



Music Industry Strategy for Northern Ireland

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Executive Summary

Introduction

1. Music is a crucial part of the creative economy in Northern Ireland (NI). As an industry it contributes almost £70m in annual gross value added (GVA) to the local economy, with a further £8m generated through music related tourism. It is also a fundamental expression of regional identity and a source of inspiration, pleasure and personal fulfilment for musicians and audiences alike.
2. NI has also produced some of the world's leading artists. From James Galway to Snow Patrol and David Holmes, NI has always been a country that is rich in music and musical tradition, and as the global music industry continues to grow, this offers a real economic and cultural opportunity for NI.
3. However, the sector faces real challenges as the industry adapts to a market that is increasingly driven by digital technology and the development and exploitation of intellectual property (IP).
4. In particular, while NI is not short of musical talent in the form of composers, songwriters and musicians, the industry infrastructure is weak in a number of crucial respects:
 - there are few record labels that can be considered financially secure;
 - with some notable exceptions, there is a lack of management talent both in music businesses and in artist management;
 - music publishing is largely undeveloped;
 - distribution is limited; and
 - the market for live music is limited by the small population of NI.
5. This strategy is aimed at addressing these issues, and enabling the music industry in NI to realise its full economic potential. It has been informed by detailed consultation with more than 80 representatives of the music industry in NI, and with the public agencies with an interest in the sector's development.

Music in NI

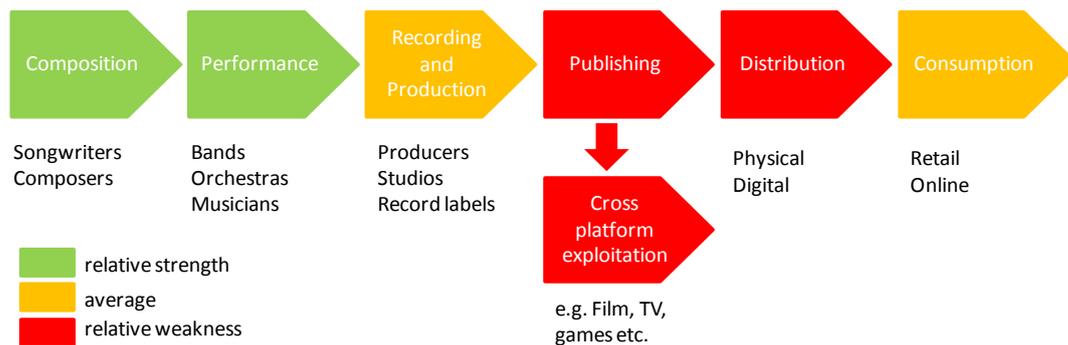
6. According to the latest available data, **3,050 people worked in music in NI**, and the sector contributed **c. £70m in annual GVA** to the NI economy¹ – a GVA per employee of £22,400. This falls short of the GVA per employee for the NI economy as a whole (£33,392). 16% of the workforce is freelance, and 14% work part time.

¹ *Sector Skills and Assessment for the Creative and Cultural Industries in Northern Ireland*, Creative and Cultural Skills, December 2010. **NB:** GVA figures are estimated and include self-employment and public sector workers' contributions. GVA per employee for the NI private sector as a whole is £38,769.

Music businesses in NI are small - 87% employ fewer than ten people, and 93% have a turnover of less than £1,000,000².

7. Looking across the recording industry supply chain in NI, there are clear areas of structural weakness relating to the label infrastructure, publishing and distribution, as well as poor links to the wider creative industries. This is illustrated below.

Figure 1: Recording Industry: Simplified Supply Chain – Northern Ireland



8. Talent, the international appeal of the Irish music 'brand' and the vibrancy of the live music scene are all key strengths, along with the growing sense of partnership amongst public agencies with an interest in music and the creative industries.
9. However, the industry is considerably weakened by lack of scale and lack of businesses of scale, as well as key gaps in the supply chain, particularly in publishing and distribution. There is a reported lack of entrepreneurial and management talent and the region's geographic peripherality has constrained access to key global centres and international markets.
10. Despite these issues, there are opportunities for future growth, most obviously in digital distribution, international markets, niche publishing and cross-platform exploitation of music IP. Traditional music is also an area of strength that is not always recognised, and closer links and connections to the music industry in Dublin is another opportunity.
11. Consultation with the music industry in NI identified the key strengths, weaknesses, opportunities and threats (SWOT) for the sector, as summarised in **Figure 2** below.

² ibid

Figure 2: NI Music Industry SWOT

<p>Strengths</p> <ul style="list-style-type: none"> Talent Irish music 'brand' Creative Industries identified as economic priority High profile figures Growing sense of partnership Vibrant live scene 	<p>Weaknesses</p> <ul style="list-style-type: none"> Patchy and disconnected supply chain Lack of management talent Low level of entrepreneurship Lack of scale and lack of businesses of scale Weak infrastructure for IP exploitation Peripherality and poor connection to global markets Small domestic market
<p>Opportunities</p> <ul style="list-style-type: none"> Digital Republic of Ireland Niche publishing Traditional music Cross-platform International Near access to the rest of the UK market Partnership models 	<p>Threats</p> <ul style="list-style-type: none"> Talent drain to London and elsewhere Public sector spending crisis Over-reliance on part time and voluntary labour force Disillusionment and fragmentation Parochialism Decline in political support/interest

Main Strategic Issues

12. The key strategic issues for the music sector in NI are to:

- build **greater scale** in the industry, both in terms of the numbers of sustainable businesses and the number of businesses with the scale and ambition to compete in UK and international markets;
- develop a stronger base of **labels and publishers** to retain talent and IP in the NI economy;
- improve **business skills** and entrepreneurial and management talent;
- embrace the opportunities in **digital distribution** and the **cross-platform exploitation** of music IP (synchronisation);
- continue to develop and nurture **talent** and retain that talent within NI;
- improve **access to finance** for music businesses; and
- **internationalise** the sector.

Strategic Priorities

13. The strategy aims to develop:

“a creative and vibrant music sector that achieves consistent and sustainable economic growth contributing to wealth creation and to a positive image of Northern Ireland on the world stage”
14. In particular, the primary purpose of the strategy is to increase the **economic** contribution of the music industry in NI with the following targets
 - increase the GVA of the NI music industry by **25% (£17.5m)** by 2016;
 - increase average GVA per employee by 14% (from £22,400 to £25,547);
 - increase employment in the music industry in NI by **780 jobs** by 2016;
 - increase the number of music businesses in NI by 10% (128 new businesses) by 2016;
 - increasing the numbers of music businesses with turnover in excess of £1,000,000 by 20% by 2016 (two businesses); and
 - increasing the value of music exports from NI.
15. In order to achieve these targets, action is required in six complementary priority areas, grouped under two headings, as follows:
 - **growing successful music businesses:**
 - business skills and entrepreneurship
 - innovation
 - access to finance
 - internationalisation; and
 - **developing a vibrant music community and infrastructure:**
 - talent/product development
 - infrastructure development.
16. Effective delivery against all of the priorities identified above will require a co-ordinated partnership approach across the main public agencies:
 - Invest NI;
 - DCAL;
 - local authorities; and

- Arts Council of Northern Ireland.
17. At the centre of the strategy is a proposed new Music Business Support programme (MBSP) offering:
- advisory services for music related business, start-ups or individuals interested in career opportunities;
 - seminars and events for the industry;
 - training and education programmes including music business management courses
 - support and advice in specific areas such as marketing and PR, licensing, digital distribution, touring and international trade fairs; and
 - brokering to other sources of support (advice, financial assistance).
18. The proposed MBSP will be commissioned through a competitive tendering process following a full economic appraisal and will seek to build effective partnerships across the private and public sectors to extend the reach of available support, particularly around events, marketing, business support and skills development.
19. Table 5.1, below, outlines the priority areas for action along with lead responsibility for these.

Table 1: Priority Areas for Action

Action	Lead responsibility	Timescale
Develop a project brief for business support to the music industry (Music Business Support Programme – three years) to cover: <ul style="list-style-type: none"> • Events and networking • Business advice and support: <ul style="list-style-type: none"> ○ Clinics ○ Short training courses ○ Mentoring • Investment readiness support • Music business management training • Flexible internationalisation support • Partnership working with other agencies 	Invest NI & DCAL, in partnership with ACNI, Local Authorities and other stakeholders.	By October 2011

Action	Lead responsibility	Timescale
Commission support programme as detailed in the brief through open tendering exercise	Invest NI & DCAL in partnership with ACNI and local authorities	By November 2011
Deliver Music Business Support Programme (MBSP)	Successful contractor Seek partnership with other established agencies such as Generator, WMF, other UK regions and the Republic of Ireland.	March 2012 – March 2015
Innovation support (financial) for digital distribution, diversification (e.g. into publishing) and new business model development	DCAL through the CI Innovation Fund with advice and signposting from the MBSP	Ongoing
Trade missions	Invest NI in partnership with successful contractor for MBSP	Ongoing – target of four missions per year Trade shows to be agreed with contractor, but could include: SxSW; MIDEM; Amsterdam Dance Event; Winter Music Conference; In the City; and Popkomm.
Closer partnership with other key agencies to build connections across creative industries and encourage collaboration and licensing opportunities (e.g. joint events and networking, collaborative project support etc.)	Contractor for MBSP; Invest NI; NI Screen; Digital Circle	Ongoing
Work to encourage use of NI music in incoming screen productions. NI Screen could promote local music to incoming production companies, with the potential to tie use of local music to production incentives	MBSP in partnership with NI Screen	Ongoing

Action	Lead responsibility	Timescale
Work to ensure that music education is effective and accessible in schools	DENI; DCAL and ACNI (this activity is covered in ACNI's Music Strategy)	Ongoing
Work with colleges and universities to ensure courses are industry relevant	contractor for MBSP; Creative and Cultural Skills (Sector Skills Council); DCAL, DEL	Ongoing
Work with the industry to promote and encourage uptake of relevant training including Apprenticeships; internships; and leadership and management training	Creative and Cultural Skills and MBSP	Ongoing
Structured ladder of talent development and support from grass roots to high end talent	DCAL and ACNI (this activity is covered in ACNI's Music Strategy)	Ongoing
Continue support for community music programmes and centres.	All partners	Ongoing
Engage relevant professional service providers (e.g. music lawyers; IP experts; in music industry events)	MBSP	Ongoing

20. The strategy will be a living document, with progress reviewed on a regular basis. The main partners will engage with the industry on an on-going basis to review the progress of the strategy, propose any new or additional initiatives and seek ongoing feedback on the growth of the sector and the issues it faces. This will not only help inform delivery, but will continue to develop good working relationships between the public agencies and the music sector.

