

## Representation to HM Treasury Spending Review - FEBRUARY 2025

By Making Music (National Federation of Music Societies)

### ABRIDGED/ REDACTED VERSION FOR PUBLIC USE

Making Music is the UK association for leisure-time (amateur) music, with 4,000 music groups in membership, comprising around 240,000 hobby musicians. We represent approximately 30% of that sector ([DCMS/ACE 'Our Creative Talent'](#) report 2008 which estimated **13,800 music groups in the UK**). Our members include **choirs (54%)**, instrumental groups (36%) and volunteer promoters (10%), ranging from small ukulele groups playing for wellbeing to choral societies of 150+ singing at the BBC Proms. **Amateur groups promote an average 3.4 public concerts each a year to total audiences of 2 million.**

- **We urge the Chancellor to extend the applicability of Orchestra Tax Relief (OTR) to amateur and professional choirs by amending legislation and including 'voice' as one of the eligible acoustic instruments for groups of 12+.**

To date, this low-cost high impact tax relief (approx. £1.28m over 6 years for amateur orchestras covered by the existing OTR) has led to **an increase of 50% on average in the production budgets of claimants**, up to 75% in individual cases. OTR has enabled amateur orchestras to increase spending on the music professionals they engage (conductors, soloists), play more music in copyright, commission new music, replace and increase equipment (e.g. percussion instruments), hire bigger venues, increase free/affordable access to concerts, etc.

Making Music has 2,160 choirs in membership; we estimate 820 to be eligible to claim, if OTR were available. If 16% of these were to claim (in line with our amateur orchestra members who claim), that would mean **131 additional claimants by the end of year 3.**

In 2024, 77 amateur orchestras claimed £619,837 in OTR. If a similar percentage of amateur choirs (131) were to claim successfully for an average 26% of their production costs, this would be an **additional annual cost to HMRC of just over £1m (£1,176,957) by year 3** (set-up time considered). These figures represent a small pay-out: **Currently, amateur orchestras represent around 36% of OTR claimants (2023/2024 data), but less than 2% of financial pay-out (£33m).**

Making OTR available to choirs would, for a modest investment

- unlock expansion and growth in this area, **contributing to Labour's mission to kickstart the economy.**
- **have financial benefits for HMT including more income tax revenue and more tax, e.g. VAT, on related trades, e.g. venue hire, music publishers, equipment manufacturers**
- **benefit a wide range of geographies across the country**, as choirs exist in every community in the UK,
- **contribute to the government's mission to make this a country where everyone lives well longer**, as participation in choirs is proven to increase health and wellbeing and reduce demand on medical services
- **contribute to the government's mission to break down barriers to opportunities, especially for young people**, as choirs offer performance and development opportunities that schools or music hubs cannot.

**CHOIRA** - *Being able to afford a more central and established concert venue would be a big help. It would enable us to attract a wider audience, improve our profile and, most importantly, encourage more people to join the choir and to experience the joy of choral singing. It would also enable us to perform larger works and to employ more professional musicians.*

## EXTRACTS FROM THE SUBMISSION

**Suggestion for policy intervention:** to widen the applicability of Orchestra Tax Relief (OTR) from only amateur and professional orchestras of 12+ instruments to acoustic vocal groups (amateur and professional choirs) of 12+ voices, by amending the Finance Act 2016 and adding 'voice' as one of the eligible instruments.

### 1. What this will achieve for the government's missions:

#### Mission: Kickstart economic growth

Making Music has data from 2018-2024 showing that the ability to claim OTR has meant **amateur orchestras increased spending on productions by an average 50%** (comparison 2020, last full year before Covid, to 2024) **from £20,139 per group in 2020 to £30,462 per group in 2024.**

These increased spends translate directly into:

- an expanded market for music professionals (performers, conductors, composers) and a greater contribution to their portfolio earnings
- support for local night-time economies, including venues, hospitality outlets, local transport, etc.
- additional income for allied trades, e.g. music publishers

This means that OTR leads to greater tax revenues for HM Treasury.

**CHOIR B** – *[Tax relief] would enable us to be more adventurous in our choices to perform, e.g. enabling us to hire more soloists, buy/rent more music.*

**OTR claimants spent c.£531k more annually on professionals in 2024 compared to 2022, meaning increased income tax to HMT of c. £106k a year compared to 2022,** depending on their personal circumstances.

