

## REQUEST FOR DIRECTOR DECISION – DD2045

**Title:** London Music Board and Music Tourism Campaign

### Executive Summary:

London has lost 35% of its grassroots music venues since 2008. These venues are the research and development wing of the music industry. Without them the £4.1 billion UK music industry, which is heavily centred on London and may not be sustainable in its current format.

The GLA published the Rescue Plan for Grassroots Music Venues in October 2015 with recommendations to set up a London Music Board, to implement planning policy changes; influence developers; review licensing and policing policy; carry out mapping and economic impact research; propose a business rates relief to government; and launch a campaign to support grassroots music venues.

The London Music Board has been set up and requires £75,000 GLA funding to carry out its tasks, including implementing the Mayor's manifesto pledge to introduce the 'Agent of Change' principle. This will pay for a consultant to run the Board, commission economic and social impact research, support venues and develop an awareness raising campaign for London's venues and heritage.

### Decision:

The Executive Director approves:

1. Expenditure of up to £125,000 including £75,000 GLA funding and up to £50,000 income to deliver the London Music Board, support for live music venues, an awareness raising campaign and research.
2. An exemption from the GLA's Contracts and Funding Code for the GLA to further contract with Sound Diplomacy to the value of £13,700 to provide expertise and project management services.

### AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities. It has my approval.

**Name:** Jeff Jacobs

**Position:** Executive Director of Communities & Intelligence

**Signature:**



**Date:**

11 Nov 2016

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

### **1. Introduction and background**

#### **Grassroots Music Venues are the foundation of the UK music industry**

Between 2007 and 2015, London lost 35% of its grassroots music venues for a number of reasons as listed below. Iconic names like the Marquee Club, the Astoria and the 12 Bar Club disappeared from the map. Those venues were big players in the music history of London and they provided a stream of talented acts which built a UK music industry worth £4.3 billion and employing 111,000 people.

Grassroots music venues are the research and development branch of the music industry. In 2006, a raw new talent called Adele played her first show at the 12 Bar Club. Six years later her second album "21" was the biggest selling global music release of the year. Stepping-stone venues like the 12 Bar enable artists to hone their skills, develop material, build an audience and progress. Adele has now topped £1 billion in sales.

Grassroots venues make a vital contribution to Britain's international identity. Every night there is a festival sized offering of live music taking place in London's music venues and that is why music tourism in 2015 generated £1 billion for London's economy.

Grassroots venues are also vital community infrastructure alongside churches, mosques, town halls and community centres. They are places where people of shared interests come together. As well as contributing to the economy, they contribute to the wellbeing of London residents and workers.

#### **Market failure in the music industry is allowing grassroots venues to wither away**

There is strong evidence of coordination failure in the music industry. Whilst the top of the industry relies heavily on talent emerging from the grassroots level, too little investment is being made at that grassroots. The result will be a drying up of the talent supply chain and reliance upon talent from overseas.

#### **Property development, planning, licensing and business rates policy are closing venues**

External forces are putting unintended pressure on grassroots venues. These include: London's urgent need for housing; rising property values; the planning system; London Borough's licensing requirements; police priorities; plus the competition from state subsidised venues in Europe. The link between these external forces and the failure of grassroots music venues is not always obvious. However the Rescue Plan for Grassroots Music Venues ("Rescue Plan") sets out how London's policy landscape is not working for music venues currently.

#### **The solution is better coordination, policy changes and industry investment**

The London Music Board is now providing a coordinated response to the crisis. The Board includes the GLA, London Boroughs, the Metropolitan police, various companies in the music industry and the tourism sector. They have started to implement the Rescue Plan and research is being commissioned to support these objectives.

#### **Awareness building campaign to support music venues and capitalise on London's unique and under-utilised music heritage**

The story of London's live music venues is barely known by Londoners and visitors to the city. It is an incredible story, unique to London. Creating a Music Tourism Campaign is one of the six recommendations

in the Rescue Plan. The aim is to help grassroots venues access London's growing music tourism market, as well as re-connecting venues with their local communities and London's live music audiences.