Next Steps

21. The next steps in bringing the strategy to life and driving forward its implementation are as follows:
- build commitment and buy-in among the key partners and the industry;
 - establish the key partnerships and support programmes in close liaison with ACNI's Music Strategy;
 - complete an economic appraisal to scope out in more detail the costs of the identified actions; and
 - develop a more detailed monitoring and evaluation plan based on the activities identified above.

1. Introduction

1.1 Government in Northern Ireland is committed to growing the economic contribution of the creative sector and supporting innovation through creativity. The creative industries are therefore a priority area for investment and support.

1.2 Music is a crucial component of the wider creative industries, and the UK music industry generated revenues of £3.9bn in 2009³. It is, however, an industry undergoing very substantial and rapid change. Of all of the creative industries, music was arguably the first to feel the game changing impact of digital technologies. The rapid diffusion of broadband connectivity, digital formats and peer-to-peer technology caught even the largest players in the global music industry by surprise, and the response was too slow to stem the tide of illegal downloading. As a result, the industry has had to rethink its business models for the digital age in an increasingly competitive market.

1.3 These changing conditions have been very challenging for the music industry, with a five-year downward trend in sales of recorded music, and increasingly fragmented revenue streams. However, recent analysis suggests that this may be stabilising. For the first time in five years, sales of recorded music in the UK stabilised, and revenues from international licensing increased, along with ongoing strong growth in live music⁴. Publishing revenues also grew, underlining the critical role of intellectual property (IP) in business success.

1.4 The music industry itself is complex, and operates through myriad networks and commercial relationships that cross many sectors. Artists, labels, publishers, promoters, agents, pluggers and distributors engage in a much wider media environment that includes broadcasters, advertising agencies, film and TV producers, and all those involved in online activity. As a result, analysing the sector is difficult, and finding common ground across all of these stakeholders can be challenging.

1.5 In common with many parts of the UK, Northern Ireland's music industry suffers from key gaps in the supply chain infrastructure (e.g. no major publishing capability, limited presence of major labels, limited access to distribution) and its geographic distance from the epicentre of the UK industry in London. However, it is not short of talent, and this is what drives the music business.

³ Economic Insight, *PRS for Music, August 2010*

⁴ *ibid*

1.6 It is against this backdrop that Invest NI and DCAL, in partnership with the Arts Council of Northern Ireland (ACNI) and Belfast City Council (BCC), sought to develop a clear and coherent strategy for the development of the music industry in Northern Ireland.

1.7 The strategy provides a blueprint for developing the economic contribution of the music industry in Northern Ireland. It has been developed through a process of research and consultation with partners and industry representatives across the breadth of the music sector in Northern Ireland. In addition to a series of 32 one-to-one consultations with key stakeholders and leading figures in the NI music industry, the strategy has also been informed by a wider survey in which a further 53 individuals contributed their views, and two industry focus groups which helped to refine the priorities for the strategy. A report of the survey findings is included in the Appendix 3.

1.8 As such, the strategy process has taken account of the many issues raised by those in the sector, as well as current and planned activities, and has distilled these into an overarching vision, supported by a set of objectives and priorities for investment.

1.9 This strategy sits alongside and complements work undertaken by ACNI to develop a companion music strategy which focuses more on the publicly funded end of the music sector, and addresses issues relating to music education, participation, community activities and audience development. Running these two processes in parallel has allowed the clear identification of areas of common interest and where a collaborative approach will be required. Indeed, the boundaries between the private and public sector ends of the music spectrum are almost indistinguishable, particularly in smaller economies. As a result, many of the priorities for the development of the commercial music industry are equally relevant to the subsidised sector.

2. Policy Context

2.1 In common with most post-industrial economies, the government in NI has recognised the important links between innovation, productivity and economic growth. In an economy so dominated by public sector activity, it is essential that the private sector moves up the value chain by investing in innovation, and by harnessing creativity and design to develop added value products and services.

2.2 The new economic strategy for NI is strongly focused on these themes, and gives particular emphasis to the role of the creative industries in supporting and driving wider innovation across the economy. This is also mirrored at UK level with the UK government

Plan for Growth which identifies the digital and creative industries as one of eight priority sectors.

2.3 DCAL is the NI Government lead on the creative industries and works in partnership with the Department for Enterprise, Trade and Investment (DETI) and other Departments and agencies on policy implementation. The DCAL *Corporate Plan 2008-2011* clearly identifies the creative industries as a priority for investment and support. The sector is also a priority within Invest NI's *Corporate Plan 2008-2011* and music is identified as a specific sector within the *Northern Ireland Digital Content Strategy*.

2.4 The NI policy context is therefore clearly supportive of the creative industries, providing a robust framework within which to develop music as part of NI's overall creative sector and the wider drive towards an innovative, knowledge-based economy.

2.5 The current strategy has also been influenced by developments at the UK level. UK Music is the umbrella body that represents the collective interests of the commercial music industry in the UK. Last year, UK Music published *Liberating Creativity*, a strategy for the UK music industry, which identifies many of the same issues addressed within the NI strategy. In particular, it is focussed on issues relating to business support, skills and training, investment, education and access to infrastructure.

2.6 The priorities identified in *Liberating Creativity* dovetail with those for NI. In particular, the strategy for NI defers to UK Music in those areas in which a UK approach is more appropriate. These include reserved policy matters such as IP regulation, fiscal intervention and UK-wide measures around access to finance. In other areas such as business support, skills and access to facilities and infrastructure, a more devolved approach is necessary, and this is reflected in the priorities of this document.

3. Music and the Music Industry

3.1 Music is a fundamental expression of human **creativity**. It permeates our lives and surrounds us, and is a crucial part of who we are. It is also a massive global industry, generating substantial economic value.

3.2 As such, music is a key part of the **creative industries**. It is arguably the original digital media, and has been a critical driver of the transition to a **digital economy**. From the innovations of peer-to-peer technologies to the revolutionary impact of the iPod and iTunes, music has long been at the leading edge of digital media.

3.3 The music business revolves around IP and it is an **IP-rich industry** – a true knowledge-based industry. As such, the creative industries offer real opportunities for post-industrial economies to develop competitiveness based on creativity and high value activity. The ongoing and **consistent growth** in the UK’s creative industries is testament to their long term economic potential, and the UK is widely regarded as a leader in the global music industry, one of only three nations that exports more music than it imports⁵.

3.4 Music is also a key driver of **tourism**. For example music tourists in NI spend at least £25m a year⁶, and music has a **wider role** to play in building a positive image of places. In his seminal work on regional innovation, Richard Florida identified a thriving music scene as one of the key characteristics of innovative places, as it enabled them to attract and retain the talented individuals that could drive economic growth⁷.

3.5 Therefore, there is both an economic and a cultural rationale for supporting music and encouraging the growth of a vibrant music industry as part of NI’s drive to become a modern creative region.

3.1 The Music Industry

3.6 The music industry is essentially concerned with the production and exploitation of compositions, recordings and performances of music. There are two main aspects to the music industry:

- the recording industry; and
- the live music industry.

3.7 The **recording industry** includes songwriters and recording artists, record labels, publishers and distributors. A simplified supply chain for recorded music might look like that shown below:

⁵ *Liberating Creativity*, UK Music, 2010

⁶ *Destination Music: The contribution of music festivals and major concerts to tourism in the UK*, UK Music (2011)

⁷ *The Rise of the Creative Class*, Florida R. (2003)

Figure 3.1: Recording Industry: Simplified Supply Chain



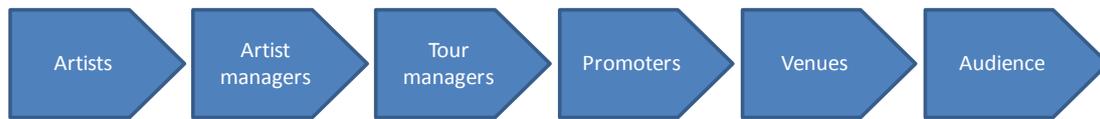
3.8 The recording industry revolves around the IP vested in the compositions. However, it is those that own and exploit that IP that typically command greatest economic returns – the **record labels and publishers**. As the distribution of music becomes increasingly digital, and the opportunities to exploit music across other channels increases, IP becomes ever more important. In particular, publishers play an increasingly central role in the economics of the sector, as they are responsible for the ongoing exploitation of IP. Indeed, recent research has found that publishing revenues are increasing at a time when sales of recorded music have been in decline⁸.

3.9 There is also a crucial role played by the Performing Rights Society (PRS) for Music and the Mechanical Copyright Protection Society - Performing Rights Society Alliance (MCPS-PRS Alliance), which collect royalty income on behalf of labels and publishers for mechanical copyright (recorded music) and performing rights (where music is played in public).

3.10 The **live music** industry is very closely related to the recording industry and has been experiencing very strong growth for some time now. In the past, artists' tours were primarily a way of promoting recordings, they are now more often profit making exercises in their own right. Promoters are at the heart of the live music industry, booking acts and working with artists, tour managers, artist managers and venues. A simplified supply chain for the live music industry is shown below.

