

Music Industry in Wales

Culture, Welsh Language and Communications Committee

1. UK Music is the umbrella body representing the collective interests of the UK's commercial music industry, from songwriters and composers to artists and musicians, studio producers, music managers, music publishers, major and independent record labels, music licensing companies and the live music sector.
2. UK Music exists to represent the UK's commercial music sector, to drive economic growth and promote the benefits of music to British society. A full list of UK Music members can be found in annex.
3. In the latest edition of our Measuring Music ¹ report our research found that the UK Music Industry contributes £4.5 billion GVA to the UK Economy. The music industry also generated £2.6 billion in export revenues. Live music contributes £991m GVA to the economy and generated £80 million in export revenues. The UK Music Industry employs 145,815 people, with 28,659 of these employees being based in the Live sector.

Grassroots Music Venues

4. UK Music was supportive of the Save Womanby Street campaign in 2017 working closely with Kevin Brennan MP and Jo Stevens MP on exploring what policy could help save this area of cultural significance due to the number of venues on the street. We have continued our work with Kevin and Jo in advocating for the protection of Welsh grassroots music venues in the Houses of Parliament alongside our partners the Music Venue Trust.
5. Grassroots music venues are often the first step onto the talent pipeline for emerging musicians. They provide vital opportunities to undertake first performances in front of an audience, meaning the musician can develop their songs via audience feedback and such gigs offer the first professional payments. It is with this in mind UK Music would like

¹ https://www.ukmusic.org/assets/general/UK_Music_Measuring_Music_2018.pdf

to see the exploration of specific business rate relief for music venues acknowledging their role in communities and career development.

6. Over the past decade there has been a 35 per cent decline in the total number of grassroots music venues in the UK. These closures have mainly been due to the increasing financial pressure faced by venue managers as a result of overhead costs, bill, rent and business rates, or due to planning disputes around noise.
7. The Music Venue Trust report that the cost of delivering live music events last year rose by 4 per cent in grassroots music venues and amounts to 130 per cent of total gross tickets receipts. This is directly attributable to business rates increases.
8. As a result of the 2017 revaluation of rateable values business rates have increased for many Grassroots Music Venues across Wales. They remain a concerning issue for many venue managers. The increase of the business rate multiplier has also had a marked effect with business rates rising. In 2018 Buffalo bar in Cardiff closed citing business rates as a reason. According to our calculations Buffalo's business rates increased by 59% following the 2017 revaluation meaning they had an annual bill of nearly £60,000 for business rates alone.
9. High Street and Retail Rates Relief in Wales currently applies to bars, pubs and ticket office but guidance is unclear as to whether grassroots music venues are eligible. In a communication received from the Local Government Strategic Finance Division of the Welsh Government we were informed that: "it is for local authorities to decide in each individual case when to grant relief for this scheme and music venues will need to contact their billing authority to determine eligibility". Such localised discretion creates what amounts to a postcode lottery where some areas will grant music venues this discount and others will not.
10. A positive change would be to introduce Grassroots Music Venues as an eligible hereditament for this relief, this simple change would create much needed clarity on the eligibility of music venues. In England the government has implemented a policy which we view as discriminatory as it explicitly excludes music venues, stating without explanation that they should not receive High Street Rate Relief. Thus Wales should grasp this opportunity to take the lead and demonstrate proactive support of Grassroot Music Venues.
11. UK Music notes the 2017 introduction of the Agent of Change principle into the Welsh national planning policy, a decision welcomed by our members. We wish to ensure the principle is implemented properly with clear guidance setting out the standards developers should meet in the planning process and closing potential loopholes they may exploit. One consistent issue we have found has been developers conducting sound surveys at inappropriate times of day to quantify their efforts as agents of change in mitigating the impact of noise. Issues like these should be proactively targeted in clear guidance to local authorities, who in turn should implement the principle with clarity and certainty.

