University of South Wales
Prifysgol De Cymru

THE WELSH MUSIC INDUSTRIES IN A POST-COVID WORLD

A Report for the Culture, Welsh Language and Communications Committee

EXECUTIVE SUMMARY

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Executive Summary

In July 2020, Professor Paul Carr was commissioned by Senedd Research to document a report examining the 'state of play' in the post Covid-19 music industries in Wales.[1] This resultant document outlines the contextual backstory of the emergence of private and public sector support for the music industries in Wales since the pandemic commenced; examines the advice given to the music industries by the UK and Welsh Governments concerning roadmaps out of the pandemic; reviews the industry and academic research that has emerged since the pandemic started and finally, compares Welsh Government support packages to nations in other parts of the world. Although the report considers the Welsh music industries more broadly, its primary focus is on live music, as it is this which has been the recent concern of the Culture, Welsh Language and Communications Committee. It is also this sub-sector that has been widely reported as being impacted the most by the pandemic. The report concludes by documenting a series of recommendations for the Culture, Welsh Language and Communications Committee to consider presenting to Welsh Government.

In order to give the reader a concise snapshot of details contained in the report, this Executive Summery outlines the context of the Welsh industries pre and post Covid-19, prior to contextualising its recommendations, which are sub divided into the following six categories: Reopening and Recovery Strategies; Research; Strategic Opportunities and Promotion; Policy; Education; Funding.

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[1] In order to highlight the complex nature of musical activity in Wales, the term 'music industries' as opposed to the common term 'music industry' is used throughout this report when possible. See Williamson, J., & Cloonan, M. (2007). 'Rethinking the Music Industry'. *Popular Music, 26*(2), 305-322.

Brief Context of The Music Industries Prior to the Pandemic

- The economic, social and cultural value of music is widely accepted around the world.
- Welsh Government acknowledge that music plays an important part in creating a 'national brand', bringing meaning and enjoyment to our lives and promoting Wales and its culture to the world.
- The music industries in Wales consist of both part-time and full-time stakeholders and although dominated by live and recording sectors, also comprise of other sub-sectors.
- The Music Industries in Wales are conducted in English and Welsh Languages.
- The majority of stakeholders in the music industries in Wales are freelancers, undertaking portfolio careers.
- In 2019, the worth of the UK music industries were considered to be circa £5.2 billion, generating 190,935 jobs, with 'music creators' representing nearly 50% of the UK music industries Gross Value Added.
- In 2019, the UK live music industries were noted as having a GVA of £1.1 billion.
- In 2019, the UK music industries were noted as having a total export revenue of £2.7 billion, with a £4.5 billion spend attributed to 'live music tourism'.
- In 2019, Welsh music tourism attracted 363,000 people with a total spend in the region of £124 million, generating 1,754 jobs.
- There are some well noted initiatives that currently assist the development of the Welsh music industries, such as Forté**,** Horizons 2020 and Community Music Wales.
- The £5.2 billion quoted above must not undermine the financial struggles experienced by the majority of music creators in Wales prior to the pandemic, with the average wage for Cardiff based 'artists and creative agents' estimated to be around £18,000 per year.

- The Musician's Union reported in 2018 that 44% of orchestral musicians in the UK don't have enough to live on.
- In 2012, the Musicians' Union estimated that 94% of musicians are freelancers, which have been hit particularly hard during the pandemic.
- There has been an ongoing threat to the sustainability of Grassroot music venues in Wales before the pandemic, with Cardiff venues such as Barfly, Dempsey's and more recently Gwdihw all closing.
- Although there are some exceptions, there is a noted general lack of communication in Wales between local councils and the music industries.

Brief Context of The Music Industries Post Pandemic

- The music industries in Wales have witnessed the cancellation of activities such as tours, music festivals, rehearsal room and recording studio work, music tuition (both formal and informal), grassroot music performances and concert performances.
- In addition to economic factors within the Welsh music industries, the closure of the live music sector will also have a knock-on effect, with the aforementioned £124 million spend attributed to Welsh music tourism significantly impacted.
- In addition to UK Government support schemes and Welsh Government's non-domestic rates relief, funding relevant to the music industries in Wales has thus far included the £7 million 'Arts Resilience Fund' (led by Arts Council Wales and targeted toward both individuals and organisations), the £401,551.39 allocated to 22 grassroot music businesses across Wales (as part of a £1 million 'Creative Wales Fund') and the £53 million Cultural Recovery Fund.
- Although relatively generous, the £1.57 million UK Cultural Recovery fund was slow to emerge when compared to other European nations, with the Welsh allocation still not given to music venues.