Figure 3.2: Live Music Industry: Simplified Supply Chain

⁸ Economic Insight, *PRS for Music, August 2010*



3.11 Both the recording industry and the live side depend on a complex range of supporting infrastructure that includes artist managers, recording studios, engineers and producers and radio pluggers as well as professional services in areas like PR and legal services.

3.2 Key Drivers

3.12 Music is a **global industry** generating massive revenues. One recent estimate is that global sales of recorded music (physical and digital) were worth almost \$16bn in 2010⁹. The international character of the music industry is a real opportunity, particularly as important markets such as Brazil and Australia continue to show growth even in the face of piracy challenges.

3.13 In addition to international opportunities, the biggest and most obvious driver of the music industry is the relentless march of **digital technology**. Digital music sales rose by over 9% to \$4.3bn in 2009, ten times the size of the digital music market in 2004¹⁰. The growth of social media has also impacted the music industry, expanding the opportunities for promotion, licensing and sales. However, the digital revolution has also brought two very significant challenges for music:

- piracy; and
- business model disruption.

3.14 Although **piracy** is an issue across many creative sectors, music was the first to feel the impact of illegal file sharing and downloading, issues that continue to constrain revenues despite the attempts of the music industry and national governments to restrict these practices through copyright enforcement measures.

3.15 At the same time, the rise of digital formats has also challenged long established **business models** and supply chains across the music industry with new market entrants bringing fresh ideas with far-reaching impacts. Apple is an obvious example - a technology company that changed the face to legal digital music services with the iPod device and the

⁹ *Recording Industry in Numbers, 2011*, IFPI, 2011

¹⁰ *ibid*

iTunes platform. Similarly legal streaming services like Spotify have introduced new license-based business models.

3.16 This is a complex picture, and for small music businesses it is an environment that offers both opportunities and challenges, not least in negotiating with the larger digital providers (e.g. iTunes). The rise in social media has also created opportunities for wider and cheaper promotion of music.

3.17 There are also growing opportunities in the **exploitation of music** across other areas of content – most obviously in film, TV, games and advertising. In the UK, sales in these areas increased by 6.5% in 2009 to £193.5m, highlighting the ongoing opportunity for growth as other areas of the creative industries continue to expand¹¹.

3.18 Another critical factor affecting the success of music businesses is **access to finance**. The decline in sales of recorded music has placed increasing financial pressure on record labels and publishers, constraining their ability to invest in new talent. In addition, music businesses consistently complain that they cannot get access to even relatively modest investment finance and past research has shown that music companies rarely benefit from existing government schemes such as the Enterprise Finance Guarantee. It is for this reason that UK Music has called for a new investment fund for music supported by industry finance and expertise.

3.3 The Music Industry in Northern Ireland

3.19 The UK music industry was worth an estimated £3.9bn in 2009, an increase of 5% on the previous year. This growth was driven by an increase in international licensing and ongoing growth in live music, while sales of recorded music began to stabilise after five years of consistent decline¹².

3.20 The evidence also suggests strong growth in publishing revenues at the UK level, and in secondary licensing such as synchronisation and merchandising, even if the extent of engagement between music businesses and sectors like computer games is still embryonic¹².

3.21 How these data translate to the sector in NI is more problematic. Robust data on the scale of the music industry in NI is extremely difficult to source. Official economic data

¹¹ Economic Insight, *PRS for Music, August 2010*

¹² *Adding up the Music Industry, 2009*, PRS for Music, 2010 (the most recent data available)

greatly underestimates the scale of the sector due to the limitations of working within Standards Industrial Classifications (SIC) codes, which provide only poor coverage of music.

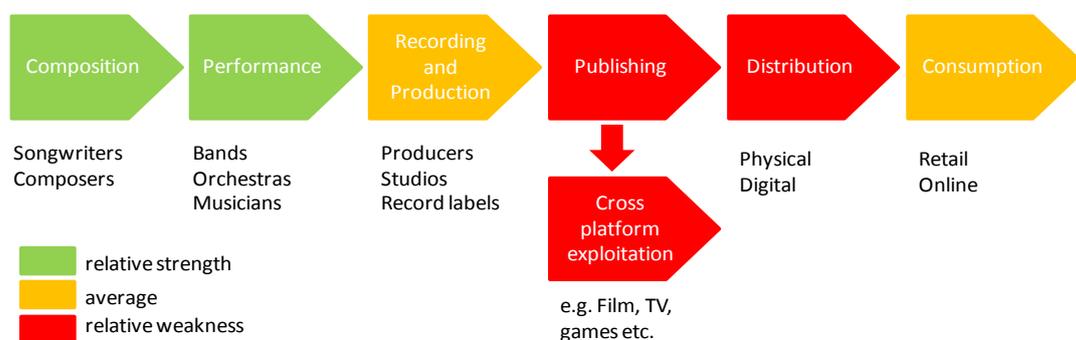
3.22 According to the latest available data, **3,050 people worked in music in NI**, and the sector contributed **c. £70m in annual GVA** to the NI economy – a GVA per employee of £23,000. This falls short of the GVA per employee for the NI economy as a whole (£33,392). 16% of the workforce is freelance, and 14% work part time. Music businesses in NI are small - 87% employ fewer than ten people, and 93% have a turnover of less than £1,000,000¹³. Including self-employment (1,129) there are 1,280 music businesses in NI, with an average GVA per business of c. £53,000.

3.23 However, music also has a wider economic impact. A recent UK Music report¹⁴ identified the value of music related tourism in the UK to be £1.4bn. NI attracts a greater proportion of overseas music tourists than anywhere else in the UK (apart from Scotland). Music tourists in NI spend at least £25m a year, generating £8m in GVA to the NI economy and sustaining the equivalent of 205 full time jobs in tourism.

3.24 The limitations of the available data are such that in assessing the relative strengths and weaknesses of the NI music industry, we have had to rely more on the expert views and input of the industry itself gained through the one-to-one discussions and industry survey¹⁵.

3.25 Looking across the recording industry supply chain in NI, there are clear areas of structural weakness relating to the label infrastructure, publishing and distribution, as well as poor links to the wider creative industries. This is illustrated and expanded in more detail below.

Figure 3.3: Recording Industry: Simplified Supply Chain – Northern Ireland



¹³ Creative & Cultural Skills – Sector Skills Assessment for the Creative & Cultural Industries, December 2010.

¹⁴ *Destination Music: The contribution of music festivals and major concerts to tourism in the UK*, UK Music (2011)

¹⁵ Collecting economic data via the survey was not considered feasible the unpredictable and uncontrollable response rate would mean that this could provide only a partial picture of the value of the industry.

3.26 NI is not short of **musical talent**, both in composers/songwriters and performers. However, the music industry is small, and is almost entirely made up of small and micro-businesses. There are no music companies of scale in the region.

3.27 There are **few artist managers** with the necessary experience and the record label infrastructure is limited and fragile. There are only a very small number of publishers in the region and these are small scale or offshoots from existing labels. **Distribution** is also an issue and the major labels and publishers have no presence at all in NI. While there is some licensing activity, this is also limited not least by the **lack of publishing** and the **fragile base in the labels sector**, even though there are some labels that are doing good business (e.g. Smalltown America, VM Records, Emerald Music) Therefore, in terms of the recording industry, the commercial exploitation of IP in NI is limited.

3.28 The relative weakness of the labels in the region has also meant that much of the top end talent developed in NI has had to seek representation elsewhere. Very small labels simply do not have the financial scale to support acts as they become more successful, and as a result, bands and musicians are often lost to companies in London and elsewhere. Subsequently, revenue is lost to the industry in NI.

3.29 The live music industry in NI is limited by the small scale of the domestic market (a population of c1.8m). While the venue infrastructure is reasonable, there are few promoters of scale, and many questioned the validity of the public sector in supporting festivals and concerts that could be run by the private sector. In such a small sector, the distorting effect of this can be more pronounced than it maybe in larger markets.

3.30 The overall picture here is of a **small and fragmented sector** that struggles with **lack of scale** and with **key gaps in the supply chain** infrastructure. Indeed, many of our consultees noted that a substantial proportion of those in the music industry in NI did not earn their primary income from music. This is supported by the fact that 52% of those that completed the industry survey did not consider music to be the main source of income.

3.31 Many also felt that the industry can be too domestic in focus and connections and linkages to major centres in London and even Dublin are poorly developed. This is not helped by a feeling that NI itself is perceived as peripheral in an industry that is highly concentrated in metropolitan centres.

3.33 Given the growing importance of synchronisation opportunities and licensing revenues, linkages into the wider creative industries and media sectors are important, and these links are, at best, embryonic in NI.

3.33 Extensive consultation with the music industry in NI identified the key strengths, weaknesses, opportunities and threats (SWOT) for the sector, as summarised in Figure 3.4 below.

Figure 3.4: NI Music Industry SWOT



3.34 Talent, the international appeal of the Irish music 'brand' and the vibrancy of the live music scene are all key strengths, along with the growing sense of partnership amongst public agencies with an interest in music and the creative industries.

3.35 However, as described above, the industry is considerably weakened by lack of scale and lack of businesses of scale, as well as key gaps in the supply chain, particularly in publishing and distribution. There is a reported lack of entrepreneurial and management talent and the region's geographic peripherality has constrained access to key global centres and international markets.

3.36 Despite these issues, there are opportunities for future growth, most obviously in digital distribution, international markets, niche publishing and cross-platform exploitation of music IP. Traditional music was also highlighted as an area of strength that is not always recognised, and closer links and connections to the music industry in Dublin is also an opportunity.

3.37 In terms of threats, the ongoing drain of music talent to London and elsewhere is a persistent problem and the public sector funding crisis also threatens to limit the resources available to support NI music development. The past experience of engaging with support for music in NI has also left many in the industry feeling disillusioned and the fragmented nature of the sector is a threat to its future growth. There is also a need to guard against parochialism and too great a focus on the small domestic market.

