

# Agenda – Culture, Welsh Language and Communications Committee

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Meeting Venue:

Committee Room 2 – Senedd

Meeting date: 16 January 2020

Meeting time: 09.30

For further information contact:

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## 1 Introductions, apologies, substitutions and declarations of interest

## 2 Music Feasibility Study

(09.30–10.30)

(Pages 1 – 20)

Kirsty Williams AM, Minister for Education

Melanie Godfrey, Deputy Director, Education Business & Governance

## 3 Inquiry into live music: Music Promotion

(10.30–11.30)

(Pages 21 – 55)

Dafydd Roberts, Chief Executive, Sain

Gwennan Gibbard, Sain

Danny Kilbride, Director, Trac

## 4 Inquiry into live music

(11.30–12.30)

Ywain Myfyr, Sesiwn Fawr Dogellau, Director for Ty Siamas and Artist

Andrew Walton, Artist

## 5 Inquiry into live music: Music Education

(12.30–13.00)

Bethan Jenkins, Lewis School Pengam

## 6 Paper(s) to note



**6.1 Letter from Deputy Minister for Culture, Sport and Tourism to Chair of Public Accounts Committee regarding Pinewood Studios**

(Pages 56 – 58)

**6.2 Letter from Deputy Minister for Culture, Sport and Tourism to Chair with update on arts and creative industries portfolio**

(Pages 59 – 62)

**7 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business**

(13.00)

**8 Private Debrief**

(13.00–13.10)

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Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / Culture, Welsh Language and Communications Committee

Diwydiant Cerddoriaeth yng Nghymru / Music Industry in Wales

CWLC M04

Ymateb gan Sain (Recordiau) Cyf / Response from Sain (Recordiau) Cyf

## **Response to the Culture, Welsh Language and Communication Committee's Consultation**

### **The music industry in Wales**

I am strongly of the opinion that one of the main deficiencies of the music industry in Wales is the fact that the Government does not have a comprehensive strategy that takes into consideration the industry in its entirety. By looking at one part of it, such as 'live music', the Government's piecemeal action will continue. Since the Government made its decision not to fund the Welsh Music Foundation (WMF), a significant vacuum has developed in the industry, and there is no longer a single body that represents the industry as a whole. All other media have bodies to represent them, along with a stable public sponsorship structure, be that in television (S4C and the BBC), radio (BBC), the press and print media (the Welsh Books Council), but there is no equivalent for music other than Welsh National Opera.

I was very pleased to be a member of the WMF board, and, in later years, I chaired the body. I was also a board member of Cerdd Cymru:Music Wales, which was a partnership between the WMF, the Arts Council of Wales and Wales Arts International. We succeeded in bringing one of the world's foremost music festivals to Cardiff in 2013, namely Womex. However, following that, and despite all of the investment in bringing Womex to Cardiff, Government support for WMF was withdrawn, without capitalising on the momentum for Welsh music generated by Womex. The partnership between the industry (WMF) and the public arts bodies (WAI and ACW) was working well, but, since then, Government support has been channelled through the public arts bodies alone, and Cerdd Cymru:Music Wales is now just a brand. Of course, these bodies have their own policies in terms of distributing sponsorship and support, but, more often than not, these policies are not appropriate for the commercial industry.

Sponsorship and support from cultural bodies are focused on the artists' priorities. This is reasonable enough with regard to the arts, but does not make sense in terms of the industry. Support is available for artists to attend festivals and fairs abroad, or to collaborate with artists from the Government's target countries, but this work is short-term in nature. Artists require sustained support from the industry, be it from managers, promoters or agents. Artists also need to be nurtured and developed, they need studio experience and they need to record material for promotional purposes. They should be supported in festivals and on tour; promoters and other agents should be spoken to on their behalf; and their content should be licensed to other labels as well as to the media, broadcasters and film companies. This, then, releases the artist to focus on their art. Sometimes, a label will organise short tours to promote new material, or will arrange an appearance on radio or television, and they may employ pluggers to encourage coverage and reviews in the media, or

