

BREXIT – the impact on British Orchestras

I. Executive Summary

- British orchestras are a global success story, touring across the major continents and forging new markets in emerging economies. They have contributed to the UK Government and devolved administrations' ambitions for 'soft power' and cultural exchange. Europe, however, remains one of their most important marketplaces.
- 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 cultural economy that may result from Brexit will damage their financial viability.
- Touring is intrinsic to the orchestral business model. Any imposition of visas, carnets and other tariffs and barriers when touring into the EEA 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. It is also important to point out that contracts with promoters in the EEA have already been signed for tours taking place beyond March 2019.
- British orchestras have benefited from freedom of movement and access to talent from across the EEA, with some orchestras now seeing more than 20% of their musicians coming from other EU countries. Were restrictions to be imposed by the British Government on EEA citizens, this would damage our members' international reputation and financial sustainability.
- The ABO believes it would be in the best interests of British orchestras, and the wider classical music industry, to retain access as much as possible to the current benefits of membership of the European single market, including freedom of movement across borders for EU and UK musicians. We are also concerned at the UK losing influence over future European regulations, which may add to the cost and bureaucracy of touring into the EEA.

2 Introduction

- 2.1 The Association of British Orchestras (ABO) is the representative body for professional orchestras in the UK. Its 65 full members range from the major symphony orchestras to chamber, opera and ballet orchestras. Other categories of membership include national and local youth orchestras, conservatoires, venues, festivals, broadcasters and funding agencies.
- 2.2 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.
- 2.3 Following attendance at two roundtables with ministers from the Department for Digital, Culture, Media and Sport and the Department for Exiting the EU, the ABO has consulted its members on the key challenges that Brexit will pose. This paper outlines the results of that consultation.

3. Access to Talent

- 3.1 British orchestras, opera and ballet companies rely on guest artists such as conductors, soloists, singers and dancers to be able to travel in and out of the UK, on almost a daily basis and often for just one engagement. They may also be required at extremely short notice to replace artists who have had to cancel due to illness and injury. These artists need to know the particular role or repertoire for the concert or production, which means a UK artist is highly likely not to be suitable or available.
- 3.2 The Permitted Paid Engagement system currently applies for non-EEA artists. This works well for non-visa nationals, although the 30 day restriction causes some problems for opera, where the artist may be engaged for a longer period. For visa nationals there is a cost and additional bureaucracy, and there is a risk that young artists at the outset of their career may not be able to prove to the satisfaction of the UK Border Force their standing, reputation and earnings and that they are an “established professional”.
- 3.3 EEA artists have of course been able to come in and out of the UK under freedom of movement rules. ABO members would be concerned if the visa-national PPE system were to be extended to EEA citizens, creating additional restrictions and bureaucracy, and if similar obstacles were imposed on British artists travelling into Europe for engagements.
- 3.4 The planning cycle for British orchestras is 2-3 years, and 3-4 years for opera. This means contracts have already been entered with EEA artists beyond 29 March 2019, creating risk in relation to additional costs and bureaucracy that have not been budgeted for.
- 3.5 Freedom of movement for EEA citizens has meant that the workforce of British orchestras now comprises many nationalities. The average percentage of EU nationals is 8.3%, and some of our best known orchestras now have over 20% of their musicians coming from other EU countries. The proportion of EU nationals in British orchestras is higher in Scotland (10.1%), London (9.9%) and Northern Ireland (8.8%) than in the rest of England (5.4%) and Wales (4.7%).
- 3.6 Of the 2500 permanent or regular positions in British orchestras, under 10% are EU nationals, meaning the number recruited each year is very small. Enabling continued recruitment of EU nationals into British orchestras will have a negligible impact on overall migration numbers.
- 3.7 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 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.
- 3.8 This need for the very best talent has been recognised by the UK government through the inclusion of principal, sub-principal and numbered orchestral musicians on the Shortage Occupation List. This enables orchestras to recruit permanent musicians from outside the EEA under the Tier 2 Points Based System without recourse to the Resident Labour Market Test.
- 3.9 Tutti players (also known as ‘rank and file’) were formerly on the Shortage Occupation List but following objections from the Musicians’ Union are now subject to a Resident Labour Market Test. However, the ABO was able to secure from the Home Office an extension to

the recruitment period from 6 months to 24 months, in recognition of the rigorous and lengthy audition and trialling process that all candidates for an orchestral position must go through.