3.4 Strategic Issues

3.38 The consultation work identified a number of strategic issues for the music sector in NI as follows:

- there is a need to build **greater scale** in the industry, both in terms of the numbers of sustainable businesses and the number of businesses with the scale and ambition to compete successfully in UK and international markets, In particular, building a stronger base of **labels and publishers** will be critical in retaining talent and IP in the NI economy;
- **business skills** are a critical gap and the sector needs more entrepreneurial and management talent with a thorough understanding of how to succeed in the music industry. This relates both to artist management and to the management of businesses with a key role in the value chain – labels and publishers. These skills are equally required by those working in the publicly funded music sector;
- there is a need to embrace the opportunities in **digital distribution** and the **cross-platform exploitation** of music IP (synchronisation);
- **talent development** remains crucial, but there is a need also to ensure that more of that talent can be retained within the NI music sector. This will depend both on a more robust labels infrastructure and also on a stronger and deeper base in artist management. More fundamentally, there is a need for greater emphasis on music in both formal and informal education;
- **access to finance** is a key issue for music businesses across the UK as a whole as well as in NI; and
- **internationalisation** is key to future growth and stronger connections to key centres in Dublin and London is also important.

3.39 In the industry survey, the most frequently identified areas in which support was needed were:

- funding (55%) particularly for young artists and bands to help them develop and record material;
- a music development body to provide tailored support (41%) delivered through a partnership comprising national/local government, other public agencies and a dedicated music support organisation;
- promotion of the industry nationally and internationally (22%); and
- business development and support (21%), including financial management, business planning, access to key industry contacts (e.g. publicists, pluggers, publishers and distributors).

3.5 Support for the Music Industry in NI

3.40 There is a history of support for the music sector in NI and it is important to reflect on some of these initiatives in the context of a forward looking strategy. The main elements of support for music in NI are as follows:

- ACNI provides music organisations with grant support, and this is largely focussed on Ulster Orchestra (the largest client), opera, traditional music and festivals as well as community facilities;
- Invest NI provides support for trade missions, in particular for the mission to the South by Southwest (SxSW) event in Austin, Texas through its support for the Fast Forward music business support project (see below). Fast Forward was also funded by DCAL through the ACNI;
- DCAL established the Creative Industries Innovation Fund to support the development of creative businesses in Northern Ireland. Administered by ACNI the fund is supported by Northern Ireland Screen and Digital Circle (the collaborative sectoral organisation for digital content in Northern Ireland). Belfast City Council is an active supporter of music through the provision of support for bands, music businesses and events (e.g. SxSW, Belfast Music Week, and activity linked to the MTV European Music Awards being held in Belfast in November 2011);

- Fast Forward was established as a one-year programme to provide support to music related businesses in Northern Ireland. It is funded by Invest NI & DCAL and has recently come to the end of its one year funding period. Fast Forward provided events, mentoring support and support for international trade missions to different music events throughout the year.

3.41 Much of this support has been well received by the industry. The Fast Forward events were well attended and although some attendees have made effective use of contacts gained at these events, others have not taken opportunities forward. Nevertheless, they serve an important purpose both in bringing the industry together and in providing valuable sector information. Mentoring support is also valued even if somewhat limited in scope and scale. In particular, consultees identified the need for industry mentors for artist managers, an area in which it was felt the industry was weak in NI, and for labels seeking to grow their business beyond the national market. Some also perceived the focus of Fast Forward on contemporary rock and pop to be too narrow, particularly at the expense of the traditional music sector, which in other contingent nations (e.g. Scotland and Ireland) has proved to be a consistently productive part of the music economy.

3.42 The South by Southwest missions have been successful for many, but not all of the participants, perhaps reflecting a need for more defined criteria regarding the selection of participants. More generally, there is demand for a more flexible and open approach to supporting international business development. It is also worth noting that beyond the grant and other forms of support outlined above, music businesses can, at least in theory, access mainstream business support if they can present a viable business plan. However, the consultation feedback indicated that too few are in a position to do this.

3.43 More encouragingly, there is a growing sense of partnership among the public agencies with an interest in music and the Digital Content Strategy offers a useful opportunity to connect into wider creative industries initiatives and activities. There is however, a need to clarify the role of the public sector in engaging in the music industry, particularly around festivals and live music promotion where public intervention can have a distorting effect on the market.

4. Strategic Objectives and Priorities

4.1 The consultation feedback identified the key elements of a successful music industry in NI. These include strong businesses that support and retain emerging talent within NI and a supportive education system that provides opportunities for talent to develop from an early age. Creativity was also a strong theme, along with music playing a central role in promoting NI as a tourist destination and an exciting place to live, work and visit. This feedback has been distilled into a vision for the music industry in NI.

4.2 That vision is to develop:

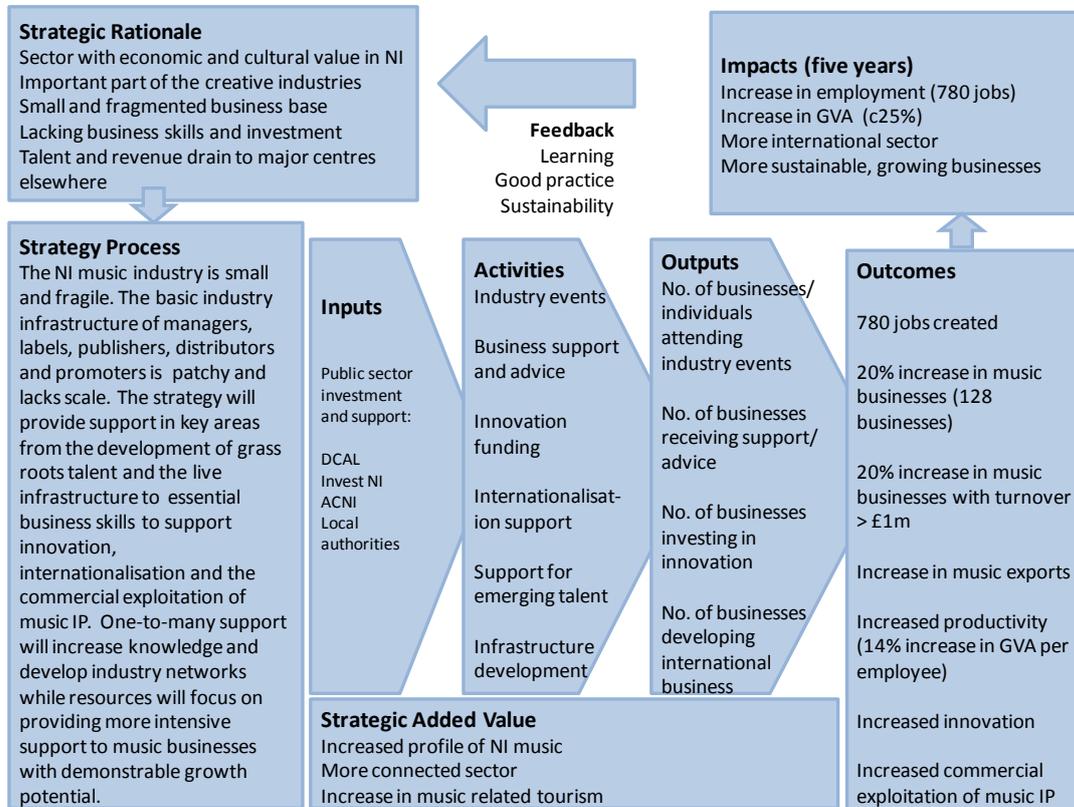
“a creative and vibrant music sector that achieves consistent and sustainable economic growth contributing to wealth creation and to a positive image of Northern Ireland on the world stage.”

4.3 The primary purpose of the strategy is to increase the **economic** contribution of the music industry in NI. This will be achieved by establishing:

- more sustainable businesses;
- more international businesses;
- more innovative businesses; and
- more profitable businesses.

4.4 All of this must also be supported by a vibrant musical community and a supportive infrastructure of studios, rehearsal space, community and educational projects and professional services. In particular, this is an area in which the public sector has a significant role to play as the seedbed for a successful music industry, supporting the development of musical talent and the grass roots opportunities for that talent to be honed.

Figure 4.1: Roadmap for Developing the NI Music Industry



4.5 In order to achieve these strategic objectives, action is required in six complementary priority areas, grouped under two headings, as follows:

- growing successful music businesses:
 - business skills and entrepreneurship
 - innovation
 - access to finance
 - internationalisation; and
- developing a vibrant music community and infrastructure:
 - talent development
 - infrastructure development.

4.1 Growing Successful Music Businesses

4.5 Economic growth in the music sector in NI will come through the development of successful music businesses with a strong catalogue of artists and IP. Retaining more of NI's musical talent and IP in the region is crucial and this suggests prioritisation of effort on strengthening the **labels, publishers and artist managers**.

4.1.1 Business Skills and Entrepreneurship

4.6 There is a need to ensure that music businesses and managers across the NI music sector have access to essential market knowledge and business development support.

There are three areas for action within this priority:

- **knowledge sharing and networking events** – similar to those delivered by Fast Forward but ensuring a broader representation across all kinds of music (in particularly the traditional music sector). This will provide important industry knowledge and contacts in a way that reaches across the music industry through one-to-many events;
- **business development support** – including assistance and advice on business planning, financial management (e.g. cashflow forecasts, realistic cost analysis and sales projections), marketing and promotion, PR and access to markets. This will be a combination of generic business development support and sector-specific knowledge and understanding, and will focus on constituted businesses with the commitment and ambition to grow; and
- **mentoring support** – a mentoring programme can help newer entrants to navigate the challenging environment of the music industry and provide essential first-hand knowledge. Industry mentors from areas including artist management, record labels and publishing will be particularly important to help develop strengths in these key areas for NI music.

4.7 This support must be structured and delivered in a way that has relevance and meaning to the sector, and that can also offer music industry knowledge and understanding. This suggests a need for a dedicated mechanism that can both offer specific industry knowledge as well as signposting to relevant sources of mainstream business support (as discussed below).