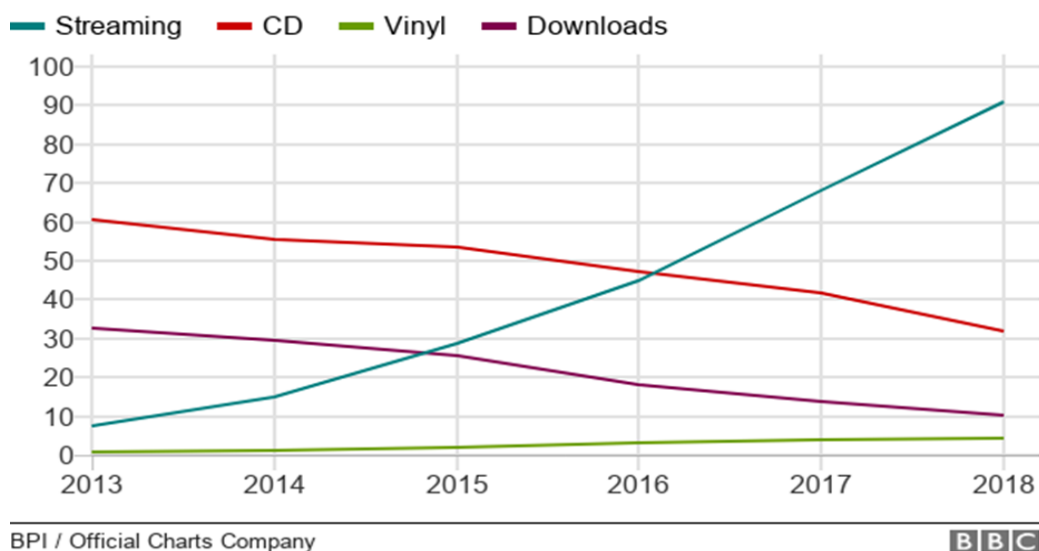
interviews on local radio stations across the UK. All of this is part of work by ‘the industry’ to support artists.

At present, the support is piecemeal in nature, with a little given here and a little given there. A whole host of bodies hold pieces of the jigsaw, but nobody is looking at the picture on the box to see what the complete picture is meant to look like.

The digital revolution led to a massive increase in opportunities to distribute Welsh-language music. Even though it continues to be niche music, it is now niche music on the global stage. From the outset, Sain has had an agreement with iTunes (Apple Music) to download and stream our music, which constitutes almost 15,000 tracks. We have also used the digital distributor State 51 for all other platforms, including Spotify. We receive monthly reports of 35,000 lines from these companies, and it appears that our tracks were streamed around 4.5 million times last year. The problem, of course, is that the income that Sain receives is very limited at £0.0045 per stream (less than 0.5p), and we then have to pay a royalty to the artist out of this amount. It is clear that this is not viable, and will not sustain the recording industry for the future. If the industry is to be a professional one, which does not depend on favours from friends, on crumbs thrown our way on occasion and on volunteers who have other full-time jobs, we must have a comprehensive strategy on how to develop it.

## UK Music Consumption

Album sales / streams in millions



The amount of money that labels are able to invest in new music and material is less than it was 20 years ago. The technology has improved and the process is easier, but session musicians and producers need to be paid so that they can earn a living.

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To ensure that Welsh music is of the highest quality, it is still vital that labels and studios invest in the latest technology. Using a professional studio remains essential, and this is one of the reasons that producers such as Ifan and Osian (Candelas), and Aled Hughes (Cowbois Rhos Botwnnog) are based at the Sain Centre. However, this is not viable in the long term. The audience is limited, in the same way as the audience for Welsh-language books and Welsh books in general is limited, but support is available to publish books, encompassing support for the author, editor, press, cover art, distribution and marketing. There is no such support for musical output. The favourable terms that the Welsh Books Council is able to offer retailers means that shops in Wales devote more shelf-space to books and much less to CDs.

In an effort to increase the income derived from streaming for artists from Wales, Sain has established the Apton streaming service in the form of a website and mobile phone app. Several labels in Wales contribute tracks to Apton, and 3,000 users have registered for the service. Primary schools and local authorities also subscribe to Apton, as they realise that it is a 'safe' service for children and a way to play Welsh music in schools. This, in turn, raises awareness of Welsh music and contributes to the Government's aim of a million Welsh speakers. However, it is difficult to compete with major corporations like Spotify and Apple Music, and Apton must be developed into a service that is compatible with systems like Sonos or Alexa to ensure its future survival. The Welsh Government's Welsh language department has allocated £30,000 to develop Apton, but Sain has invested over £100,000 of its own in the initiative. Developing an app of this kind is an expensive process in terms of the technology and programming, and in terms of updates and maintenance. It is highly unlikely that Apton can continue without further investment in its development.