At present there are no joint promotions across London's 80 grassroots venues and potential audiences are being lost due to a failure of information. Ideas to be explored include a consumer facing live map of music venues, busking pitches, music heritage, including walking tours, a 'Gigs Ticket Booth' similar to the theatres booth in Leicester Square, a ticketing offer and a media campaign.

This work will be in partnership with London Boroughs, London & Partners, Transport for London, music venues, promoters, ticket agents, the Heritage Lottery Fund, media organisations and others.

## **Protect Management Consultant**

This Director Decision seeks approval for the expenditure of GLA funds in order to provide the appropriate resources to deliver the Mayor's cultural ambitions.

The GLA wishes to seek retrospective approval to continue to contract with Sound Diplomacy for a further period of 10 months at a cost of £13,700 until the end of March 2017. Sound Diplomacy Consultancy was originally contracted following a competitive tendering process in February 2016 until May 2016, to set up and run the London Music Board. The London Music Board is the first of its kind in the UK and Sound Diplomacy set up the project, and has developed a unique knowledge and experience which would be hard to replicate in the timescales.

Following the Mayoral Election in May 2016 the delivery of the Mayor's Manifesto Pledge to introduce the 'Agent of Change' principle and protect London's clubs and music venues was made a priority. In order to deliver the Mayor's pledge, Sound Diplomacy have continued to provide this service to the GLA. Sound Diplomacy are the only leading consultancy providing this type of specialist advice and their work previously undertaken cannot be separated from the ongoing delivery of this piece of work due to the considerable network of contacts, the detailed knowledge of London's music venues and the mechanisms currently available to protect them. The urgency of this work is due to the newly appointed Mayor prioritising the implementation of the 'Agent of Change' principle and the protection of London's clubs and music venues. Many venues across London are currently under threat, requiring urgent action from the Mayor.

Given the value of the proposed contract, GLA officers acknowledge that section 3.6 of the GLA's Contracts and Funding Code ("Code") requires that at least three quotations should be sought for all contracts with a value above £10,000. However, section 5 of the Code provides that an exemption from that requirement may be approved upon certain specified grounds, including where there has been previous involvement in a specific current project or continuation of existing work which cannot be separated from the new work. GLA officers are of the view that this ground is applicable in this case as set out above.

Sound Diplomacy will provide the additional expertise, continue to project manage the London Music Board and its associated work programmes which will include the following:

- Work with the GLA Planning Team to create planning guidance and propose changes to the London Plan that will deliver the Mayor's Manifesto Pledge to introduce the 'Agent Of Change' principle in London's planning framework. This will afford club, pubs and venues additional protection from future noise complaints as a result of nearby residential development;
- Work with developers to enable existing music venues to be retained in development schemes and provide support for new venues to be incorporated in developments across London;
- Commission research into the economic and social impact of grassroots music venues;
- Commission a study of the costs and benefits of a business rates discount for grassroots music venues;

- Commission mapping research of London's music venues, with detailed analysis of grassroots music venues across the capital;
- Work with London's licensing authorities and the Metropolitan Police Service to develop best practice guidance that will support grassroots music venues;
- Research and develop a campaign to raise awareness of grassroots music venues and London's unique music heritage;
- Secure sponsors and partners to deliver this campaign; and
- Work closely with the Night Czar and Night Time Commission on all aspects of this programme.

## 2. Objectives and expected outcomes

- A further contract with Sound Diplomacy - the consultant to continue delivering the London Music Board and its work programme until to 31 March 2017;
- Employ additional consultants to carry out mapping of music venues plus research into the impact of business rates increases on music venues and an economic impact study of music venues;
- Develop planning guidance for music venues to support developers and land owners and implement the Agent of Change principle in London;
- Work with developers to support the opening of new music venues in London;
- Support London Boroughs to simplify licensing for live music venues, where appropriate, by working with the Night Czar, Night Time Commission, local authorities and the police;
- Provide support and advice for at risk music venues through an early warning system to identify issues as quickly as possible, in partnership with the Music Venue Trust;
- Develop a unified 'Music City Plan' drawing together the GLA's current busking, music education, industry and venues programmes; and
- Research and develop a campaign to increase awareness of London's grassroots music venues, the diversity of London's music offer and the capital's unparalleled music heritage.