4.1.2 Innovation

4.8 Innovation for music businesses revolves around three main areas of opportunity:

- digital distribution of music;
- new business models; and
- cross-platform exploitation.

4.9 **Digital distribution** is an obvious and significant opportunity for all music businesses, and companies in NI need both better understanding of how to access this opportunity and support to realise the potential of the digital marketplace. Better connections to software developers and support to develop digital strategies will both be valuable areas for action.

4.10 **Business models** in music are changing rapidly, and companies need to think more creatively about how to retain revenues through partnerships and deals with larger players. For example when an act transfers to a larger record label to access deeper financial support, the original label could look to structure a deal whereby they retain some share of future revenues in return for an element of the risk.

4.11 Labels could also look to develop **niche publishing imprints** to exploit their own IP and build a catalogue of value. While this will not be a model that suits every company, some have already looked into this with the benefit of creating regular income streams (see Box 4.1), even if initially modest. Again, this is an area in which advice and possibly financial support could be required.

4.12 As other areas of the creative industries continue to grow, there will be opportunities to license music to, for example, games, film productions and television. NI Screen has been successful in attracting television and film production to NI, and could be a useful ally in seeking to create music licensing opportunities for local acts and companies. In addition, closer connections to other parts of the NI creative sector could

Box 4.1: Small Town America

Smalltown America is a small, independent record label based in Londonderry. The company started out in London in 2001 as a DIY outfit selling records at gigs and trying to set up distribution. When the owner, Andrew Ferris decided to return to Northern Ireland in 2007, the company was incorporated and grew its roster of acts to build greater economies of scale in a market where margins were under increasing pressure. As this business model became less viable, the business looked to diversify its revenue streams through the establishment of a small publishing imprint. This has helped to generate a more predictable revenue stream for the business and the artists and marketing spend now generates a direct return through royalties for radio play, licensing and synchronisation. The company continues to grow and now employs eight people, with publishing revenue now accounting for around 50% of the company's turnover.

open up more opportunities for these kinds of deals and collaborations. This will require broader cross-sector networks and connections with key agencies and organisations such as NI Screen and Digital Circle.

Box 4.2: Score Draw Music

Score Draw Music delivers bespoke music (score, titles, tracks) to television, film, advertising and on-line clients, broadcasters and brands. As one of the first companies in Northern Ireland to enthusiastically embrace writing music for media, Score Draw Music is now considered one of the best in this area. Whilst it is aimed at Northern Irish independent television production companies in the first instance, Score Draw Music was established after music co-written by founder Mark Gordon was used in the American television programmes *Malcolm in the Middle*, and *Sesame Street*.

Since then delivery and the client base has widened dramatically. With all media, from on-line campaigns to traditional television and radio adverts, full score for drama to titles for children's television shows now catered for.

Since 2004, the company has moved from a spare room to studio premises in the cathedral quarter and now employs individuals, freelancers, session musicians and singers. Growth is expected to continue as their reputation continues to be cemented locally and internationally with the client base now including companies and partners from London to Los Angeles.

4.13 Realising these opportunities for innovation will require proposed action on three main fronts:

- the provision of tailored and industry-specific advice and support to develop new business models and opportunities in areas like digital distribution and publishing;
- the establishment of a music innovation fund, or prioritisation within existing innovation funding streams, that can support these innovative shifts in business practice (digital distribution, publishing and new business models); and
- closer partnership working with key agencies in other areas of the creative industries, including NI Screen and Digital Circle, and better connections between companies across the creative industries. Improved connectivity with software developers could be facilitated with closer liaison with Momentum, the software industry representative body.

4.1.3 Access to Finance

4.14 The music industry in NI is under capitalised, and businesses are operating on very narrow margins. This constrains their ability to reinvest in new talent and in supporting acts to go to the next level in their careers. There are two main elements to improving this chronic problem:

- addressing the constraints on the supply of suitable finance; and
- improving the quality of the investment propositions that music businesses can offer.

4.15 UK Music is working with the UK Government on the development of new financial mechanisms for music businesses. Recent research found that the Enterprise Finance Guarantee Scheme, which was broadened in 2009 to include loans to musicians and bands, had made only two loans to music businesses¹⁶. The scheme is administered by banks and the low representation of music businesses in the awards is felt to reflect the perception of mainstream lenders that music is high risk. The newly established (UK) Creative Industries Council, and UK Music, will continue to explore these issues and there is little point in seeking to duplicate this work, particularly as one of the objectives will be to steer mainstream finance towards the creative sector (rather than simply establishing new sector specific funds). Instead, it is important that the key agencies in NI engage with UK Music, and ensure that music businesses in NI are kept informed of any developments and are in a position to benefit accordingly.

4.16 At the same time, the public agencies in NI could also engage with local investors and banks to inform them of the investment opportunities within the creative industries generally and within music in particular. It is recognised that with the current banking environment this will be a challenge in the short term. Change will not come quickly, but with early success stories and progress at UK level, there is potential to change current attitudes and practices.

4.17 Of course, investment finance is only of value where there are appropriate and viable propositions in which to invest. As noted earlier, too few music businesses in NI are able to present viable business plans. This is a business development issue and the questions of investment readiness should be part of the support offered to music businesses.

¹⁶ Unpublished research by UK Music, cited in the Observer, 3 July, 2011

4.18 It is important to note that external investment will not be suitable for all music businesses. Many will not wish to take the level of risk associated with such investment, and others may be less focussed on achieving the level of business growth that would be needed to generate a sufficient return on investment.

4.1.4 Internationalisation

4.19 The scale of the international opportunities in music is obvious. However, achieving success in overseas markets requires careful strategic planning, effective delivery and persistence. It is, again, not for everyone.

4.20 In part this is again a business development issue. Companies seeking to internationalise their business need to invest time and effort into creating a robust and deliverable strategy. This means understanding the markets to be targeted, nurturing the right contacts within those markets and developing a clear and realistic plan for developing opportunities. This is a specific kind of business development challenge, and one in which agencies such as Invest NI and its partners can offer support and resources in overseas territories.

4.21 Trade shows and missions are useful, and NI, in common with other regions, has had some success at shows like South by Southwest and the Amsterdam Dance Music Event. This kind of support should continue, but to maximise the impacts, it is important that participating businesses and acts are able to present a clearly articulated and viable plan for how they will take advantage of the internationalisation opportunities that these shows and events can offer. Stringent criteria should be applied at the stage of recruiting participants.

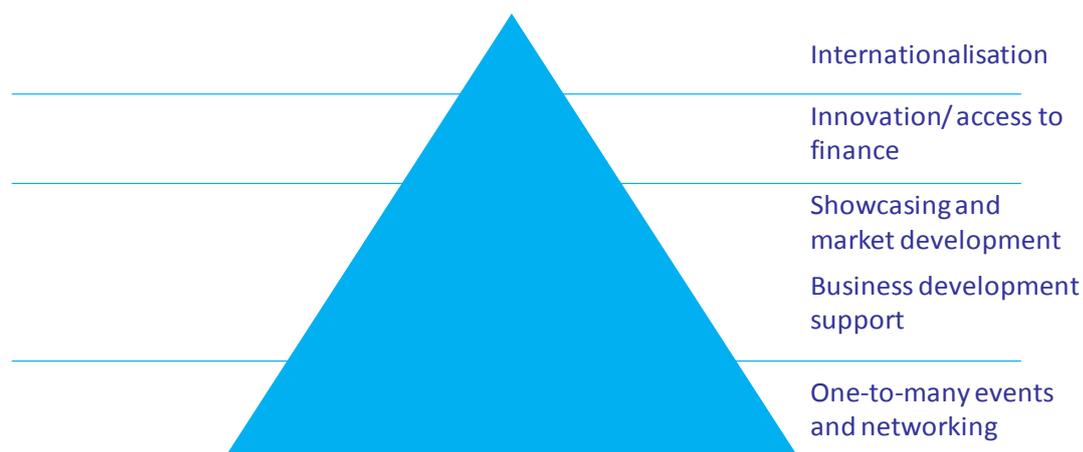
4.22 In addition to the international business development support and trade shows and missions, there is also a need for more flexible and responsive support for acts and companies seeking to internationalise. Again, support must be contingent on a robust business case that clearly demonstrates the likely impacts of the initiative. Support could include funding towards specific market research, as well as support towards the costs of implementing an internationalisation plan. This support should be provided on the basis that the recipient company also invests, and should not be seen as a straightforward grant for overseas travel.

4.1.5 Delivery Principles – Business Support

4.23 The business support outlined above provides a ‘ladder’ of assistance from broadly based information provision and networking to more tailored and focussed support to enable music businesses with growth potential to innovate, access investment and internationalise their businesses.

4.24 The more intensive support should be targeted at those businesses with the ambition and potential to achieve sustainable growth as evidenced by a clear and coherent business plan. As more pass through the earlier stages of support, the expectation and ambition will be to move more music businesses up the pyramid of support and growth, as shown in Figure 4.2 below.

Figure 4.2: Support for Music Businesses



4.25 To be effective, this model requires clear criteria for support at every level. Given the small scale of businesses within the music sector, a rigid framework based on company scale (e.g. turnover or employment) is unlikely to be a realistic approach. Instead, criteria should focus more on robust and deliverable plans for growth, combined with the necessary ambition (much in the same way that commercial investors would appraise investment opportunities). As this suggests a need for both general business awareness and knowledge of the music industry, this argues for a specialist vehicle of some kind to deliver industry relevant business support. This is discussed in Section 5.

4.26 In addition, support at the higher levels (e.g. internationalisation, innovation) should be contingent upon matched investment by the beneficiary businesses, thereby generating private sector leverage and ensuring industry investment in growth.

4.2 Developing a Vibrant Musical Community and Supporting Infrastructure

4.27 Although the strategy is focussed on developing the economic contribution of the music industry in NI, it is important to recognise that the industry depends on musical talent and on a supportive grassroots infrastructure that allows that talent to develop. The opportunity to participate in musical activity is also important in contributing to wider cultural, social and educational benefits which should not be overlooked. Although beyond the scope of this strategy, these benefits provide further reasons to support music in NI, and will be a strong focus of the forthcoming ACNI Music strategy.