- It has been widely reported that many freelancers in the music industry and the Creative Industries more broadly have been ineligible for pan-UK Government support schemes, with 88% of musicians believing the UK government have not done enough to support them according to the Musicians' Union.
- There have also been numerous private sector funding initiatives allocated, by organisations such as The Musicians' Union, The Performing Rights Society, Help Musicians UK and The Association of Independent Musicians, all of whom have attempted to meet the shortfalls in government schemes.
- Many freelancers in the UK music industries have doubted their capacity to stay in their professions post pandemic, with a recent poll by the Musicians' Union suggesting that 47% of musicians have been forced to look for work outside the music industry; 70% are unable to undertake more than a quarter of their usual work; 36% of musicians do not have any work at all.
- In May, the UK Live Music Group expected as much as £900 million to be wiped from the £1.1 billion the UK live music sector was expected to contribute to the domestic economy, with 82% of grassroots music venues noting a threat of closure.
- In July, a Department for Digital, Culture, Media and Sport (DCMS) select committee report estimated that 93% of grassroot music venues across the UK faced permanent closure, with 86% of venues reporting that their core threat stems from an inability to meet commercial rent demand.
- Without additional funding, many Grassroot Music Venues will not be able to implement social distancing requirements.
- Public facing statistical research on the Welsh music industries more broadly is none existent, with limited data on music venues types, total income, income retention and contribution to the economy.

- In addition to its economic impact, the pandemic has also halted musical careers in Wales, often at important 'tipping points'.
- It is widely accepted that live music is the sector most impacted by the pandemic, in terms of the music industries more broadly.

Context to Recommendations

Reopening and Recovery Strategies

- The return to indoor and outdoor live concert performances has been very cautious in Wales when compared to England and mainland Europe more broadly, and there is real concern that if the live music industry remains closed, it will lose the talent that has sustained it.
- Current Welsh Government advice on how the music industries can return to 'normal' is confusing for some, currently split between three documents.[2] None of the documents offer clear advice on how freelancers will be able to reengage with their profession.
- Welsh Government accepts that returning to normal will be 'challenging' and cannot be about returning to the same management of audiences and facilities that existed prior to lockdown. Welsh Government also acknowledges that venues will have to make significant physical and operational changes, with this responsibility being placed with the employers.
- Welsh Government acknowledges that the music industries will be one of the last sectors to return to normal activity and is in need of a long-term strategy to assist its survival.

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[2] *Creative Industries: guidance for a phased return*, (first published on June 19th), *Culture and Heritage Destinations and Venues: Guidance for a Phased Return (*first published on July 13th) and *Rehearsing, Performing and Taking Part in the Performing Arts: Guidance for a Phased Return* (first published September 15th*).*

- In addition to Scotland and England, many European nations have put policies in place to facilitate the return of live music (See table in Chapter 2).
- Nations such as New Zealand ($16.6 million) and Australia ($20 million) have set up specific 'recovery fund' packages for live music, aimed at assisting venues get back on their feet.
- The general public, venues and creatives need assistance with building confidence.
- Music industry sub-sectors such as live music and freelancers more generally would benefit from clear guidance to assist the development of monetized alternative business models, including 'virtual activity'.
- Aside from the Grassroot music business fund, there is no public data available regarding how Welsh Government or Arts Council of Wales 'pandemic funding' has impacted the music industries.

Recommendation 1: For Welsh Government to develop a detailed and clear short-term reopening strategy for the Welsh music industries, which outlines what is possible now; what is not possible yet; what will never be possible and what support will be available for all of these outcomes. This strategy should closely consider how sub-sectors that are open for business can maximise income, in addition to considering closely how it can support the strategically important parts of the industries that are closed for public health reasons get back on their feet.

Recommendation 2: In conjunction with relevant expertise from the music industries, the university sector and the Arts Council of Wales, for Welsh Government to develop a long-term three-year music industries' recovery strategy, which takes the ongoing impact of Covid-19 into account. This plan should have a range of outcomes and consider via an action plan factors such as, how it can sustain, retain and incubate talent; how public confidence can be re-established; how the various parts of the music industries can be supported and invigorated; how realistic alternative business models can be implemented; how industry training can meet the needs of the 'new sector'; and how the technical infrastructures of venues/rehearsal rooms/recording studios can become 'covid-proof'.

Research, Strategic Opportunities and Promotion

- Detailed statistical data on the Welsh music industries is non-existent.
- Since the demise of the Welsh Music Foundation's 'music industry directory', there is no central point through which music industry stakeholders (ranging from local musicians to international promoters) can identify strategic opportunities in Wales.
- Information concerning Welsh Government's grassroot music venue mapping (2019) has still not emerged, well over a year since its commission.
- A venue map and music industry database would assist the Welsh music industries as follows: strategic clarity on how Welsh music industry stakeholders can work together; data to highlight transport network issues; data to assist Welsh Government prioritise financial support; a portal through which potential national/international partnerships can be formed; a means through which Welsh talent can be identified, developed and showcased.
- A more nuanced understanding of what the Welsh Music Industries are would assist Welsh Government allocate funding more equitably.
- Nations such as Romania, France, Norway, Denmark and Switzerland are now facilitating more national music to be played via their media outlets.
- Nations such as Argentina, Belgium and Chile have financed 'culture at home' initiatives, which finances artists to produce content and provides a regularly updated digital portal for the general public to access.