- 3.10 Recruitment under the Points Based System for Migrant Workers is bureaucratic and costly, involving substantial visa fees. Were the Points Based System to be extended to EEA citizens, as part of a drive to control migration, this would add to the administrative burden and cost of recruitment, at a time when ABO members face financial challenges.
- 3.11 A further issue is that the salary threshold for entering the UK with an initial job offer has increased to £30,000, which is above the average starting salary for an orchestra, with the threshold for obtaining indefinite leave after five years now £35,000. Following a sustained period of public spending cuts, orchestral salaries have flatlined, meaning that the pay of permanent orchestral musicians may well not meet that high threshold.
- 3.12 This will make recruitment of non-UK musicians that much more difficult, as there is every possibility that musicians from EEA countries (and indeed from non-EEA countries) will not be able to take up job offers from British orchestras, or may 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.
- 3.13 In common with many other employers, our members require certainty as to the future right to remain in the UK for their EU national employees.
- 3.14 The border between Northern Ireland and the Republic of Ireland is of particular relevance to the Ulster Orchestra. One permanent member of the orchestra lives in the Republic, while many 'extras and deputies' cross the border to work with the orchestra on a freelance basis.
- 3.15 Some musicians, especially those working in specialist period instrument orchestras, are EU nationals who live in their own country and travel into the UK for concerts and recordings sessions.
- 3.16 1250 self-employed musicians hold member status of freelance orchestras, and there are over 10,000 engagements each year of self-employed 'extras and deputies'. It is vital that British orchestras can continue to engage freelance EU nationals on a regular and casual basis.
- 3.17 We wish to flag up the concerns of the specialist HE institutions. The percentage of EEA students at the UK's 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. See Appendix I for details of how Brexit will impact on the UK's music conservatoires.
- 3.18 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 home-grown 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 UK government as to whether they can ensure that sufficient funding to enable opportunities for sustained access to instrumental tuition, regardless of economic or social circumstance, throughout primary and secondary education, allied to opportunities to perform in youth orchestras, will be made

available, enabling talented British musicians to secure places at our world-renowned music conservatoires, and on into professional employment.

- 3.19 While increased investment in music education would be most welcome, to enable recruitment of orchestral musicians from EEA and non-EEA countries to be replaced by home-grown talent, this cannot happen overnight. A transitional period would be necessary to enable British orchestras to continue to recruit the best in global talent until such time as there is no longer a shortage of home-grown musicians.
- 3.20 The ABO has noted with concern the relocation of the European Union Baroque Orchestra to Belgium and the imminent relocation of the European Union Youth Orchestra, established in London in 1976, to Italy. The UK's withdrawal from the EU may mean that talented young musicians from the UK will no longer be able to perform in this world-renowned ensemble.

4 Touring across Borders

- 4.1 British orchestras perform a strong public relations role for the UK, showcasing the best of British culture and musical expertise to thousands of people across the globe. In 2016 British orchestras visited a total of 42 countries, compared with 35 countries in 2013. Europe is the most toured-to continent, with orchestras reporting 96 visits to 26 different European countries.¹
- 4.2 Membership of the single market and the customs union has been hugely beneficial in enabling British orchestras to tour across Europe, which generates both revenue and secures their international reputation.
- 4.3 If controls are 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, could be imposed on ABO members, damaging the financial viability of tours.
- 4.4 The planning cycle for orchestras is often more than two years ahead of performance (and up to four years for opera), which means that contracts with promoters in the EU have already been signed for beyond March 2019. This means that fees have been fixed, and any additional costs that follow the UK's withdrawal from the EU have the potential to cause already contracted tours to lose money.
- 4.5 A crucial tool for ensuring that musicians do not have social security payments deducted when working in other EU countries is the A1 form. The ABO urgently needs assurance that the UK will remain within the A1 system, as tours have already been negotiated beyond 29 March 2019. As an example, Switzerland has been able to negotiate access to the A1 system through a bilateral agreement.
- 4.6 Loss of access to the European Health Insurance Card will mean that orchestras and freelance musicians, as well as youth orchestras, will need to pay extra for medical insurance when on tour.
- 4.7 Membership of the customs union removes the need for carnets and border controls when transporting musical instruments across EU borders. Should border controls and carnets be

¹ [The State of Britain's Orchestras in 2016](#), ABO, January 2017

imposed once the UK leaves the EU, this will add significantly to the administration and cost of touring into Europe.

- 4.8 ABO members have reported that they will need an extra day on either side of the tour to ensure sufficient time for trucks to exit and then return to the UK, and the musicians will need, at considerable cost, second instruments to ensure they can continue to rehearse and perform in the UK while their other instrument is transported into Europe.
- 4.9 It is important to note that customs controls would also apply to national and local youth orchestras, potentially reducing opportunities for young people to gain valuable experience of touring to and engaging in cultural exchange with other EU countries.
- 4.10 Promoters in Spain have alerted our members that withholding tax, which is charged at 19% for EU countries, will increase to 24% once the UK has left the EU. This will be deducted from the musicians' fees, and the secondary level taxation will be irrecoverable as orchestras in the UK, being registered charities, do not pay corporation tax.
- 4.11 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 has insisted on the removal of the clauses relating to musical instruments. Once the UK has left the EU, this will mean it will lose its influence over the Passenger Rights Directive, and may well see it adopted regardless of its objections.
- 4.12 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 would prefer that the UK remains within the European Musical Instrument Passport system, to avoid orchestras needing Musical Instrument Certificates when travelling from the UK to EU countries and vice versa.
- 4.13 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 would prefer that the UK remains signed up to the EU's Radio Spectrum Policy.

5 Access to Finance

- 5.1 If Brexit results in a downturn to the UK economy, this is likely to have an impact on public spending, and we are nervous that further public spending cuts may need to be made. This would 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.

