

ABO response to the Culture, Media and Sport Committee inquiry into the Impact of Brexit

1. Executive Summary

- British orchestras have been adept at maximising the return on their public investment through earned income, contributed income, and international touring. Any negative impact to the economy that may result from Brexit will damage their financial viability.
- British orchestras have benefited from freedom of movement and access to talent from across the EEA. Were restrictions to be imposed by the British Government on EEA citizens, this would damage our members' international reputation and financial sustainability.
- Touring is intrinsic to the orchestral business model. Any imposition of visas, carnets and other tariffs and barriers will damage our members' ability to serve as cultural ambassadors for the UK. Of particular importance is the AI form, which prevents the deduction of social security payments when musicians work in another EEA country.
- The ABO believes it would be in the best interests of British orchestras, and the wider classical music industry, to retain access to the European single market and freedom of movement across borders for EU and UK citizens. We also believe it would be in the best interests for our industry for the British government to retain influence over future European regulations, to ensure these do not disadvantage our members when touring into Europe.

2. Introduction

- 2.1 The Association of British Orchestras (ABO) is the representative body for professional orchestras in the UK. Its 60 full members range from the major symphony orchestras to chamber, opera and ballet orchestras. The ABO's mission is to enable and support an innovative, collaborative and sustainable orchestral sector. It exists to provide advice, support, intelligence and information to the people who make British orchestras a global success.
- 2.2 The ABO is pleased to submit evidence to this inquiry as a long-standing stakeholder in the full range of issues impacting on the arts and culture. Our evidence is submitted, as a representative body, on behalf of the entire orchestral sector.

3. Access to Finance

- 3.1 Following warnings from the Treasury, Bank of England, IMF, other respected organisations and leading economists in advance of the EU Referendum, it would appear that some of their predictions have come to pass, in particular in relation to falls in the value of Sterling.
- 3.2 Any downturn to the UK economy is likely to have an impact on public spending, and we are nervous that further public spending cuts may need to be made. This may mean further

reductions in funding for Arts Council England, local authorities and the devolved administrations, which would inevitably be passed on to arts organisations. Having already seen substantial cuts since 2010, this would put further pressure on ABO members and increase the likelihood of them sliding into deficit.

- 3.3 There may also be a negative impact on individual giving, corporate sponsorship and funding from trusts & foundations. All three sources of private funding rely on a benign economy and investment growth.
- 3.4 The slide in the value of the pound will have mixed consequences. While any ABO member in receipt of payment in euros or dollars for concerts abroad will see an increase in the value of that payment, there are already reports of agents seeking to negotiate increases in fees for conductors and soloists, as the value of payment in sterling for many artists living outside the UK has declined. This means that costs for concert production are already increasing, at a time of reduced income from public and private sources.
- 3.5 The EU has been an important source of funding through Creative Europe and other funding programmes. It is unclear whether UK organisations will remain eligible for funding post-Brexit.

4 Access to Talent

- 4.1 Freedom of movement for EEA citizens has meant that the workforce of British orchestras now comprises many nationalities. Securing a position in an orchestra is highly competitive and it is the aim of every orchestra to ensure that the very best musician is appointed. This is vital to ensuring that quality is maintained and British orchestras can remain competitive in a global marketplace. This is all the more important at a time of reduced public investment, when ABO members are under ever greater pressure to secure engagements abroad.
- 4.2 This need for the very best talent has been recognised by the UK government through the inclusion of principal and sub-principal orchestral musicians on the Shortage Occupation List. This enables orchestras to recruit permanent musicians under the Tier 2 Points Based System from outside the EEA without recourse to the Resident Labour Market Test. Tutti players are subject to a Resident Labour Market Test but the ABO has been able to secure an extension to the recruitment period of up to 24 months, in recognition of the rigorous and lengthy audition and trialling process.
- 4.3 Recruitment under the Points Based System for Migrant Workers is bureaucratic and costly, involving substantial visa fees. Were the Points Based System, or a similar work permit system, to be extended to EEA citizens, as part of a drive to control migration, this would add significantly to the administrative burden and cost of recruitment, at a time when ABO members are struggling financially.
- 4.4 A further issue is that while the salary threshold for entering the UK with an initial job offer is £20,800, which is below the average starting salary for an orchestra, the threshold for obtaining indefinite leave after five years is now £35,000. Following a sustained period of public

spending cuts, orchestral salaries have flatlined, meaning that salaries for permanent orchestral musicians may well not meet that high threshold. This will make recruitment of non-UK musicians that much more difficult, as there is every likelihood that musicians from EEA countries (and indeed from non-EEA countries) will need to leave the UK, and lose their employment, after 5 years. This will have the inevitable consequence that fewer non-UK musicians will wish to apply for work in the UK.

