

IMPEL Board Minutes**STRICTLY PRIVATE & CONFIDENTIAL**Venue: KX8-02, 8th Floor, 2 Pancras SquareDate: Thursday 15th December 2016

Time: 10:00am – 12:00pm



Attendees:	By Invitation:
Mike Box (Reverb Music)	Steve Burton (MPA Group)
Chris Butler (Music Sales)	Claire McAuley (MPA)
Nigel Elderton (Peermusic)	Josh Kendal (MPA Group)
Maria Forte (Fintage Music)	Tom Fletcher ("Fletch", MPA Group)
John Minch (Imagem Music)	Jen Hall (MPA Group)
Simon Platz (Bucks Music)	Stuart Edwards (PRS) – <i>Item 6.1 only</i>
John Truelove (Truelove Music)	
Tim Ingham (External Director)	Apologies:
Jane Dyball (CEO)	Stuart Hornall (Hornall Brothers)

Item	
1	Welcome and Introductions
2	Approval of Minutes The minutes from the last meeting were approved.
3	Action Tracker The outstanding actions were marked as complete, other than the ones listed below, which will be carried over.
3.1	SE to revisit the IMPEL Market Share analysis
3.2	SE to add the actual distribution date to the last page of the MPR
4	Matter Arising Not on the Agenda
4.1	Online Committees <i>The brief was noted.</i>
5	CEO Update <i>The brief was noted.</i>
6	Finance
6.1	<p>MPR</p> <p style="text-align: center;"><i>Stuart Edwards joined the meeting at 10:15.</i></p> <p>SE noted that distributions are ahead of budget by £400k and that the IMPEL market share of Spotify had been estimated at 25%; however, the actual IMPEL market share of Spotify distributions was 38%, for performing and mechanical. CB asked how the Market Share of IMPEL has been calculated. SE explained that this indicative market share has been calculated based on distributions to IMPEL members divided by the total mechanical and performing distributions from PRS. SE further explained that these calculations only cover deals managed by PRS and not those managed by STIM/GEMA. SE added that work is being carried out to calculate the IMPEL share of all PRS, STIM and GEMA deals in order to determine the IMPEL share of the total market.</p> <p>SE informed the Board that Spotify distributions are increasing, which is one of the main drivers for increased distributions overall. SE noted that the increased IMPEL market share, from 25% to 38%, could mean that total IMPEL distributions could reach £14m for 2016. JD pointed out that this market share "anomaly" might be to do with the deaths of Prince and Bowie and that this requires further investigation.</p> <p>MB asked to discuss the Budget. MB noted that although invoicing over the last 3 years has increased (and is currently at an average rate of approx. 85%), this figure should be at 90%. JM noted that due to the increased distributions that will be paid out in December, the budget for 2017 is now looking at a decline. SE noted that the budget will be revisited in the new year, in order to rectify this decline.</p> <p>NE explained that Peer is investigating an issue where some of their writer's direct writer share payments from PRS do not correspond to the publisher share payments that they are accounting onto their writers. SB noted that he can liaise with Rick Lansdell at Peer to assist with this investigation.</p> <p style="text-align: center;"><i>Stuart Edwards left the meeting at 10:43.</i></p>

