

FINANCE MANAGERS MEETING

THURSDAY 22 MAY 2008, 10.30am – 3pm
BOARD ROOM, TRADES UNION CONGRESS, LONDON



Chaired by Les McConachie, *Finance Director, Scottish Chamber Orchestra*

R E P O R T

As Stephen Maddock, *Chief Executive, City of Birmingham Symphony* was unable to attend due to illness, Les McConachie, Finance Director, Scottish Chamber Orchestra very kindly agreed to chair the meeting and began the introductions.

ABO / MU Fee Agreements 2008 /09 – implications for members

Mark Pemberton reported that the MU had ratified the new agreement. This would result in an increase of 3.5 % (1% additional holiday pay and 2.5% cost of living) for freelance concert rates only, with a freeze on ancillaries i.e. travel allowances and portage as of 1 April 2008. Over the next four years holiday pay would be phased in at 1% each year to increase from 8% to 12%.

Scottish Chamber Orchestra would not be following the holiday pay part of this agreement as they do not roll-up holiday pay but pay it at the legislated % during prescribed SCO holiday periods. As they were paying the equivalent or above this agreement, this was not an issue at the present.

Mark indicated that ABO would keep orchestras with in-house agreements informed as to the status of future ABO/MU fee discussions. ABO intends to start the 2009/10 round of discussions during the autumn.

The MU were keen to agree a Foreign Touring Code of Practice plus a scale of per diems which varied from country to country. Mark produced a copy of the draft code plus an MU analysis of per diems paid to players across the orchestral spectrum during 2008. This subject would be discussed more fully at the Concert & Orchestra Managers' meeting in mid June.

Insurance and security concerns at the practice of collecting, storing and distributing per diems in cash to musicians were raised, without much enlightenment.

Bulk purchasing Insurance

Feedback from the ABO questionnaire on General Insurance had indicated that there was interest in bulk purchasing insurance. Mark Pemberton was awaiting a formal proposal from La Playa Insurance Brokers.

La Playa needed three large orchestras to join, but it may be difficult for the "big" orchestras to consider joining as most have two/three year agreements with insurers, plus Sponsorship-in-Kind or Corporate Membership arrangements in place which they would not wish to interrupt. Key issues eg premiums, levels of cover, handling and service, countries included in travel insurance cover would all be discussed. It was questioned whether La Playa had the internal resources to deal with an ABO scheme.

The ABO needed to start building up statements of intent from members during autumn 2008.

Cultural VAT Exemption

Whether orchestras did or did not have to charge VAT on their self-promoted tickets remained an issue as there still seemed to be inconsistencies among local VAT offices.

Andrew Minns (BSO) reported that they could go no further with UK authorities. They had registered a

"complaint" [EU wording] with the EU Tax Office in December 2007 that the UK authorities had not complied with EU 6th Directive, and expected a judgement sometime during 2008. Whatever the decision, the UK authorities would have to abide by it.

There were a considerable number of artistic bodies standing behind Boumemouth awaiting this judgement. BSO would let the ABO know the outcome of their long-lasting appeal.

Visas

This was a developing picture. Keith Motson informed the meeting that the UK was introducing a points-based system made up of five tiers.

Tier 2 deals with temporary workers (3-5 yrs) who cannot claim citizenship, while Tier 5 is the grouping for workers present in the UK for a maximum of 12 months. Those on this latter tier needed to have biometrics and a letter of sponsorship from a UK employer before applying for clearance to enter the UK. There were exceptions to this rule in the form of people working in the UK for less than three months on a Visa Waiver scheme. There was also to be a Visitor scheme.

Problems with the new rules would occur in the case of artist replacements in an emergency and in the fields of opera and ballet where English is not always spoken at a very proficient level. The next briefing was on 10th June at the Home Office and afterwards Keith would send a brief from this meeting along with a web link to members.

Recording Copyright Proposal

It was agreed that the EU proposed recording copyright extension from 50 to 95 years was excessive.

Finance Ideas for the Conference

Finance managers were asked to start thinking about what they would like included in the next Conference: 25-27th February 09 in Cardiff.

Format of SMMs

The ABO was carrying out a review of SMMs. The meeting agreed these should remain full day events so as to encourage members to make the trip. There should be chair appointed from among the Finance Managers with the co-chair being a member of the ABO Board.

Noise Regulations

The official guidance would be published in July 2008. The employer must be seen to be doing something e.g. rotation of players, insertion of risers / acoustic screens, spacing players out more, providing hearing protection. This all had cost implications but if orchestras collaborated to buy measuring equipment they might be able to procure cheaper deals.

Afternoon Session: Employment Law Updates

Mike Sutton, Client Relationships Manager, RBS / Mentor and Catherine Watmore, Senior Employment Law Consultant, RBS / Mentor spoke about the service they provided to companies in regards to 1) Employment Law (people problems) and 2) Health & Safety. They provide manuals, telephone advice 24 hrs a day, representation at tribunal and develop contracts for clients for 1) and for 2) they help companies develop policy statements and decide how it is controlled and monitored. If fined for employment law they will pay the fine. Freelance orchestras and volunteers are tricky as they are not covered in legislation but are covered in the Health & Safety Policy.

Size and wage roll of any organisation determines the price of Mentor Services, but it does not matter how often you use the services. As a cost indication:

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| Wage Roll: £100,000 | £150-£160 per month |
| £5,000,000 | £1500 per month |

Date of Next Meeting: TBA