A music tourism campaign will be researched and developed around some or all of the following ideas:

- Creation of a consumer facing campaign to drive more traffic to music venues;
- Create a consumer facing map of London's music venues;
- Investigate a 'ticket booth' for music venues like the theatre tickets booth in Leicester Square
- A promotional offer across London's music venues;
- Better promotion of London's exceptional network of busking locations where new talent emerges every day;
- Partnerships with major music cities around the world;
- A press and media campaign to raise awareness of the festival-sized offering of live music taking place every week in London;
- A music heritage campaign to raise awareness of the unparalleled stories from London's 300 years of musical heritage;
- Initiate new one-off events during the day and night to bring new audiences into venues; and
- Seek sponsorship to support the campaign.

In addition, the following activities will be continued:

- Continuation of the Punk London campaign which has proven that Londoners and visitors alike are interested in the capital's music heritage;
- Marketing support for the final 6 months of the Punk London campaign, including advertising and in-kind promotion, and the media partnership with Time Out to promote outstanding events from August to December 2016; and

- Produce a finale event at the Museum of London for around 250 people including a live debate, film screening and performance.

### **3. Equality comments**

The music tourism campaign will be a fully inclusive programme for all Londoners old and young to participate. Content will be broad and diverse in scope, including free events, covering all genres of music to London's different ethnic communities. There will also be events scheduled in daytime hours to appeal to families and Londoners who may not have been to the venues before.

As part of this enhanced content, there will be information for LGBT and disabled Londoners and visitors to encourage them to participate.

Punk London is a fully inclusive programme for Londoners old and young to participate. The Heritage Lottery Funding is subject to the provision of events and activities targeted to young people and low-income families and there are a number of free and local events throughout next year.

The GLA is a public authority which must comply with the Public Sector Equality Duty set out in section 149 (1) Equality Act 2010. This provides that, in the exercise of their functions, public authorities must have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The obligation in section 149(1) is placed upon the Mayor, as decision maker. Due regard must be had at the time a particular decision is being considered. The duty is non-delegable and must be exercised with an open mind.

As the project progresses GLA Culture will seek opportunities to share information and consult (at an appropriate level) with GLA stakeholder groups including the Deaf and Disabled Stakeholder Group; the Mayor's Older People's Advisory Forum, the LGBT Stakeholder Group and the Migrants and Refugee Stakeholder Group via the relevant officers within the GLA Diversity and Social Policy team and with the Community Stakeholder group via the GLA Community Relations team.

### **4 Other considerations**

The Culture team will undertake any further procurement in line with the GLA procurement policy.

If external income is not forthcoming for the awareness raising campaign or other initiatives, the activity will be reduced accordingly. To mitigate this risk we are approaching a number of music brands and liaising with the GLA commercial partnerships team.

### **Links to Mayoral strategies and priorities;**

- Protect London's live music venues, clubs and pubs by introducing an "Agent for Change" rule so new developments next to existing venues meet soundproofing costs.

- Continue to back major cultural festivals to celebrate London's religious and racial diversity, and ensure Pride continues to be a fantastic, community-led showcase of all of London's LGBT+ communities.
- Appoint a 'Night Czar' to champion London's vibrant night-time economy.

| <b>Description</b>                                                                                                       | <b>2016/17</b> |
|--------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>INCOME</b>                                                                                                            |                |
| Project funding                                                                                                          |                |
| GLA budget                                                                                                               | 75,000         |
| Sponsorship                                                                                                              | 50,000         |
| Total funding                                                                                                            | 125,000        |
| <b>EXPENDITURE</b>                                                                                                       |                |
| Source Diplomacy to run the London Music Board                                                                           | 13,700         |
| Deliver Punk London campaign and events                                                                                  | 10,000         |
| Research: Music venues mapping                                                                                           | 6,000          |
| Research: Economic and social impact study and business rates discount cost benefit analysis                             | 12,000         |
| Research and development of awareness raising campaign to support music venues and capitalise on London's music heritage | 25,000         |
| Printing and publication of reports                                                                                      | 5,000          |
| Events and travel                                                                                                        | 3,300          |
| Deliver awareness raising campaign                                                                                       | 50,000         |
| Total costs                                                                                                              | 125,000        |

## 5 Financial comments

Approval is being sought for expenditure of up to £125,000 to deliver the London Music Board Programme and to receipt £50,000 of external income which will partly fund this programme.