Revenue collection companies such as PPL, PRS and MCPS have all now adapted their distribution policies, which means that any artist, label, composer or publishing company that works in a minority language receives much less income, while the companies themselves report that they are collecting and distributing more money than ever. This is what led to establishing the Alliance in 2007, and to the establishment of Eos, the independent revenue collection company, six years later. To date, Eos has distributed over £500,000 to composers and publishers from Wales, and it pays a per-minute rate that is double what PRS pays for songs played on Radio Cymru and approximately six times greater than the amount PRS pays for broadcasts on S4C. The situation regarding royalties is, therefore, part of the wider picture, and must be discussed as part of a comprehensive strategy for the music industry.

I urge you, therefore, not to look at one part of the industry in isolation. All parts need to be discussed, because these elements are inextricably linked and are interdependent. Without creative endeavour there is nothing to distribute and perform. When the recording industry is on its knees due to the collapse in CD sales,

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and when the income derived from streaming is negligible, live performance is an important part of promoting the material as well as the artist. I would also urge you to consider all kinds of music, not just pop, rock and indie. From our experience, Welsh music that incorporates an element of Welsh culture, which is what makes it world music, makes for a much better export, and artists in this genre also enjoy greater success than those who emulate the Anglo-American sound. This may include traditional music as well as modern folk and material by singer-songwriters. It is also important to remember our classical, country and choral artists as we discuss how to develop and strengthen the music industry and improve exports of our musical culture.

**Dafydd M Roberts**  
**Chief Executive**  
**Sain (Records) Limited**

## How do local authority decisions such as business rates, licensing and planning decisions impact upon live music venues?

1. There is very little that Local authorities can do to promote live music venues unless the council has a live music strategy in place. Without the political directive to recognise and value the local music scene local authorities do not see either their social or economic value and therefore do not take measures to preserve them as part of the Authority's Plan.
2. It's possible for a local authority to be imaginative, use Planning Gain to require developers to support live music as a "public art", make measurable provision of live music a condition of renewing and awarding licences but this needs leadership.
3. In our experience, a local authority's staff, with one or two exceptions do not know how to recognise the value of a live music venue. The social benefits do not fit into their metrics. Very often a policy that seeks to attract inward investment discounts the value of small businesses.
4. Most live music in Wales does not happen in dedicated venues and theatres. It happens in bars & pubs, social clubs, meantime & pop-up spaces, fields, weddings, festivals. It is frequently a valuable part of a business for the retention of customers etc, but rarely forms the main part of a business' revenue. There are music bars in Cardiff but very few dedicated music spaces outside our major cities. So in this context a music venue is vulnerable to nuisance and noise abatement complaints, hikes in local business rates put pressure on the provision of music as it's rarely a core business.
5. We feel that Local Authorities at a political level would like to support live music, they rarely have the means or the expertise to do so.
6. Here's a link to the Music Census of Melbourne in Victoria, Australia <  
<https://musicaustralia.org.au/2018/05/melbourne-live-music-census-full-report-released/> >
7. This survey was developed as a response to the City's Planning Department allowing the needs of developers to "hollow out" the city centre. They deliberately concentrated on manageable numbers. Demonstrating 73,000 live events attended by 5,000,000 and employing over 25,000 people in 150 businesses is a powerful tool to ensure that a Local Authority takes the value of live music into account. There are no comparable surveys for the music sector in Wales. The Government, WLGA could commission a census in partnership with a University to give a solid figure of what we have now and use that report to measure impact on live music in Wales.

## How does Welsh Government policy (including the distribution of funding by the Arts Council) impact on the health of live music?