4.2.1 Talent Development

4.28 The music industry depends fundamentally on talent. However, talent needs to be developed, nurtured and supported if it to reach its full potential. At the most obvious level, this is an issue for the education system from schools through to colleges and universities. Opportunities for young people to engage in creative activity in school education are crucial, and without these opportunities the pipeline of new creative talent will be constrained.

4.29 Although there has been a recent expansion in the number of music related courses at colleges and universities, this has not translated into the same level of growth in employment opportunities in the music industry. While much of the provision will be of a high quality, supply of music related courses is clearly outstripping demand from employers, and there is a need to ensure that music courses are both relevant and properly connected to industry.

4.30 In addition to formal education, community level grassroots support is crucial. Community music projects provide a wide range of people with the opportunity to participate in music activity and develop their skills and talents. In addition to the considerable social benefits that such initiatives create, they are also an important part of the talent development infrastructure that feeds the music industry itself.

4.31 There is also a need to ensure that musical talent is adequately supported across all genres of music. This requires appropriate support both for individual musicians and the organisations and events that provide opportunities for performance and artistic development.

4.32 This is largely the territory of agencies such as ACNI and the local authorities, and the strategy currently being developed by ACNI will provide strong focus on artistic development within the music sector.

4.2.2 Infrastructure

4.33 The music industry requires an effective and accessible support infrastructure that provides opportunities for musicians to develop their practice and for businesses to compete in the music industry. This includes:

- accessible and affordable rehearsal space;
- studio provision (including producers and engineers);
- live music promoters;
- artist management; and
- professional services.

4.35 On the live side, promoters and management should be included within the business support provision outlined. Professional services are more problematic as to a large extent the availability of services such as specialist legal advice and PR is market driven and contingent upon the scale of opportunity available. At present, most music businesses seek specialist legal and PR representation outside NI. The role here is then more about promoting the opportunities in the music industry to the professional services community, perhaps by involving them in relevant music industry events.

5. Delivering the Strategy

5.1 Effective delivery against all of the priorities identified above will require a co-ordinated partnership approach across the main public agencies and sectoral stakeholders:

- Invest NI;
- DCAL;
- Arts Council of Northern Ireland
- Local authorities
- Other stakeholders such as Creative & Cultural Skills and UK Music, NI Screen and Digital Circle

5.2 One of the primary considerations is whether or not some or all of the priorities should be delivered by an external body – a specialist music industry support organisation – and if so, how this should be structured and managed.

5.3 Recent years have seen an increase in the emergence of such specialist bodies established to deliver support to the music industry. Two examples include the Welsh Music Foundation and Generator in the North East of England. Both are publicly funded and provide specialist support and advice to the music industry and to policy makers. The range of services offered by each is broadly similar, and includes:

- advisory services for music related business, start-ups or individuals interested in career opportunities;
- seminars and events for the industry;
- training and education programmes including music business management courses
- support and advice in specific areas such as marketing and PR, licensing, digital distribution, touring and international trade fairs; and
- brokering to other sources of support (advice, financial assistance).

5.4 The advantages of specialist agencies are that they bring sector knowledge and credibility and are also able to represent the interests of the music industry to wider stakeholders. Both Generator and the Welsh Music Foundation are well regarded in the industry.

Box 5.1: Generator

Based in Newcastle Upon Tyne, Generator is recognised as the leading Music Development Agency in the UK. Originally starting out to serve the needs of the North East and Cumbria the agency expanded its role nationally when asked by Arts Council England to assist other agencies, organisations and groups in policy, programme development, governance and funding. The agency also leads the UK Music Sector Forum, a body set up to establish common aims amongst similar organisations in the UK.

Generator provides a full range of support services to music businesses, including business advice, clinics and training, networking opportunities, musician support (including the development of commercial viability of artists), support for live music (most significantly in supporting promoters) and support and representation for the music development sector.

The organisation's Building the Business of Music Programme is a three year £1.64m initiative aimed at supporting 240 music SMEs and creating 100 new jobs.

Generator has also secured support from UK Music to ensure the roll out of music business development support across England, including support to enable music businesses to professionalise their business operations and become investor ready.

The Generator model is highly regarded, and combines diverse funding sources (e.g. Arts Council, ERDF, PRS Foundation etc) to deliver programmes of support for businesses and musicians. Although it is working in a larger industry context than NI, the services it provides are strongly aligned with the needs of the NI music industry, and Generator would be a very useful partner to the MBSP.

5.5 It is worth noting that neither Generator nor the Welsh Music Foundation are membership based trade associations, but are more focussed on delivering support. This is a more robust and simpler model than a traditional trade association maintaining a clear line of communication to industry.

5.6 Both agencies do, however, have a representative function, feeding the views and concerns of the music industry back into policy makers either directly or through membership of national music bodies (such as UK Music).

5.7 There are, of course, additional (core) costs associated with establishing and running a new agency, and an alternative model would be to commission the delivery of support services without incurring these extra costs. This is the recommended model, and the delivery body should seek to build effective partnerships across the private and public

sectors to extend the reach of available support, particularly around events, marketing, business support and skills development.

5.8 Table 5.1, below, outlines the priority areas for action along with lead responsibility for these.

Figure 5.1: Priority areas for action

Action	Lead responsibility	Priority	Timescale	Impacts
Develop a project brief for business support to the music industry (Music Business Support Programme – three years) to cover: <ul style="list-style-type: none"> • Events and networking • Business advice and support: <ul style="list-style-type: none"> ○ Clinics ○ Short training courses ○ Mentoring • Investment readiness support • Music business management training • Flexible internationalisation support • Partnership working with other agencies 	Invest NI & DCAL in partnership with ACNI and local authorities	High	By November 2011	n/a
Commission support programme as detailed in the brief through open tendering exercise	Invest NI & DCAL in partnership with ACNI and local authorities	High	By January 2012	n/a

<p>Deliver Music Business Support Programme (MBSP)</p>	<p>Successful contractor</p> <p>Seek partnership with other established agencies such as Generator, WMF, other UK regions and the Republic of Ireland.</p>	<p>High</p>	<p>March 2012 – March 2015</p>	<ul style="list-style-type: none"> • More connected industry • Improved business awareness • More music businesses with robust business plans • Increase in investment in music businesses • Increase in productivity • Increase in numbers of music businesses • Increase in number of music businesses with turnover > £1m • Increase in music exporting • Increase in employment in the music industry
<p>Innovation support (financial) for digital distribution, diversification (e.g. into publishing) and new business model development</p>	<p>DCAL through the CI Innovation Fund with advice and signposting from the MBSP</p>	<p>High</p>	<p>Ongoing</p>	<ul style="list-style-type: none"> • Increase in innovation projects within NI music businesses • Increase in productivity • Increase in businesses investing in innovation • Growth in publishing revenues • Increase in profitability

				<ul style="list-style-type: none"> • Increase in number of music businesses with turnover > £1m • Increase in music exporting • Increase in employment in the music industry
Trade missions	Invest NI in partnership with successful contractor for MBSP	High	<p>Ongoing – target of four missions per year</p> <p>Trade shows to be agreed with contractor, but could include: SxSW; MIDEM; Amsterdam Dance Event; Winter Music Conference; In the City; and Popkomm.</p>	<ul style="list-style-type: none"> • Increase in music businesses trading internationally • Increase in number of music businesses with turnover > £1m • Increase in music exporting • Increase in productivity • Increase in employment in the music industry
Closer partnership with other key agencies to build connections across creative industries and encourage collaboration and licensing opportunities (e.g. joint events and networking,	Contractor for MBSP; Invest NI; NI Screen; Digital Circle	High	Ongoing	<ul style="list-style-type: none"> • Increase in strategic collaborations across the creative industries • Growth in revenues from synchronisation and licensing • Increase in productivity • Increase in number of music

collaborative project support etc.)				<p>businesses with turnover > £1m</p> <ul style="list-style-type: none"> • Increase in music exporting • Increase in employment in the music industry
Work to encourage use of NI music in incoming screen productions.	MBSP in partnership with NI Screen.	Med	Ongoing	<ul style="list-style-type: none"> • Increased licensing revenues for NI music businesses • Increase in productivity • Increase in number of music businesses with turnover > £1m • Increase in employment in the music industry
Work to ensure that music education is effective and accessible in schools	DENI; DCAL and ACNI (this activity is covered in ACNI's Music Strategy)	Med	Ongoing	<ul style="list-style-type: none"> • Increased participation in musical activity among young people
Work with colleges and universities to ensure courses are industry relevant	contractor for MBSP; Creative and Cultural Skills (Sector Skills Council); DCAL	Med	Ongoing	<ul style="list-style-type: none"> • Development of new industry accredited courses • Improved entry level skills
Work with the industry to promote and encourage uptake of relevant training including Apprenticeships; internships; and leadership and management training	Creative and Cultural Skills, DEL and MBSP	Med	Ongoing	<ul style="list-style-type: none"> • More music businesses investing in skills and training • More skilled music workforce in NI • Increase in employment in the music industry

Structured ladder of talent development and support from grass roots to high end talent	DCAL and ACNI (this activity is covered in ACNI's Music Strategy)	High	Ongoing	<ul style="list-style-type: none"> Stronger talent emerging at all levels
Engage relevant professional service providers (e.g. music lawyers; IP experts; in music industry events)	MBSP	High	Ongoing	<ul style="list-style-type: none"> More informed professional services sector Access to essential professional services for music businesses

5.6 In seeking to implement these priority areas of action, the partners will investigate the potential to leverage external funding, e.g. European funds, to extend their own resources.

