

# News

## News in brief

- Culture Secretary **Ben Bradshaw** and his opposite numbers in the Tory and Lib Dem parties came out in support of an exemption to the **Licensing Act** for small venues at last week's Performers' Alliance Parliamentary Group. Bradshaw also said he believed the Digital Economy Bill would get through despite the limited time available.
- Tory and Lib Dem culture spokesmen Jeremy Hunt and Don Foster were among around half a dozen MPs who heard Talk Talk chief executive Charles Dunstone slam the **Digital Economy Bill** last week. Dunstone rounded up allies of his Don't Disconnect Us campaign at Great George Street to tell them the Bill in its present form will lead to the development of tools that will make it easier for people to access music for free and undetected.
- **Arctic Monkeys** lead the charge with six nominations for this year's Shockwaves NME Awards after more than 1.3m votes were cast to choose this year's contenders.
- London-based entertainment specialist **TuneTribe** has launched consultancy service Arising Artist, which allows artists and music companies to tap into the expertise of a range of music industry professionals.
- Rugby giants Saracens have booked **The Saturdays** and **Chipmunk** in an effort to introduce new fans to the sport. The acts will perform at Wembley prior to Saracens' Guinness Premiership clash with Worcester on February 13.
- The **PRS for Music Foundation** is set to celebrate its 10th anniversary with an array of activity including a showcase of emerging talent at London's Roundhouse on March 1.
- Folk artist Jim Moray is to release his new album as a covermount. In *Modern History* will come with *Songlines* 68, released on April 30.
- The **Entertainment Retailers Association** (ERA) is launching a search for the UK's best independent record store via a new website [www.indierecordshop.org](http://www.indierecordshop.org). The site allows music fans to locate indie stores all over the UK.
- **Robert Plant** is to perform an intimate gig at Abbey Road Studios to raise money for Cancer Research UK. The Sound & Vision gig will take place on February 25.
- The **Hope For Haiti Now** album debuted at number one in the US charts last week on sales of 117,000 downloads, in the process becoming the first album in the chart's history to top the rundown without being available physically. Meanwhile, **Simon Cowell's** Haiti charity single Everybody Hurts will be released digitally on Sunday (February 7).
- **Pete Waterman** has agreed to write and produce this year's UK entry for the Eurovision Song Contest.

Premier League-style 'compensation' for indie labels suggested in report

# Impala leaps into action with 10-point proposal

## Indies

By Robert Ashton

**IN A RADICAL ATTEMPT** to shake up the music industry and help smaller companies survive, the independents are borrowing ideas from football to help narrow the gap between the minnows in the indie sector and the majors.

Tapping into established practices already in place in the English Premier League, the European indie organisation Impala is pushing a 10-point plan that will require a shift in thinking from the industry and the backing of the majors.

Impala is suggesting that a compensation system should be put in place throughout the industry that is similar to the transfer fee system used in the game. Thus, in the same way that Arsenal paid compensation to Southampton for the services of international winger Theo Walcott, Impala believes independent companies that have invested in talent later picked up by majors should be awarded 5% of all future revenues.

With the Premier League also distributing TV monies – based largely on appearances and league position – to all football clubs within the leagues, Impala wants to see a revenue-sharing system put in place. This would see a major cut of revenues, possibly from retail and also collecting societies, put into a pot and then distributed among smaller companies.

"It's a two-speed market in music right now," argues Impala executive chair Helen Smith, who adds that Europe has a problem with a deficiency in medium-sized companies because they have problems getting access to finance.

"These two measures will help to re-organise finances and help to grow SMEs. We don't have many independent medium-sized companies anymore, such as Island and Mute once were. They find it difficult to grow and that is why the sector is not healthy."



Performance-related pay: Impala suggests major-label signings such as Warner's Biffy Clyro could generate payments to their original label Beggars Banquet

Impala is suggesting that the revenue-sharing proposal would see funds re-allocated not on the basis of earnings, but in proportion to number of releases. Smith adds that similar schemes are in place in France, where nearly 11% of revenue from cinema tickets is redistributed to help fund smaller players.

Smith does concede she and her organisation will have a battle on its hands to convince majors both to pass on revenues if they "poach" an artist developed by a smaller indie and that monies from collecting societies should be directed towards the indie sector. "If we say 'now we want all your money' that would be ridiculous," she says. "We need to show that if you are interested in a healthy music industry this will help everyone. We want to get the industry to see their responsibilities."

Smith adds, "We see this as a long-term strategy to invest in talent. We can't do that without looking at how the whole industry works. Nobody is going to say it is an easy job, but it works in sport and cinema. There are also examples [of this redistribution] in US baseball and hockey. If we have too big a gap then you just get the 'super clubs' and 'small clubs'. We are proven to be developers of talent."

"We need to show that if you are interested in a healthy music industry this will help everyone"



## HELEN SMITH, IMPALA

lags way behind the US," she says. "This would be a way to give it a boost."

There are other suggestions on helping to get Government-backed loans and establishing expert groups who can help music companies tap into money available from banks or investors.

Meanwhile, Impala is poised to reply to the EC's recent "reflection paper" looking at Creative Content in a European Digital Single Market. A host of organisations and companies, including UK Music, MMF, Beggars Group and IFPI, have already submitted responses to the consultation.

Smith says that she agrees with the IFPI's view that not enough of the EC document has been devoted to piracy. "The report hardly mentions piracy, which is a big mistake," she says, adding that her response tackles how ISPs should deal with unauthorised downloading and uploading.

However, her key submission is to "encourage the EC to come up with a system to make the internet a level playing field." Smith adds, "[It isn't right] indies get less for their rights than the majors. We want equal treatment for the same terms."

[robert@musicweek.com](mailto:robert@musicweek.com)

## Impala's 10-point plan

- 1 5% compensation fee
- 2 Revenue sharing
- 3 Accounting to value copyright on balance sheets
- 4 Require €1.5bn of new EC investment annually
- 5 Coalitions of SMEs to apply for funding programmes
- 6 Zero VAT on digital music
- 7 Public/private backing for loans
- 8 Make R&D and other tax schemes available for music companies
- 9 Working group of experts to source funding
- 10 Stop double taxation and withholding tax problems