8. Writing as an ACW Portfolio organisation, we can say that where support is active it is done well. ACW fund a number of organisations who work in live performance and the music made in and of Wales, venues, festivals & organisations who commission and book music. They fund talent development and work sympathetically with music makers and music businesses.
9. Funding the Classical sector, ACW ensures that there are at least two orchestras and one professional opera company performing some of the time in Wales. Without that funding there would be none. The Classical sector is the only sector to directly employ live musicians. Bands like the Stereophonics and the Manic Street Preachers, Bullet for my Valentine, Adwaith, Chroma, Rag Foundation have had to develop their careers without direct support. Our funded venues (with one or two exceptions) are reluctant to take on original, minority or non-mainstream music. Their marketing departments find it difficult to market and there is no central audience database that the venues can access. So when they do put on live music it is often on a buy-in basis for touring reviews of tribute bands or ageing pop stars.
10. Where Government can lead is to create a music strategy for the country developed by a wide range of stakeholders; achieved a broad consensus of goals and sufficiently resourced to achieve them. Most live music in Wales is made by amateur or semi-professional musicians. There are approximately 1,200 members of the Musicians Union in Wales, broadly representing the number of full-time professional musicians in Wales. Outside the national orchestras most of these musicians are freelance or self-employed.
11. Most music happens “live” in independent venues. Some are clubs, either dedicated music venues like the Bunkhouse in Swansea or social clubs where a member puts on folk or jazz nights - Pontyclun Sports Club, the District Social Club in Penygraigwen. Some are private venues like Ffwrn in Abergwaun. Others are music bars concentrated in Womanby Street Cardiff or until recently Gwdihw in Cardiff. Any strategy that aims to address live music ought to represent the night time economy and the amateur sector if it is to look at all the live music in Wales.
12. Losing the Welsh Music Foundation without replacing those support services has also made the capacity of the nation to grow its music industry (and therefore have more live music) slower than it could have been. It offered co-ordinated market intelligence, assisting with export & product development and brokering information. This has been taken up but on an ad hoc basis. Some excellent work is being done by the Creative Industries Unit, trac, ACW, Wales Arts International and British Council Wales for example. But this is piecemeal.
13. A welcome addition to music support from the Welsh Government is PYST offering label services and a professional booking agency to Welsh bands who are not elsewhere represented.
14. However Government policy has an adverse effect on live music in terms of instrumental education in schools. The availability of advanced music tuition for young people and platforms to perform in youth

clubs because live music has not (until the Well-Being of Future Generations Act) been recognised as something the country should value and promote. As a result, cuts to services could not be protected and regulations to ensure music venues were not closed down by landlords in order to sell to developers could not be developed. The change from Bwrdd yr Iaith Gymraeg to Comisiynydd yr Iaith Gymraeg has also removed the distribution of public funds to invest in a thriving Welsh language live music scene. Which has meant that it has become more difficult to make either a living or a sustainable and lucrative portfolio career in music.

15. Work could be done to ensure live music is recognised as part of Planning Gain. Public Entertainment Licensing could be brought into the Assembly as a devolved matter allowing business rate discounts in exchange for demonstrably programming so many hours of live music. The Government could require that ACW supported venues demonstrate that they are putting on live music for their communities, breweries could be encouraged via organisations like Arts & Business Cymru to invest in the provision of performance platforms and businesses could receive investments and loans to create new venues and more importantly renovate our crumbling venues.
16. The majority of live music may not be publicly funded. However that does not mean that there is no reason for it to be supported by the public sector. All private industry is supported by government. Goods are transported on state supplied roads. Contracts regulated by state supplied laws and enforced by state supplied courts. Employees are trained in schools, colleges and universities. Industries are promoted by state supported trade missions and by Government bodies like Visit Wales. Music should be no different to any other activity.

## The availability of suitable venues for live music across the country;

17. We do not need more buildings. Wales has enough places to perform with the exception of a few 300-600 size venues such as the Academy venues one sees in English and Scottish cities. Our events page < <https://events.trac.wales/venues> > lists 172 venues across Wales where folk music concerts happen regularly. Creu Cymru, Wales' funded venues organisation, lists 43 venues as members. We have house concerts, village halls, social & welfare clubs, pubs, hotels, sports grounds and halls, theatres, arts centres, school halls, community centres, multi-use restaurants, stadiums and festival sites.
18. What we lack is an infrastructure. This infrastructure includes the people (music promoters, marketers, agents, managers), resources (retail shops, rehearsal spaces, educators, PA systems) and business culture that makes putting on live music successful- Swansea has more visual artist studios for rent that all the rehearsal spaces in Wales! If we compare tourism with live music we see that whilst most of the provision of facilities is a mixture of private and publicly supported resources, the tourism industry is supported by Visit Wales, provider alliances such as Wales Tourism Alliance, conferences, networking events, trade missions, mailshots and sophisticated marketing support. This is where we need support.