6. Key Outcomes

6.1 Successful delivery of these priorities and actions will:

- help to build more successful and sustainable music businesses in NI;
- bring music into the centre of a growing creative industries sector in NI;
- promote NI and NI's music on an international stage;
- retain musical talent within the region; and
- ensure an ongoing supply of new talent into the music industry in NI.

6.2 Establishing clear growth targets for the strategy is crucial, but it is important that ambitions remain realistic such that:

- the scale of the support provided does not exceed that which the sector is able to absorb; and
- growth targets are achievable, particularly in a challenging economic climate.

6.3 As noted earlier, the most recent data available suggest that the NI music industry employs 3,050 people and accounts for £70m in annual GVA. This is approximately 1.7% of the UK total for music related GVA (£4.2bn). Increasing NI's share to a level commensurate with its share of the UK population would bring music GVA up to £101m, an increase of 44%.

6.4 Given the challenges of the current economic climate, a more realistic five year target might be to increase music GVA in NI to **£87.5m** (an increase of 25%). This is an ambitious target, and will be achieved by:

- raising the average GVA per employee by 14%, from £22,400 to £25,547, generating an increase in GVA of £9.6m;
- increasing the number of music businesses by 10%, equivalent to 128 new business, generating £7.7m of GVA;

- increasing the number of business turning over in excess of £1m (two businesses).

On the basis of a GVA per employee of £22,400, a 25% increase in music sector GVA would equate to approximately **780** jobs.

6.5 Therefore, the **headline targets** for the strategy would be to:

- increase the GVA of the NI music industry by 25% (£17.5m) by 2016;
- increase average GVA per employee by 14% (an increase of £3,147) and
- increase employment in the music industry in NI by 780 jobs by 2016;

6.6 Additional targets for the strategy should include:

- increasing the number of music businesses in NI by 10% by 2016 (an increase of 128 businesses, many of which may be sole traders);
- increasing the numbers of music businesses with turnover in excess of £1m by 10% by 2016 (two businesses); and
- increasing the value of music exports from NI (no baseline data available).

6.7 Achieving these targets will be dependent on the level of investment made both by the NI Government and its partners and by the industry itself.

6.8 In the Appendix, we have suggested a range of measures that might be used to assess the progress of the strategy, and of the MBSP.

7. Reviewing Progress

7.1 It is crucial that this strategy is a living document, and that progress is reviewed on a regular basis to ensure the quality and appropriateness of delivery. This requires a clear evaluation framework (perhaps drawing upon the measures outlined in Appendix 1) as well as regular communication to the industry.

7.2 Therefore, the main partners will undertake to engage with the industry on an ongoing basis to review the progress of the strategy, propose any new or additional initiatives and seek ongoing feedback on the growth of the sector and the issues it faces.

This will not only help inform delivery, but will continue to develop good working relationships between the public agencies and the music sector.

8. Next Steps

8.1 The next steps in bringing the strategy to life and driving forward its implementation are as follows:

- build commitment and buy-in among the key partners and the industry;
- establish the key partnerships and support programmes in close liaison with ACNI's Music Strategy;
- complete an economic appraisal to scope out in more detail the costs of the identified actions; and
- develop a more detailed monitoring and evaluation plan based on the activities identified above and the measures suggested in Appendix 1.

Appendix 1: Measures of Success

The table below provides some suggested measures of success against the objectives of the strategy.

Objective	Measure
Increase the economic contribution of the music industry in NI	Total employment in the music industry in NI
	Total GVA of the music industry in NI
	Value of industry leverage
More sustainable businesses	Number of new start music businesses
	Number of music business trading for three years or more
	Number of music businesses demonstrating steady growth
More international businesses	Number of music businesses engaging in international markets
	Value of music exports from NI
	Number of music businesses investing in internationalisation
More innovative businesses	Number of music business engaging in digital markets
	Number of music businesses diversifying revenue streams
	Number of music publishers
	Number of music businesses investing in innovation
More profitable businesses	Average earnings in music businesses
	Number of profitable music businesses
Vibrant musical community (supported by ACNI's music strategy)	Number of children participating in music education
	Number of professional musicians in NI
	Number of community music projects (and participation in such)
Supportive Infrastructure	Number of sustainable recording studios
	Availability of suitable rehearsal space
	Number of professional services providers

Appendix 2: Industry Survey

Introduction

This section provides analysis of the survey completed by various individuals who work within the music industry in Northern Ireland. The survey was sent by email and in total we received 53 responses.

Background

The majority of respondents (94%) are based in Northern Ireland and the largest number of responses came from musicians (22, 42%), see **Table 1.1**.

Table 1.1: Nature of Engagement within the Music Industry

	Number	%
Musicians	22	42%
Record label	4	8%
Songwriter/composer	4	8%
Other	4	8%
Education	3	6%
Producer	3	6%
Artist management	3	6%
Music promoter	2	4%
DJ	2	4%
Broadcasting	2	4%
Manufacturing	2	4%
Music/arts festival	1	2%
Agency	1	2%
Recording studio	1	2%

For half of those that responded (26, 50%), the music industry is their primary source of income.

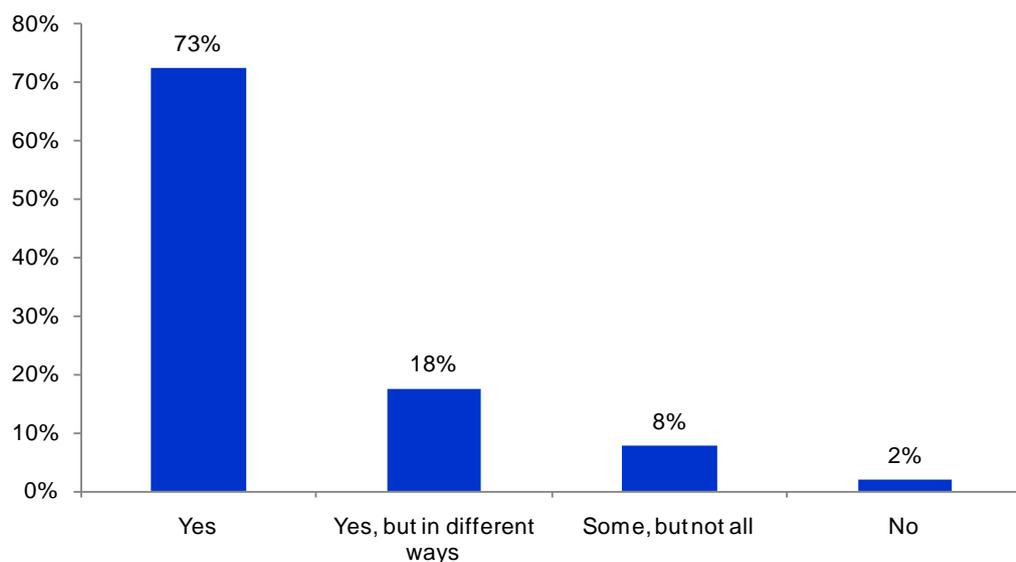
Northern Ireland Music Industry

The respondents have identified a number of issues that are facing the music industry in Northern Ireland at the moment. Some of the issues identified are reported below:

- funding constraints/grant dependency;
- lack of support for new/upcoming artists from the local media;
- lack of record labels/producers in Northern Ireland;
- people leaving Northern Ireland to get record deals elsewhere or become part of more established music industries;
- no career opportunities in Northern Ireland for those wishing to enter the music industry;
- lack of a professional infrastructure/management structure;
- lack of venues/rehearsal places;
- the economic recession means that consumers don't have the same levels of disposal income to go to gigs and artists leave the industry to find more stable employment; and
- there is a culture of 'who you know' and 'cliques' who form the music industry.

The majority of respondents (73%) agree that these issues are shared across the whole music industry in Northern Ireland (**Figure 1.1**).

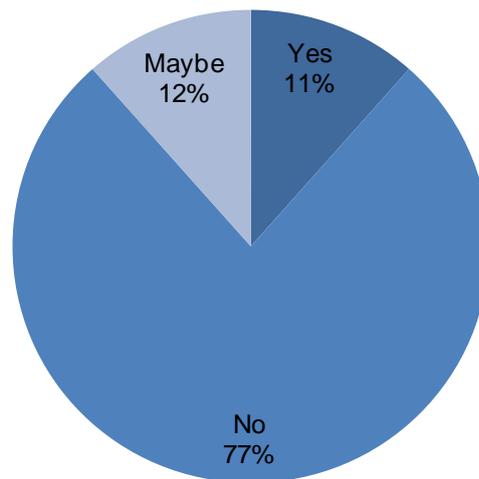
Figure A.1: Do you think that these issues are shared across all of the music industry in Northern Ireland?



N=51

As shown in **Figure A.2**, the majority (77%) of respondents do not think that the importance of the music industry is fully recognised within Northern Ireland.

Figure A.2: Do you think that the importance of the music industry is fully recognised in Northern Ireland?