**Other production costs** for amateur orchestras include venue hire, sheet music purchase and hire, rehearsal costs which **also increased compared to 2022, with c. £442k additional annual spending. This means increased income for allied trades,** such as music publishers and music hire companies, venues, local hospitality and night time economy etc. **and returns in tax, including VAT, for HMT**

**Case study: XXXXXX Symphony Orchestra** increased their production budgets by 82% between 2022 and 2024 and **their spending on the hire and purchase of sheet music more than quadrupled (423%),** meaning additional annual revenue for music publishers and hire companies of £3.2k a year compared to 2022

**Case study: XXXXXXXXX Youth Orchestra** more than doubled its production budgets from £36k to £82k between 2022 and 2024, **including £28k more on professionals, meaning an additional estimated return in income tax to HMT of £5.6k a year in 2024 compared to 2022,** depending on their personal circumstances

**More case studies:** [Orchestra Tax Relief Making Music member case studies](#)

This policy change would **support the government's intention to ensure that growth and opportunities are available throughout the UK** - as choirs are in every constituency and every community in the whole of the UK and in all four nations e.g. 20 choirs within a 10 mile radius of **Bristol** city centre; 13 choirs within a 15 mile radius of **Wigan**; 15 choirs within a 10 mile radius of **Leeds** city centre; 10 choirs within a 15 mile radius of **Swanage** in Dorset; 18 within a 20 mile radius of **Kendal** in Cumbria; 5 in a 10 mile radius from **Aberdeen**; 5 in the 20 miles around **Bangor, Wales**; and 11 in the 20 miles around **Bangor, Northern Ireland**.

UK professional and amateur choirs **put the UK on the global stage and contribute to the £7.6 billion (2023) generated by the music industry for the UK**. We estimate c.100 professional choirs in the UK, and a much larger number of choirs of non-professional singers, as the UK has a strong tradition of choral singing. Data suggests there are at least 9,000 across the UK.

Amateur choirs are part of the wider music ecology: **an investment in choirs is an investment in the creative industries**. Choirs employ professional musicians, hire concert venues (e.g. Festival of Massed Male Voice Choirs at the Royal Albert Hall), purchase sheet music, pay PRS fees, and feed the night-time economy and allied trades, such as music publishing.

**Professional orchestras rely on amateur singers who make up their choruses e.g. London Symphony Chorus**, but this part of their regular repertoire is not currently supported by creative tax reliefs – orchestras cannot claim for productions of primarily choral music. Including voice in OTR would enable further growth of orchestras and professional music producing highest quality productions for the global stage e.g. BBC Proms and Edinburgh International Festival.

#### **Mission: an NHS fit for the future, where everyone lives well for longer**

The benefits of choirs to people's mental and physical health, and prevention of a range of conditions, including mental health issues and age-related cognitive decline, are well-recognised in NHS strategies. **Enabling the singing sector to grow will support social prescribing and other NHS non-medical strategies for patient-centred support.**

Social Prescribing (includes referrals to choirs) has been shown in studies to reduce demand on GP and other medical services, **improving NHS financial outcomes**. Research shows **positive health and well-being impact** of singing on specific health conditions [Webinar recording: The health benefits of taking part in the arts - follow the science | Making Music](#) This recent report for [DCMS on Culture and Heritage Capital](#) estimates **annual benefit per person of £553 of adults 65+ attending choir once a week (just) for 3 months**

#### **Mission: break down barriers to opportunity**

Choirs are part of the music sector ecology, **providing access to the music industry in every local area**, and, alongside formal music education in schools and music hubs, **part of the pyramid's broad base** which leads to those excellent musicians who help deliver an **annual financial benefit to the UK from the music industry of 7.6 billion in 2023**.

**Choirs are present in all communities to complement more formal offers, and give young people opportunities that schools or hubs cannot:** e.g. **Scunthorpe Cooperative Junior Choir** has won numerous awards and led to young people from an area with many economic and other challenges to perform on national stages (Royal Albert Hall) and broadcasters (BBC Choir of the Year) and regularly perform abroad. **Barnsley Youth Choir** supports 700+ children in their areas

through 10 choirs and giving them opportunities such as a tour to South Africa in 2024 (fundraised for and supported by a cohort of 70 volunteers).

**XXXXXXXX Youth Orchestra** has been an OTR claimant for a number of years and the additional funds have allowed them to buy new equipment, keep participation free for young people and increase the performance opportunities for them in prestigious venues.

## 2. How much this policy change will cost the government

Making Music has been submitting OTR claims on behalf of amateur orchestras in its membership since 2018. 16% of those eligible are claiming, recouping an average 26% of their production costs in 2024, amounting to £619,832 paid out by HMRC in successful claims.