This programme will be funded partly from the Minor Programme Budget (£75,000) and partly from external income (£50,000). If external income is not forthcoming the activity costs will be reduced accordingly. Details of income and expenditure areas are listed above (see section 4.4).

This decision is seeking exemption from the requirements of the GLA's Contracts and Funding Code (which requires the GLA to seek three or more quotations for goods or services between £10k and £150k) to contract Sound Diplomacy to the value of £13.7k. The reason for the exemption is that Sound Diplomacy Consultancy were originally contracted following a competitive tendering process in February 2016, to set up and run the London Music Board (contract value was £10,000) and now have the knowledge and experience to complete this programme within a shorter timescale.

## 5 Legal comments

Sections 1 to 4 of this report indicate that;

The decisions requested of the Director falls within the GLA's statutory powers of the GLA under the Greater London Authority Act 1999 ( the 'Act') to do such things considered to further or which are facilitative to, conducive or incidental to the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment in Greater London; and in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:

- Pay due regard to the principle that there should be equality of opportunity of all people;
- Consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
- Consult with appropriate bodies.

The decisions requested of the Director also falls within section 378 of the Act in that the GLA has a duty to promote tourism to Greater London and the DD can fairly be described as a programme that will promote tourism to London.

Section 3 of the Contract and Funding Code (the 'Code') requires the GLA to seek three or more written quotations in respect of the services required or call off the services required from an accessible framework. However, the Director may approve an exemption from this requirement under Section 5 of the Code upon certain specified grounds. One of the grounds is that the approval of the exemption of previous involvement in a specific current project or continuation of existing work which cannot be separated from the new project/work. Officers have indicated at Section 1 of this report that this ground applies and that the proposed contract affords value for money. On this basis the Director may approve the proposed exemption if satisfied with the content of this report. Officers must ensure appropriate documentation is put in place and executed by Sound Diplomacy and the GLA.

This approval is also sought retrospectively, the reasons for which are set out at Section 1 of this report. Accordingly, the Director should take account of those reasons in considering whether to approve the recommendations of this report. Officers should be reminded of the importance of seeking approvals in advance.

Officers must ensure that any sponsorship sought is in accordance with the sponsorship policy and appropriate sponsorship agreements are put in place between and executed by the GLA and sponsors(s) before any reliance is placed on the sponsorship income and benefits in kind.

Officers must also ensure that appropriate legal advice is taken on any changes proposed to the London Plan, as part of the wider revision of that Plan.

## 6 Planned delivery approach and next steps

| Activity                                                                                      | Timeline                  |
|-----------------------------------------------------------------------------------------------|---------------------------|
| Sound Diplomacy contract commences                                                            | 1 June 2016               |
| Deliver mapping research                                                                      | October 2016              |
| Deliver Economic and social impact research and business rates discount cost benefit analysis | December 2016             |
| Research and development of awareness raising campaign complete                               | March 2017                |
| Punk London promotion                                                                         | October and November 2016 |
| Deliver Punk London finale event                                                              | December 2016             |
| Simplifying Licensing (in line with Night Czar vision)                                        | March / April 2017        |



**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

**Note:** This form (Part 1) will either be published within one working day after approval or on the defer date

**Part 1 Deferral:****Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason:

Defer to Wednesday 15 February 2017 as that is the date the Mayor will announce the music tourism campaign detailed in this DD.

Until what date: 15 February 2017

**Part 2 Confidentiality:** Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form – NO**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to confirm the following (✓)

**Drafting officer:**

Paul Broadhurst has drafted this report in accordance with GLA procedures and confirms that:

✓

**Assistant Director/Head of Service:**

Jackie McNerney has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

**Financial and Legal advice:**

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

**Corporate Investment Board:**

The Corporate Investment Board reviewed this proposal on 10 October 2016.

**EXECUTIVE DIRECTOR, RESOURCES:**

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

**Signature**

*M. J. Allen*

**Date**

*10.11.16*