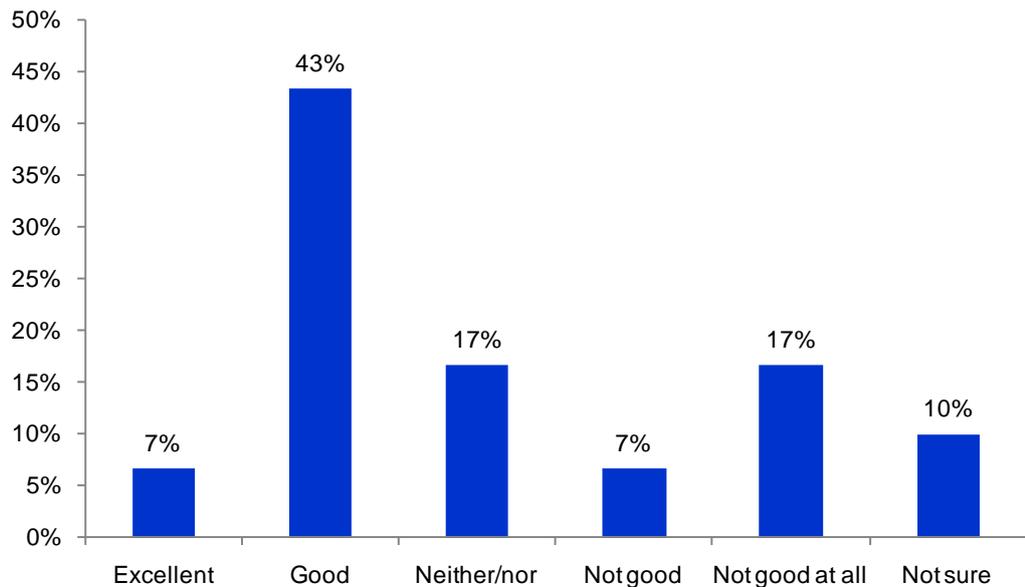
N=52

The respondents were asked to provide reasons for this and these were wide ranging. Some of the responses included:

- people not aware of the industry and its successes i.e. small country/music scene that does not get much attention;
- there needs to be more focus on supporting local talent;
- the music industry is not promoted or advertised to people outwith the 'music circle' to be aware of music talents and entertainment;
- musicians move away from Northern Ireland in order to be successful;
- the funding and training opportunities are poor; and
- the industry is very diverse and exists in bits and pieces.

Over half (30, 57%) of the respondents said that they currently receive support (including attending music events) and half rated it as excellent/good (**Figure 1.3**), whilst approximately a quarter (24%) said it was not good/not good at all.

Figure A.3: How would you rate this support?



N=30

A total of 22 respondents provided reasons for why they gave the support they received the above ratings and the responses included:

- FFWD Northern Ireland organise excellent events/workshops;
- Belfast City Council has provided pro-active support;
- member of IMRO who are a very pro active organisation;
- had a one-to-one meeting with a person from FFWD Northern Ireland and this was informative but didn't provide any tangible outcomes;
- there are some good music promoters who invite people to music events in order to get some coverage and help support local artists;
- there is not enough support for communities and young people to enhance their ability within the music industry; and
- the support received is purely financial and more could be done to develop the interpersonal relations with teams sent from Northern Ireland to music events as well as with contacts from different territories.

Priorities for the Music Industry

The respondents were asked to identify priorities for developing the music industry in Northern Ireland. A variety of priorities were identified and some of those cited included:

- more opportunities available for work for musicians;
- more live music events/better venues to play at;
- better promotion and advertising of the music scene in Northern Ireland;
- funding for artists to help them develop/record material;
- providing support to showcase and market local businesses and artists;
- more promotion of local talent through local media;
- form a main body/music forum/sustainable infrastructure for artists based in Northern Ireland;
- encourage artists to learn about management/business; and
- provision of more networking opportunities and providing positive role models and education about the kinds of jobs that exist in music.

The respondents were asked to rate (on a scale of 1 to 5, 1 being the most important) the five most important areas of support that could be provided to the music industry in Northern Ireland and **Table 1.2** illustrates the responses.

Table A.2: Areas of Support that could be provided to the Music Industry in Northern Ireland

	1 - Most important	2	3	4	5 – Least important
Funding	55%	14%	21%	3%	7%
A music development body to provide tailored support	41%	19%	19%	7%	15%
Promotion of the music industry	22%	22%	35%	17%	4%
International promotion	11%	22%	28%	17%	22%
International trade support	13%	6%	13%	31%	38%
Business development advice and support	21%	37%	5%	16%	21%
Information provision	14%	14%	29%	29%	14%
Industry networking and contacts	10%	17%	13%	47%	13%
Industry research	0%	0%	50%	50%	0%
Technology support	0%	0%	0%	20%	80%
Events	6%	33%	17%	28%	17%
Talent Development	21%	21%	21%	11%	26%
Industry mentors	0%	30%	25%	15%	30%
Other	17%	33%	33%	0%	17%

As highlighted in **Table A.2**, funding has been identified by respondents (55%) as the most important area of support for the music industry in Northern Ireland. This is followed by a music development body to provide tailored support (41%), promotion of the music industry (22%), business development advice and support (21%) and talent development (21%). Technology support has been identified as the least important area.

The respondents were also asked to rank a number of options in order of priority (with one indicating the highest priority) in how the music industry support should be delivered (**Table A.3**).

Table A.3: In what ways should the music industry support be delivered?

	1 – Highest priority	2	3	4 – Lowest priority
A partnership of all of the above	70%	14%	7%	9%
Mainly provided by national/local government	11%	26%	13%	50%
Mainly provided by other public agencies	5%	23%	51%	21%
Mainly provided by a dedicated music support organisation	21%	44%	23%	13%
Mainly funded by other	27%	0%	0%	73%

The majority of respondents (70%) agree that the music industry support should be delivered via a partnership comprising national/local government, other public agencies and a dedicated music support organisation.

The respondents were asked to identify what the impacts would be on their organisation if a successful music strategy for Northern Ireland was to be implemented. A number of varied responses were provided, some of which were:

- it would allow businesses to internationalise their business;
- it would raise the profile of businesses/provide better exposure;
- it would help businesses to expand;
- it would help organisations establish contacts for touring opportunities;
- it would provide more funding opportunities; and
- music could be seen as a credible career.

The impacts for the music industry as a whole reported by respondents are wide ranging and include:

- it would create revenue for the economy/reduce dependency on government funding;
- it would promote/raise the profile of the music scene in Northern Ireland in the UK and abroad and might attract international artists;
- it would be able to support its artists better e.g. through local media;
- it would provide more opportunities for young people who want to have a career in the industry; and
- businesses would be able to grow/develop.

Appendix 3: Survey Questionnaire

Introduction

The purpose of this survey is to gather views from individuals across the music industry in Northern Ireland to inform a strategic action plan for the development of the sector.

Importantly, the success of any strategy depends on the support of its constituency – the music industry in Northern Ireland. It is therefore critical that the industry is fully involved in shaping thinking and determining the priorities for the development of the industry.

This short survey provides an opportunity for you to register your views and we welcome your input. To allow us to analyse the responses in a consistent way, we have provided a series of questions. For some questions, we have provided response options and for others you are free to input your views. The questions should take no more than 15 minutes to answer.

All responses will be treated in the strictest confidence unless you request otherwise. In our reporting, we will not attribute any views or statements to individuals unless directed to do so. Resources do not allow the study team to enter into individual correspondence, however all responses will be taken into account in our analysis.

Thank you for your interest and input.

Section 1: Personal Details

Name	
Organisation	
Email address	
Post Code	

1. What is the nature of your main activity within the music industry? (please select one from the list)

• Musician	<input type="radio"/>
• Record label	<input type="radio"/>
• Music promoter	<input type="radio"/>
• Music venue	<input type="radio"/>
• Music/arts festival	<input type="radio"/>
• Producer	<input type="radio"/>
• Agency	<input type="radio"/>
• Artist management	<input type="radio"/>
• Retailer (recordings)	<input type="radio"/>
• Retailer (instruments and equipment)	<input type="radio"/>
• Orchestra	<input type="radio"/>
• DJ	<input type="radio"/>
• Recording studio	<input type="radio"/>
• Record producer/engineer	<input type="radio"/>
• Songwriter/composer	<input type="radio"/>
• Agency/collection society (e.g. PRS, MCPS)	<input type="radio"/>
• Broadcasting	<input type="radio"/>
• Manufacturing	<input type="radio"/>
• Professional services (e.g. legal, accounting etc.)	<input type="radio"/>
• Public agency	<input type="radio"/>
• Education	<input type="radio"/>
• Other (please specify)	

2. Is the music industry your primary source of income?

Yes

No

3. Are you based in Northern Ireland?

Yes

No

Section 2: NI Music Industry

4. What do you think are the top 3 issues facing the music industry in Northern Ireland at the moment?

5. Do you think that these issues are shared across all of the music industry in Northern Ireland?

Yes

No

Some, but not all

Yes, but in different ways

6. Do you think that the importance of the music industry is fully recognised in Northern Ireland?

Yes

No

Maybe

Please explain your answer

7. Do you currently receive any support (including attending music events)?

- Yes
- No
- Not sure

8. If yes, how would you rate this support?

- Excellent
- Good
- Neither/nor
- Not good
- Not good at all
- Not sure

Please explain your answer

Section 3: Priorities for the Industry

9. What do you think are the top three priorities for developing the music industry in Northern Ireland?

10. Below is a list of possible areas of support that could be provided to the music industry in Northern Ireland. Please select the five most important areas ranking these in importance, with 1 being the most important.

Rank

A music development body to provide tailored support

Promotion of the music industry

International promotion

International trade support

Business development advice and support

Information provision

Funding

Industry networking and contacts

Industry research

Technology support (e.g. for digital distribution)

Events

Talent Development

Industry mentors

Other (specify)

11. We are interested in your views about how music industry support should be delivered. Please rank the following options in order of priority with 1 indicating the highest priority.

Rank

Mainly provided by national/local government

Mainly provided by other public agencies (e.g. Invest NI)

Mainly provided by a dedicated music support organisation

A partnership of all of the above

Mainly funded by other (specify)

Combination of funding sources

12. It is critical that any strategy is able to measure its success. What do you think would be the top 3 impacts that a successful strategy for the music industry in Northern Ireland would have

a) on your own organisation?

b) on the music industry as a whole?

13. Do you wish your responses to remain confidential?

Yes

No

14. Do you have any other comments?

Thank you for your time.

Appendix 4: Index of Sources

Creative and Cultural Skills: *The Music Blueprint*, 2011

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HM Treasury: *Plan for Growth*, 2010

IFPI: *Recording Industry in Numbers*, 2010

Invest NI: *Northern Ireland Digital Content Strategy*, 2008

PRS for Music: *Adding up the Music Industry*, 2009

PRS for Music: *Economic Insight*, 2010

UK Music: *Liberating Creativity*, 2010

UK Music: *Destination Music: The contribution of music festivals and major concerts to tourism in the UK*, 2011