12. Wales has many areas of musical significance, often under threat of residential development typified in 2017 by the threat to Womanby St, a street full of music venues threatened by residential and hotel developments. Cultural Zoning is a tool that governments can use to ensure that areas of cultural significance are protected, and that unsuitable developments cannot occur and pose a risk to the musical heritage of a street or quarter.
13. Many venues rent the properties they operate which can cause an issue when ownership of the property changes hands, or when owners see new opportunities for the space. Venues which rent in the first instance are often subjected to increases and service charges. Owners can also remove a tenant to change use of the space. For example, in the case of the Cardiff venue Gwdihw, the property owner wanted to demolish the property. The Welsh Government should explore how venues can be taken into community ownership if they can demonstrate a cultural significance to communities.
14. With many grassroots venues having closed across Wales, the Welsh government could look at supporting new venues to open. This support could take a variety of forms including helping find suitable spaces for venues, clear guidance on opening venues from a regulatory perspective, and finding fiscal measures which could support new spaces.
15. There are many venues and arts centres in Wales which are supported by local authorities. They are facing significant cuts as a result of wider local service cuts leading to some facing potential closure. This also reduces the amount of live music being programmed as most centres are not in a financial position to take risks when making bookings to allow their sustainability of venues. Often tribute bands will be booked before emerging talent, which impacts the live music ecosystem.
16. UK Music notes the recent *Cardiff: Music Ecosystem Study and Strategic Recommendations report*² published by Sound Diplomacy earlier this year. We welcome the report's recommendations and would welcome their introduction not only in Cardiff but to be explored on a national level.

Music Talent Development

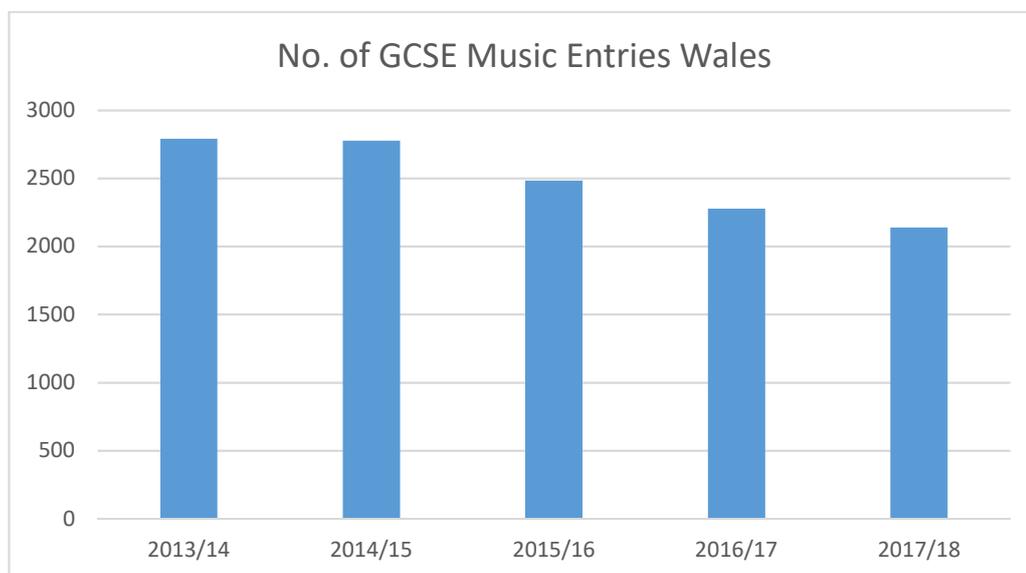
17. UK Music have been supportive of talent development activity in Wales such as the Focus Wales Festival in Wrexham which we attended and supported on the invitation of Ian Lucas MP who has been a great advocate of the festival. The festival invites international artists to showcase, and the countries they are from return the favour and host Welsh artists. It also offers a wide variety of support and information to emerging talent in Wales and gives new bands a stage and audience to connect with. For our

²<http://cardiff.moderngov.co.uk/documents/s29332/Cabinet%2018%20April%202019%20Music%20Ecosystem%20study%20App%201.pdf>

response we consulted with Neale Thompson from Focus Wales particularly on what support is needed for emerging musical talent.

18. UK Music supports the good work of Arts Council Wales and their various talent development programmes. We note the successful Horizons/Gorwelion programme run in partnership with BBC Cymru which selects 12 artists and offers a specific talent development programme. The artists on the programme are offered opportunities to play at a number of festivals and record radio sessions.
19. UK Music welcomes developments made in music education provision in Wales and the moves to begin addressing issues surrounding the music industry talent pipeline. We note the Culture, Welsh Language and Communications Committee's *Hitting the Right Inquiry into funding for and access to music education* report³ which called for reforms of music education in Wales. We welcome the national music endowment *Anthem* fund and hope it will enable children, regardless of background, to access music education.
20. UK Music's 2018 Talent Pipeline report found that 17 per cent of music creators were educated at fee paying schools, compared with 7 per cent across the population as a whole. 46 per cent of music creators receive financial help from family and friends at some point in the development on their professional career. We also note that the Cultural Learning Alliance report that participation in structured arts activities can increase cognitive abilities by 17 per cent.
21. UK Music believes it is important to ensure that careers advice and music education opens the whole music industry up to young people, making sure they are aware of the wide variety of career paths outside of creating and performing.
22. UK Music research into the number of Music GCSE Entries found that there has been a decrease of nearly 24 per cent between 2013/14 and 2017/18 in the number of entries taking GCSE music in Wales. This has an impact on the live sector pipeline of performing and technical talent, and it is important that the reasons for such a decline are explored.

