. Ticket Master at ILMC

METHODOLOGY – HOW THE FORUM WORKED

- 2.15 The Forum met for the first time on 3 February 2004. Administrative support functions were provided by DCMS. At the first meeting a number of sub-groups were formed to help take the work programme forward. The Forum met 13 times, the final meeting being held on 16 April 2007. The minutes of all the meetings have been made available on the DCMS website: www.culture.gov.uk.
- 2.16 To make the Forum strategic and focused on delivery, the Chair and Ministers had to limit numbers on the Forum, but as its work developed it consulted widely and took on board contributions from right across the sector.
- 2.17 An open consultation was launched by the Forum on 10 March 2005. This lasted 12 weeks and produced a broad range of ideas which helped to inform the Forum's work programme. In addition, over 60 representatives from a wide spectrum of interested organisations were invited to meet with the Chair and members to say what they thought needed to be done to ensure live music flourishes.
- 2.18 Throughout the course of our work, the Chair and members used their independent status to monitor closely the decision-making process within licensing authorities. They attended hearings of those appealing against licensing decisions, and investigated any allegations that licensing authorities were imposing unnecessary conditions or acting in an unduly restrictive way. As a result of this, the Forum is able to say with some certainty that the majority of local authorities have a positive outlook on live music. However, this is counterbalanced by the fact that a small minority of authorities seem to be acting in a way that severely restricts the opportunities afforded by the Act in their areas.
- 2.19 The recommendations in this report were informed by the conclusions of the Forum's 'Promotion' and 'Impact of the Act' Sub-Groups, chaired respectively by Jim Mawdsley from Generator and John Smith from the Musicians' Union.



THE FORUM'S ACHIEVEMENTS

2.20 The Forum took forward a wide range of initiatives to promote live music generally. Some of the highlights included:

- Working in partnership with key industry stakeholders to set up music-making spaces in Camberwell in South London and Wrexham in North Wales, and considering ways of adapting those models for wider roll-out.
- Helping to secure funding for a number of local live music initiatives e.g. Making Music's Young Promoter scheme in the North West.
- Securing the music industry's agreement to introduce an annual award at the Brits to recognise live music performance.
- Working with DCMS to commission a study to assess the feasibility of researching the local economic impact of live music.
- Promoting the creation of a central register of local authority-owned spaces licensed for regulated entertainment in England and Wales, by DCMS and in association the Local Authorities Coordinators of Regulatory Services (LACORS).
- Working with DCMS to research and publish, in 2004, the first ever baseline study of the existing live music scene in England and Wales.
- Working with DCMS to research and publish, in 2006, a study into the experience of small music venues in securing authorisation to stage live music under the 2003 Licensing Act.
- Raising the profile of live music with Members of Parliament, by staging the first ever evening of live music at Portcullis House at the Palace of Westminster.
- Hosting the 'Great Live Music Debate' in partnership with BBC's Radio 1.
- Upon the recommendation of the Forum, the Secretary of State wrote to all local authorities throughout England and Wales highlighting the importance of live music, both culturally and economically, and asking that this might be reflected in local licensing policies.