## The opportunities for talent development, from grassroots to larger venues;

19. Talent is never a resource that we lack. All human beings have talents. However pursuing a career in music requires a mixture of things to happen if it is a sustainable option.

### 20. Talent needs to be identified.

21. Our director comes from a family of musicians. He grew up in an environment where music making was frequent and was given the opportunity to play instruments from the age of four. He was supported by parents and mentored by other musicians and has been performing professionally since his first gig in Cardiff Infirmary Folk Club in his parents' band at the age of 9. Two of his brothers have similar careers in music. This is unusual. Nobody from his home village has attempted a career in music in the forty five years since then until his nephew finished his BTEC at Coleg Gwent this summer. Apart from a short period at Bassaleg school none of the brothers had had any formal music education nor been supported in music-making by their school. It has taken forty five years for another young man to be spotted by a music teacher at his school in Newport and had this young man's father not had three brothers who have over 120 years experience as musicians between them he would not have been supported by his father. Cuts to Music Services make it less likely that talent will be identified in the 12 years a child in Wales spends in education. Cuts to community music support and youth services make it less likely that talent is identified outside the education system and means that the next opportunity for identifying talent is postponed until a young person is old enough to enter licensed premises to take part in open mic nights.

### 22. Talent needs to be supported.

23. Families will always support their child but making music is expensive to learn, noisy, requires practise to do it well and platforms in which to do it with one's peers. If a young person is lucky enough to grow up in an area where there is a supportive school they may develop their talent, join the National Youth Arts Wales programmes and maybe get to study at a University or a Tertiary College. But this is not universal and opportunities are shrinking due largely to financial cutbacks.

24. Youth services often provide platforms for young musicians to make their first steps outside the formal education system and community arts companies provide a valuable platform for young musicians to develop their writing and performance skills. They often have access to instruments and amplifiers which are expensive for a family to buy. Other organisations like trac provide specialist residential support, instrumental training and mentoring for young musicians. We are not alone, Forte, Head4Arts, Community Music Wales, Tŷ Cerdd and other bodies all provide training and important early performance opportunities. But this support is always funded. This means that it is run on short rations. Very often it is the drive of one individual within a larger organisation that makes this happen but wages and resources to do the job are always less than needed and we cannot reach all the people we should.

## 25. Talent needs a platform.

26. Young, emerging musicians need live performance experience to sharpen their skills or to realise that this life is not for them. It is this stage that music becomes a business- either a full-time career or a part-time portfolio activity and this is where other forms of talent development come in.
27. For most musicians the business model is to endure penury until achieving commercial success. In the pop world the penury last longer than others but the financial rewards are enormous. In jazz and folk it's often easier to make what Dai Davies calls a "cottage-industry" - earning slightly less than a teacher if one is lucky. This is where the majority of development happens, often because at this stage it's easier to identify fewer committed musicians where "success" is easier to measure.
28. This is the picture for Wales and indeed for much of the world. We at trac have over twenty years of supporting Welsh musicians internationally and have a wider overview of industry norms, especially in "minority" musics - World, Folk, Traditional, Roots. Perhaps where we differ more from the rest of the world is how we see ourselves. We are a small country and have always traded our creative talents internationally. We have no internal audience market to sustain living as a professional musician in Wales without state support and seem unable or unwilling to make large-scale strategic decisions for ourselves without having to make linkages and partnerships within the rest of the UK. Which means we don't have a settled view of what our music industry is for.
29. We have a very poorly developed creative industries sector. The UK measures £92,000,000,000 annual turnover for the creative industries and Wales can measure £825,000,000. A strict proportional divide of those figures should show a sector of £4.2 billion. Even if we allow half of the UK figure to go to London as an international creative capital we should see a Wales-based sector of £2,000,000,000.
30. This is important because we need to decide as a country what we want our live music sector to be and then we need to identify how best to achieve that. We see a mixture of skills training, business development and international trade as essential but partnered with audience and infrastructure development as the way forward. But that has to begin with identifying young people with musical talent and making it easier for them to develop into the best musicians they can be.
31. There are obvious barriers, largely based around funding agencies, organisations and the education sector to invest in that development. But there are others such as current 14-18 educational barriers. Very few people can stand up in front of an audience of strangers and give a performance worthy of a £15.00 ticket but we can guarantee there will be fewer in the future if careers advice in school lists music and any of the arts as "the easy option". Of all the young people we know who sing, dance and perform we see a barrier, enforced by schools at the age of 14. As a young man, our director did 8 O'Levels. This was a lot and only given to those pupils who were set to go on to University. His daughter was made to take 11 and "volunteered" to take an extra two. There is not enough time for a teenager to sing or practise an instrument if she has to work at school and at homework for at least twelve hours a day. This drop off is reported in youthclubs, dance groups, community arts groups and informal music-making societies. If we are to have a pathway that supports our young musicians and encourages them to want careers in music, we have to address this as a matter of urgency.