- 4.5 The question has been asked of the ABO as to whether a benefit from leaving the EU would be the creation of more opportunities for British talent. Yet the reason an increasing number of non-UK musicians have been recruited in recent years is that there is a shortage of home-grown candidates. The question has to be put back to the Government as to whether they can ensure that sufficient funding to enable opportunities for sustained access to instrumental tuition will be made available to all young people, regardless of economic or social circumstance, throughout primary and secondary education, allied to opportunities to perform in youth orchestras. This would enable talented British musicians to secure places at our world-renowned music conservatoires, and on into professional employment.
- 4.6 We also wish to flag up the concerns of the specialist HE institutions. The percentage of EEA students at our world-renowned music conservatoires is significantly higher than the average across Higher Education. Music conservatoires are the major supplier of recruits into the orchestral workforce, and any risk to their financial sustainability and international reputation will have a negative impact on the orchestral sector.
- 4.7 In relation to conductors and soloists, were the Permitted Paid Engagement scheme to be extended to EEA citizens, this should mean there would be no additional barriers for conductors and soloists to enter the UK. However, there remains some additional bureaucracy associated with the scheme that orchestras do not currently have to worry about when booking EEA citizens. And if visas and work permits are imposed, this will load additional costs.
- 4.8 The main risk, however, of restricting freedom of movement is creating a sense that the UK is not a welcoming place to live and work. There is a danger that artists based in the UK will leave the country, musicians will not want to seek employment here, and agents will not wish their artists to perform in the UK, or will load a premium on artists' fees.
- 4.9 A further issue is that of management staff. British orchestras, artist managers and other organisations operating across what is a global marketplace require staff with the language skills to negotiate deals with promoters in other countries and engage with tax authorities, visa centres etc. to facilitate tours. Such jobs are unlikely to benefit from inclusion on the Shortage Occupation List.

5 Touring across Borders

- 5.1 Membership of the single market has been hugely beneficial in enabling British orchestras to tour across Europe, which generates both revenue and secures their international reputation.

- 5.2 Should controls be placed on EU citizens coming to work in the UK, controls may equally be placed on UK citizens wishing to work in EU countries. Restrictions and costs, for example for work permits, may well be imposed on ABO members, damaging the financial viability of tours.
- 5.3 A crucial tool for ensuring that musicians do not have social security payments deducted when working in other EU countries is the AI form. The ABO will need assurance that the UK will remain within the AI system.
- 5.4 Membership of the EU removes the need for carnets for transporting musical instruments across EU borders. Should carnets be required once the UK leaves the EU, this will add significantly to the administration and cost of touring into Europe.
- 5.5 The ABO and Musicians' Union, along with their colleagues in Pearle (Live Performance Europe) and the International Federation of Musicians, are keen for the revised Passenger Rights Directive, already passed by the European Parliament, to be approved by the Council of Ministers. This is because it contains clauses relating to the adoption by airlines of fair and transparent policies on the carrying of musical instruments on planes, something that is all too lacking at present. The UK Government is currently blocking the Directive, and has insisted on the removal of the clauses relating to musical instruments. Should the UK leave the EU, it would ironically mean it will lose its influence over the Passenger Rights Directive, and may well see it adopted regardless of its objections.
- 5.6 The ABO has been working with European partners to ensure that a European Musical Instrument Passport is available for musicians which allows safe passage for instruments containing parts or products of species protected under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Whilst the EU certificate is valid and accepted by EU member states, Switzerland as a non-EU country has to operate its own certification system. The ABO will need assurance that the UK will remain within the European Musical Instrument Passport system, to avoid orchestras needing Musical Instrument Certificates when travelling from the UK to an EU country and vice versa.
- 5.7 The EU is working to ensure harmonisation of radio spectrum so that wireless microphones can benefit from stable and common frequencies, to prevent the need to change equipment when live performance companies cross Europe's borders. The ABO will need assurance that the UK will remain signed up to the EU's Radio Spectrum Policy.

6 A Harmonised Europe

- 6.1 The UK's membership of the EU enables the ABO, as a member of Pearle, the federation of Europe's performing arts associations, to have influence over the implementation of common standards and directives that affect the live performance industry, through membership of the Live Performance Sector Social Dialogue Committee. Should the UK leave the EU, the ABO and the Musicians' Union will lose their places on the committee. The ABO will need assurances as to what the UK Government's position on these common approaches and directives will be.

6.2 Examples are:

- There is a common system of VAT across Europe. Of particular importance to ABO members is Cultural Exemption, which enables exemption from VAT on admission charges for cultural events.
- The UK has adopted various EU Health & Safety Directives. Of particular relevance to ABO members are the Noise at Work Regulations, which contain noise thresholds which cause ABO members some problems in relation to aligning what is required legally with what is “reasonably practicable”. A return to the UK’s Noise at Work Regulations 1989 would be welcome.
- The UK has implemented various EU Copyright Directives and has been engaged in the development of the Digital Single Market.
- UK cities are already bidding to be European Capital of Culture in 2023. They will need assurance that their bids can proceed, as taxpayers’ money will already have been spent on preparation.

7 Conclusion

- 7.1 The ABO believes it would be in the best interests of British orchestras, and the wider classical music industry, to retain access to the European single market and freedom of movement across borders for EU and UK citizens. We also believe it would be in the best interests for our industry for the British government to retain influence over future European regulations, to ensure these do not disadvantage our members when touring into Europe.

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