- 5.2 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.
- 5.3 The slide in the value of the pound has had mixed consequences. While any ABO member in receipt of payment in euros or dollars for concerts abroad has seen an increase in the value of that payment, there are 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 concerts and productions are increasing, at a time of reduced income from public and private sources.
- 5.4 The EU has been an important source of funding through Creative Europe and other funding programmes. It is unclear whether UK organisations continue to be eligible for funding.

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:
- Orchestras touring across Europe are subject to the EU Directive on Posted Workers and the 2014 Enforcement Directive. These will apply when touring into Europe regardless of the UK leaving the EU in March 2019. Pearle is concerned at the impact of the Directive on short-term visits by performing arts companies.
 - There is a common system of VAT across Europe. Cultural Exemption, which enables exemption from VAT on admission charges for cultural events is vital to ABO members.
 - The UK has implemented various EU Copyright Directives and has been engaged in the development of the Digital Single Market.
- 6.3 ABO members have been actively involved in the bids from UK cities to be European Capital of Culture in 2023. We urgently require clarification on the recent decision by the European Commission to exclude the UK from eligibility for Capital of Culture bids.
- 6.4 The UK Government has cited EU State Aid Rules as a reason for not being able to consider certain changes the ABO has requested to the operation of VAT and Gift Aid, which we and our colleagues in the performing arts believe would encourage individual giving. These include aligning the treatment of VAT with donor thresholds for Gift Aid, and enabling Gift Aid on the purchase of entry to performing arts events in the same way as admission to museums and other heritage attractions.

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 as much as possible the benefits of access to the European single

market and the customs union, to avoid additional cost and bureaucracy and to enable continued cultural exchange.

- 7.2 While we appreciate that the UK will be leaving the EU on 29 March 2019, we are concerned that the British government will no longer have influence over future European regulations, such as regulations relating to Posted Workers, as these may disadvantage our members when touring into Europe.
- 7.3 British orchestras need certainty as to the future relationship the UK will have with the EU after 29 March 2019, to enable recruitment and retention of EU nationals and forward planning on touring into the EEA.
- 7.4 Most importantly, the very survival of some orchestras will be put into question if there is a 'no deal' Brexit. Touring into the EEA has become intrinsic to the business model of British orchestras, and the additional costs associated with controls on borders and migration would price British orchestras out of a fragile marketplace.

APPENDIX I

BREXIT – the impact on UK conservatoires

1. European musicians make an inestimable contribution to the cultural and financial wellbeing of the UK, at both HE level and in the profession. The rich and varied traditions of musical training in EU countries adds to the quality of experience for UK students at our leading conservatoires.
2. Currently around 20%² of conservatoire students come from mainland Europe. These students bring their distinctive musical backgrounds and cultures, enriching the learning experience for everyone and enabling our home students to benchmark themselves against their European peers. They also help to create a vibrant and cosmopolitan ‘real-world’ learning environment, where life-long musical relationships and friendships are formed.
3. Many EU students return to their home countries after graduation, becoming powerful and persuasive advocates for the UK’s cultural and higher education sectors.
4. Adverse changes in the conservatoires ability to recruit the best European music students will have a significant detrimental effect on the recruitment of the most talented students from North and South America, the Pacific Rim, and the rest of the world.
5. Access to student loans is essential to attract EU students to the UK, especially when many come from countries where there are minimal tuition fees. This is a major factor for young musicians from Eastern Europe, where the economic climate makes it impossible for them to study overseas without support. Leaving the EU will, unless specific arrangements are made, not only make EU students ineligible for student loans but also require conservatoires to charge international fees, currently over £20,000 per year. The great majority of EU students will no longer be able to afford to come.
6. The EU-funded Erasmus programme facilitates staff and student mobility across Europe; something conservatoires would be unable to finance themselves. This reciprocal arrangement is an important and integral part of the overall UK offer.
7. As leading international conservatoires, we are proud of our world-class teaching workforce. Many EU tutors travel to the UK weekly to work with our students, others are EU citizens who are UK based, many working for our principal orchestras. The input from EU teachers is vital in supporting UK students who wish to establish careers in mainland Europe. This contributes significantly to the conservatoires impressive graduate employment rates, typically 97%-100%³. EU citizens currently account for around 10%⁴ of total conservatoire staff, with the EU proportion of teaching staff being considerably higher.
8. In addition to international teaching expertise, we offer hundreds of students each year the opportunity to undertake placements with leading professional ensembles across Europe. These placements are life-changing and often a catalyst for future employment.

² HESA data 2017

³ DLHE 2015-2017

⁴ HESA data 2017

9. UK conservatoires enjoy active working relationships with peer institutions throughout Europe and are all active members of the Association of European Conservatoires as a means to share best practice.
10. UK student ensembles are regularly invited to perform at major festivals and conferences across the EU. Ease of travel, and access to budget flights, is essential if these opportunities are to continue to be realised.
11. In terms of conservatoires financial health, removing the financial support available to incoming EU students, and limiting the free movement of musicians within Europe, would present significant challenges. It would also be hugely disadvantageous to the increasing number of talented young UK graduates from our leading conservatoires who aspire to international careers.