	<p>JM asked whether IMPEL management should create a budget for 2017. SB noted that this is a piece of work that can be carried out, subject to PRS granting access to these numbers.</p> <p>Action Point: SB to review how an IMPEL management created budget could be prepared</p> <p>Action Point: SB to liaise with Peermusic to assist with their investigation of anomalous distributions to writers</p> <p>Action Point: TFI to prepare an analysis of what periods of each deal have been distributed for each element of the £14m 2016 figure</p>
6.2	<p>IMPEL Governance Budget</p> <p><i>The brief was noted.</i></p>
7	IMPEL Business
7.1	<p>Distribution Pipeline</p> <p><i>The brief was noted.</i></p>
7.2	<p>New Leads Report</p> <p><i>The brief was noted.</i></p>
7.3	<p>YouTube</p> <p>JD has met with BMC and EK to discuss the YouTube deal. JD explained that YouTube have asked for a 9-month extension on the current deal, rather than a 3-month extension. JD has suggested several points for ICE to consider going forward, including the introduction of a per-stream minima for non-music content and an increased royalty rate for covers (due to there being no master recording royalty to pay).</p> <p>JM noted that the major publishers have also given support to the idea that PRS should take legal action against YouTube, in order to get them to value the rights correctly.</p> <p>NE noted that the YouTube deal should be MFN with other European licensing entities. However, lyrics have been included in the ICE licence, which means that the license isn't MFN, and is undervaluing lyric rights. JD noted that a lyric licensing solution is being looked at under PMLL.</p> <p>Action Point: JD to convene a standalone MPA lyric licensing meeting for publishers</p> <p><i>Jen Hall left the meeting at 11:04.</i></p>
7.4	<p>Spotify</p> <p>JD noted that ICE have made a proposal to bring Spotify up to the same rates as Apple. For example, JD explained that Spotify currently pay £1 per subscriber and Apple pay £1.25 per subscriber. JD suggested that because Spotify deliver 3½ time the amount of royalties that apple do currently, it would be devastating to the IMPEL revenues should Spotify go out of business. Clearly there may be other opportunities with Spotify created by their desire to IPO. The Board noted this point for consideration in licensing discussions going forward.</p>
7.5	<p>IMPEL Copyrights</p> <p>JD noted that TFI has been looking into the value of IMPEL copyrights, compared to other works in the ICE database. JD noted that a full report would be presented at the January Board.</p> <p>Action Point: TFI to finalise an IMPEL paper for the January IMPEL Board</p>
7.6	<p>HFA Termination</p> <p>JD noted that HFA have requested to terminate their reciprocal agreement with MCPS for online mechanicals, in order for them to set up their digital licensing hub "Mint Licensing", in partnership with SUIISA. The Board were presented with a list of the Top 500 earning publishers participating in distributions of online royalties from MCPS to HFA in 2015. JD suggested that these publishers could be targeted as potential IMPEL members if HFA are permitted to terminate.</p> <p>Several members of the Board noted that some of the publishers listed were part of their catalogues or controlled by other publishers.</p> <p>Action Point: TFI to contact the top publishers on the HFA list</p> <p>Action Point: IMPEL Board to notify TFI of any publishers that they own/ administer from the HFA list</p>
8	IMPEL Internal
8.1	<p>IMPEL Working Group</p> <p><i>The brief was noted.</i></p>
8.2	<p>ICE Customer Group</p> <p><i>The brief was noted.</i></p>
8.3	<p>TOWGE Steering Committee</p> <p><i>The brief was noted.</i></p>

8.4	<p>TOWGE <i>The brief was noted.</i></p> <p>Action Point: In order to reduce the number of annexes, TFI to summarise the ICE Customer, Steering Committee and TOWGE meetings for the Board going forward, rather than including the minutes in full.</p>
8.5	<p>IAG <i>The brief was noted.</i></p>
8.6	<p>New Members JD informed the Board that Domino are keen to join IMPEL, with the exception of Paul Lambden, who has some reservations with how MCPS and IMPEL operate. JD suggested that Paul should attend the IMPEL Board to discuss his reservations further. The Board agreed.</p> <p>Action Point: TFI to ask Paul Lambden to attend the IMPEL Board to discuss his concerns</p>
8.7	<p>Leaving Members <i>The brief was noted.</i></p>
8.8	<p>IMPEL Member Recruitment Strategy The Board were presented with a paper listing several potential future opportunities for IMPEL to gain new members.</p> <p>JD noted that there could potentially be an opportunity for IMPEL to license outside of digital rights in the future if MCPS' membership fragments, as IMPEL is already set up to house an independent community.</p> <p>Secondly, JD noted that Warner/ Chappell could potentially be encouraged to join IMPEL.</p> <p>The Board agreed that these suggestions should be considered in the future.</p>
9	RfP/ SLA
9.1	<p>Separation from MCPS JD discussed the work stream calendar with the Board. The Board agreed that the proposed work stream and timelines were sensible and should be adopted in the new year.</p>
9.2	<p>SACEM <i>The brief was noted.</i></p>
9.3	<p>Ops & Strategy Groups JD suggested that the best way forward would be for minutes to be taken in IMPEL non-exec sessions going forward, so that the IMPEL management team can keep track of any work that they are required to carry out for the Board.</p> <p>Action Point: IMPEL Board to inform IMPEL management of any administrative assistance that they require for non-executive meetings going forward</p>
9.4	<p>Non-Executive Meeting There followed a non-executive session of the Board for which minutes will be provided and circulated at a later date.</p>
10	AOB

The next meeting is **Thursday 19th January at 10.00am**

SIGNED  _____

DATED 19.01.17