³ <http://www.assembly.wales/laid%20documents/cr-ld11595/cr-ld11595-e.pdf>



23. UK Music supports 23 rehearsal spaces in urban and rural areas across the UK including spaces in the Ebbw Vale Institute and Aberystwyth Arts Centre. Each space provides instruments and equipment for young people to use and play with for free or for minimal cost. Such spaces prove vital to talent development and ensuring equality of access to such resources. UK Music would be keen to engage with the Welsh Government to seek the possibility of establishing a Wales-wide rehearsal space scheme.
24. We are aware the Welsh government has commissioned research into music venues in Wales and we feel a crucial part of this should investigate the journey which artists go on between venues as their talent develops. This would allow an understanding of career progression, in an as yet to be explored detailed way and would enable the identification of opportunities, risks, and challenges in such development. Gaps in support provision for emerging talent should be identified and dialogue should happen to work out how government and industry could address them.

Transport

25. Music making in Wales is impacted by the lack of transport connectivity across Wales dividing the north and south of the country. To travel north journey times are increased by having to go through England. This lack of connectivity has created disparate music scenes which rely on different urban centres. Whilst Cardiff has developed successfully as a music city for musicians in central South Wales to access, those in North Wales generally must travel to Manchester or Liverpool to progress their careers.
26. UK Music welcomes the proposals for a South Wales Metro system connecting urban centres with rural areas. Live music events are often affected by transport infrastructure and it is important to maintain not only connections between the rural and urban but also ensure that transport runs late enough so that people can get home after gigs. By connecting areas around Newport, Swansea and Cardiff to city centres there can also be opportunity for performance in rural areas and to create a South Wales touring circuit.

27. UK Music notes the Noson Allan/Night Out programme run by Arts Council Wales which enables the risk to be taken out of gigs in rural areas and hosted in venues such as community centres. This has allowed communities in rural areas to experience performances they would normally have to travel miles to see and tackles cultural isolation successfully. This programme enables the creation of a rural touring circuit.

Brexit

28. Whilst we recognise the Welsh Assembly has limited devolved powers to deal with Brexit, we wanted to make the committee aware of the effect of Brexit on live music in Wales.
29. The Brexit process is of great concern to the UK music industry. Freedom of movement is invaluable for touring performers and crew. UK Music supports the continuation of freedom of movement. Currently freedom of movement will be coming to an end when the UK leaves the EU. The current negotiations in the event of “no deal” are for a reciprocal visa-free arrangement for visits up to 3 months.
30. Wales has a long tradition of inviting performers from Europe to play at festivals, venues and Eisteddfods across Wales. We would encourage Wales to remain open to performers from across Europe after Brexit and seek ways to ensure such cultural exchange can still take place. Such positive treatment would likely be reciprocated for Welsh artists enabling them to continue touring across Europe.
31. We are also concerned about the introduction of Carnets on touring instruments and equipment. Carnets are customs documents which log goods to enable them to clear customs and avoid customs charges. European Commission Brexit preparedness notices indicate an intention to introduce carnets for movement of goods in the event of a no-deal Brexit. UK Music continues to encourage the government to avoid such restrictions being placed on touring goods, as this would create long delays at border crossing points for tours. We also believe they will impact the lower end of the music market presenting a threat to newer acts trying to build an audience. Digital platforms like Spotify have allowed music to be distributed globally but the impact of carnets may mean a Welsh band that has gained a following in Spain cannot tour there.

Music Tourism

32. In 2017 we conducted research⁴ exploring music tourism’s economic impact and found it contributed £4 billion to the UK Economy. In 2017 29.1 million people attended live music events across the UK, from which 810,314 people were overseas music tourists and 10.1 million people were domestic tourists. In 2017 music tourism alone sustained 44,896 jobs across the UK.
33. Wales has a variety of events successfully attracting music tourists to the country, but it needs a coherent strategy to address the growth potential of it across Wales. It needs to

⁴ https://www.ukmusic.org/assets/general/Live_Music.pdf

be explored if Wales can articulate a music heritage through tourism or whether this would be more experiential. A strategy would be able to explore measures that would lead to tourist growth and would also benefit other industries such as the hospitality sector.