If a similar percentage of choirs in our membership (**131 groups**) claimed successfully for an average of 26% of their production costs, **this could amount to £1,176,957 being paid out annually by HMRC by year 3** (set-up/build-up takes time)

(Note: Claim figures are based on actual OTR claims made by member instrumental groups. Projections are based on figures submitted by 54 member choirs who responded to a survey on their concert budgets in February 2025. We extrapolated these figures to the 131 groups we estimate would claim OTR by year 3; 16% of those in membership that would be eligible.)

**This simple policy change, whilst costing little over £1m a year, would bring economic and other benefits to hundreds of communities across the UK.** 75% of our members have an annual income below £14.5k. A claim for a £1,000 makes a crucial difference to a community.

[HMRC statistics](#) show 220 claims made for OTR in relation to the 2022 to 2023 financial year, totalling £33 million in relief paid out. This was only 1.5% of the total amount of creative industries tax relief paid by HMRC. As choirs have small turnovers, they are likely to be among the 29% of companies claiming £5,000 or less OTR, resulting in only a small cost impact. HMRC reports that claims for amounts over £250,000 represented 83% of the amount of relief paid in 22/23 – sums considerably higher than our members would ever be likely to claim for.

## 3. How much income will return to the government from this investment

If choirs' spending on production costs were to increase to the same extent as amateur orchestras' costs over 3 years (50%), this would mean

- **Additional spend of c.£890k on fees for professionals across 131 choirs by year 3, meaning additional income tax returned annually to HMT of c. £178k**, depending on their personal circumstances.

**CHOIR C - We would be able to put on more ambitious concerts - better known soloists, larger orchestras, more ambitious programmes to attract larger audiences and more new members.**

**CHOIR D - We would like to be able to engage an orchestra for more of our concerts.**

- Other tax income, e.g. VAT, would also increase in line with increase of production budgets of around 50%, meaning **c.£462k more spend annually by the 131 choirs on ancillary trades, venue hire etc. by year 3**

There are financial benefits harder for us as an organisation to quantify: more choirs, more concerts, larger events will amplify the **benefits to the health service** (reduced need for GP and

other medical services, availability of choirs for Social Prescribing), **sustainability of local night time economies** (venue hire, city centre hospitality, transport etc.), and **more accessible opportunities for more young people on their doorstep**

#### **4. Administrative, compliance, operational, legislative implications/requirements**

HMRC creative tax reliefs team: extending OTR by adding ‘voice’ as an instrument would mean minimal disruption to the HMRC team, as they are experienced in delivering OTR and **criteria for choirs would be the same as for instrumental groups (12+ numbers, acoustic, etc.)** Workload impact would be gradual and minimal: based on previous experience, it will take 2-3 years before a significant proportion of those eligible begin to claim.

As almost all **claims from choirs would come through Making Music’s OTR service, registered with HMRC and submitting claims since 2018 without any being turned down**, it is unlikely that the HMRC team would encounter compliance issues. If the policy change is approved as part of the Spending Review, **Making Music will expand its capacity to deliver this service, meaning ease of servicing by HMRC and full compliance confidence.**

**This policy change would require changes to the Finance Act 2016, Schedule 8 (Tax Relief for Production of Orchestral Concerts):** renaming e.g. to ‘Tax Relief for Production of Orchestral and Choral Concerts’; and changing any references from ‘orchestral’ to ‘orchestral or choral’, ‘instruments’ to ‘instruments or singers’ and adding ‘choirs’ to lists of ensembles.

#### **APPENDIX – LIST OF ORGANISATIONS SUPPORTING THIS POLICY ASK**

##### **Music industry (professional):**

Association of British Orchestras  
UK Music  
Musicians’ Union  
Independent Society of Musicians  
Ivors Academy  
PRS for Music  
Printed Music Licensing Ltd  
Association of British Choral Directors  
English Folk Dance and Song Society  
Edinburgh International Festival

##### **Professional choirs:**

Ex Cathedra  
The Sixteen  
Tenebrae  
Echo Choir  
Voces8 Foundation

##### **Charity sector:**

Charity Tax Group

##### **Music education organisations:**

Music Mark  
Association of Teachers of Singing  
Royal College of Organists  
National Youth Choir

National Youth Choirs of Scotland  
Royal Conservatoire of Scotland  
Sing Up  
Young Voices  
London Youth Choirs  
The Rodolfus Foundation

##### **Music industry (amateur):**

Three Choirs Festival  
The Really Big Chorus  
Peterborough Sings!  
Choir with No Name  
Sing For Pleasure  
British Association of Barbershop Singers  
Ladies Association of British Barbershop Singers  
Festival of Voice, St George’s Bristol  
MD Brunch  
National Association of Choirs  
Classical Sheffield  
The Sing Space