Recommendation 3: For Welsh Government to commission detailed research into the role music plays in the Welsh economy and the impact of covid-19 on its sub-sectors. In addition to outlining the financial, societal and cultural contribution of the music industries various sub-sectors, the research should identify gaps in the ‘talent pipeline’ that exist as a result of sub-sectors closing. The overarching objective of this work should be to verify how much income the Welsh music industries generate; how much currently remains within Wales; and what can be done to ensure the nation (i.e music industry stakeholders) can retain more of it.

Recommendation 4: For Welsh Government to build on the venue mapping research that has already taken place, by financing a searchable public facing database of the Welsh music industries and an interactive map of its music venues,[3] which outlines venue types throughout the country and how these resonate locally, nationally, globally and ecologically. This map and database should be regularly updated.

Recommendation 5: For Creative Wales to develop and agree upon a comprehensive Taxonomy of the music industries in Wales, to ensure all relevant sub-sectors are supported and represented.

Recommendation 6: For Creative Wales to review its membership to ensure it reflects relevant expertise related to the aforementioned taxonomy.

Recommendation 7: For Creative Wales to consider the viability of not only promoting Welsh talent, but also, following European nations such as France, Norway, Denmark and Switzerland, to set the necessary protocols in place for Welsh music to be prioritised on radio and T.V, working with UK Government when necessary.

Recommendation 8: As part of a digital strategy, for Welsh Government to explore an online ‘culture at home’ initiative (including both live and recorded work), which not only showcases Welsh music alongside other art and culture, but also encourages and finances

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[3] Via a digital portals similar to Wales Screen service (see https://businesswales.gov.wales/walesscreen/) and the Birmingham Live Music Map (see https://livemusicresearch.online/blmp/).

digital capacity and creativity. This digital strategy should ensure that all households in Wales have access to fast reliable broadband.

Policy

- The primary reasons for grassroot venues going out of business over the last 15 years include expensive business rates, issues related to 'noise disturbances' and inflexible licencing.
- In addition to legislation, an important factor contributing to why some music venues in Europe have been able to open their doors earlier than in Wales, is that they have a tradition of relying less on commercial income.
- At a time when income from live music is significantly restricted, there is a need to reduce the 'value gap' between the major streaming platforms and that of music creators, so the latter generate more royalties for their creativity.

Recommendation 9: To ensure the general public continue to have access to a broad range of live music, for Welsh Government to work with local councils in order to action ongoing business rate relief and flexible licencing (for pop up events and busking for example), in addition to ensuring the 'agent of change' principle is implemented.

Recommendation 10: For Welsh Government to consider the viability of changing from a 'mixed economy' grant funding model,[4] to one which relies less on commercial income.

Recommendation 11: For Welsh Government to work with UK Government departments such as DCMS to reduce the 'value gap' for Welsh artists (the gap between a music creator's income and the commission of 'tech giants').

Education

- Practitioners in the post covid music industries will require a distinct skill set to their predecessors.

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[4] Where organisations are expected to generate large percentages of commercial income.

- Across the music industries of the world, the pandemic has brought with it not only financial challenges, but also potential associated mental health issues, as jobs and lifelong passions have seemingly disappeared and social gatherings (small and large) have been restricted at best—resulting in isolation, loneliness and despondency.
- Many music industry bodies such as the Musicians' Union, UK Music, the Music Managers Forum and the British Phonographic Industry (BPI) have considered it important to offer advice on mental health.
- Music making and listening has proven positive impacts on mental health.

Recommendation 12: For Welsh Government to ensure that the various skills required in the 'new music industries', are reflected in school, college, university and private industry curriculums.

Recommendation 13: For Welsh Government to begin to consider and plan for the potential of a mental health crisis in the music industries, as the creative job market continues to be decimated as a result of the pandemic.

Funding

- Many freelancers in the music industry have been ineligible for UK Government support schemes
- Previous evidence given to the Culture Welsh Language and Communications Committee indicated a lack of awareness of available funding in some sub-sectors of the Welsh music industries.
- Arts Council of Wales funding is not available to the majority of grassroot music venues.

Recommendation 14: For Welsh Government to work with Arts Council Wales to ensure funding is available equitably across the music industries, and that the grant application process is demystified, reaching deep into the various networks of the music industries.