Viability of Traditional Welsh Music Scene

34. UK Music sees the promotion of Welsh language music as essential to ensuring that Wales' unique cultural identity is preserved. There have been many recent successes in Welsh language music. For example, the band Alffa released the song 'Gwenwyn' which became the first Welsh language song to have over a million plays on Spotify and singer Gwenno's Welsh and Cornish record 'Y Dydd Olaf' received critical acclaim winning the Welsh Music Prize. The Welsh Government should continue its support for Welsh language music and consider ways to explore its export potential by helping fund appearances at international showcases.
35. UK Music notes the successful PYST Cyfyngedig programme funded by the Welsh Government which provides distribution and label services for labels and artists in Wales. This has resulted in over 5.2 million streams of Welsh language artists providing a platform they didn't previously have. We support the continuation and development of this project and hope to see an English language equivalent set up, acknowledging the importance of providing bespoke support for music in the Welsh Language.

Festival Sector

36. UK Music welcomes the continuing exemption from business rates for agricultural land. Many festivals take place on agricultural land and as a result often make large contributions to local rural economies despite only operating for one weekend a year.
37. Green Man Festival for example generates 1,500 direct jobs on site; £500,000 additional economic impact (gross value added) beyond the festival site; £250,000 of funding raised for charities since 2010; and runs training programs with Merthyr Tydfil College and the Salvation Army in Cardiff to train and mentor vulnerable young adults⁵.
38. Continuing the agricultural exemption means that festivals are not inhibited by landowners making them pay the total non-domestic rates as has happened in England. The continuation of a historical agricultural exemption in practice for landowners hosting festivals is crucial to the Welsh music festival industry.
39. It is crucial that the next generation of festival talent is developed from emerging artists, to festival producers, engineers, promoters and technicians to continue the success of Wales' festivals. Creative careers in the industry surrounding music should be promoted and supported to enable the development of this talent.

⁵ <https://www.local.gov.uk/green-man-festival-powys>

40. Festivals are a vital part of the Welsh Music industry and their continued growth will allow people in Wales and music tourists to the region to have new experiences and discover new talent. We note the current Arts Council Wales festival support offer. The Welsh Government could look at ways to support the creation of new music festivals on a variety of scales, this could be aided by clear direct advice as to regulatory compliance required.

Live Music Strategy

41. It is clear that whilst there are many welcome initiatives from Arts Council Wales and Welsh Government there is currently no coordinated music industry strategy which brings together various programmes around strategic goals. UK Music would be supportive of the creation of a wide-reaching music industry strategy for Wales.

Annex

UK Music's membership comprises: -

- AIM – The Association of Independent Music – the trade body for the independent music community, representing over 850 small and medium sized independent record labels and associated music businesses.
- BPI - the trade body of the recorded music industry representing 3 major record labels and over 300 independent record labels.
- FAC – The Featured Artists Coalition represents and promotes the interests of featured recording artists in the music industry.
- The Ivors Academy - The Ivors Academy exists to support, protect and celebrate music creators in the UK. We are the independent professional association representing songwriters and composers in all genres, whether they create song, symphony or sync. Previously known as BASCA, we can trace our history back over 70 years. As champions of music creators, we have three main activities: campaigning, cultivating and celebrating.
- MMF – Music Managers Forum - representing over 650 UK managers of artists, songwriters and producers across the music industry with global businesses.
- MPG - Music Producers Guild - representing and promoting the interests of all those involved in the production of recorded music – including producers, engineers, mixers, remixers, programmers and mastering engineers.
- MPA - Music Publishers Association - with 260 major and independent music publishers in membership, representing close to 4,000 catalogues across all genres of music.
- Musicians' Union representing 30,000 musicians.

- PPL is the music licensing company which works on behalf of over 100,000 record companies and performers to license recorded music played in public (at pubs, nightclubs, restaurants, shops, offices and many other business types) and broadcast (TV and radio) in the UK.
- *PRS for Music* is responsible for the collective licensing of rights in the musical works of 114,000 composers, songwriters and publishers and an international repertoire of 10 million songs.
- UK Live Music Group, representing the main trade associations and representative bodies of the live music sector

For more information please contact Sam Murray, Policy & Research Officer, UK Music on sam.murray@ukmusic.org or 02037 138456