## The viability of the traditional Welsh music scene, and any particular issues in this area;

32. Gustav Mahler said, "Traditional music involves passing on the flame, not worshipping the ashes".
33. Trac's Mission is "We believe that Wales' traditional arts are a foundation stone in our nation's identity. Our music, song, cerdd dant, dance, and storytelling carry and express our distinctive history, languages, culture and way of life. These creative forms are an integral part of our culture, the values and emotions they express bind us together."
34. Saunders Lewis said: "O'r tu mewn i draddodiad cadarn y blagura newyddwch." - New shoots spring from within a strong tradition.
35. In April 2019 Wales celebrated its first ever Gwobrau Gwerin Cymru : Wales Folk Awards facilitated by a partnership between trac, the national development agency for traditional music, Arts Council Wales, BBC Radio Wales, BBC Radio Cymru and British Council Wales. The inaugural event was attended by over 300 people and recorded for broadcast.
36. This represents a tremendous achievement and in one sense validates nearly twenty years of constant engagement all over Wales. Tracing our engagement using figures submitted to ACW's activity reports and very roughly aggregated we can see that in 2011/12 we supported 0 performances and by the end of 2016/17 we had supported 736 performance events with a total audience attendance of 122,978. Similarly we have helped over 22,000 people engage in 860 workshops. A handy infographic from ACW showed that in 2016 we'd supported 90% of all Welsh language music events that ACW invest in and delivered 25% of all music volunteering training. These are snapshot figures but it does demonstrate that there is measurable music activity and with the exception of one CD (10 Mewn Bws) made in partnership with Sain, this is all activity delivered through live music making. This is an overview of some of our work in this field.
37. However our remit is solely the traditional or indigenous music of Wales. We take a very broad description of that activity but others will include "folk", gwerin, traditional british music, European music, acoustic music, roots music from around the world and more. All of this music is related to each other and crosses genres naturally
38. We know of 172 venues that put on folk events, an average of 32 traditional music events per month and around 30 festivals in Wales who programme traditional Welsh music. We have listings in our directory for 115 acts who self identify as Welsh traditional in both English and Welsh. In our international work we are talking to businesses and organisations in Australia, Canada, US, EU and further afield who are all interested in taking our artists and when we are part of wider Welsh strategic initiatives our open calls for expressions of interest generate 40 plus export ready applications. Which is not bad for a country with a population the size of Rome.

## 39. What is traditional music and what is the scene?

40. Our traditional music sector and our traditional music scene are two different things. The first is a broad descriptor that includes amateur, social and professional activity and the second describes live music gigs. This is worth pointing out because the question examines the “viability” which rather implies a further question, “viable for what?”.
41. A musical tradition is an abstract concept. It is shorthand for a chain of musical decisions taken over generations that give us a commonly owned resource unique to us. Because traditional music is stewarded from one generation to the next, passed one person to another like a rugby ball, it naturally compresses itself. Each generation discards what is not relevant and re-makes new music to pass on to another generation giving us a collectively interpreted canon of work that has marked the lived experience of all the generations who come before us. In Wales there are songs, song forms, instruments and more that are particular to our people, but every culture has its own traditions. And if we trace it back far enough we will see that they will all meet in the same way that our languages share an evolutionary “tree”.
42. We see the traditional Welsh music scene as a symptom of a healthy amateur and semi-professional sector. The scene is a new concept. Until the folk revival of the 1960s there was no such thing as a traditional scene. There was just what we did. It was amateur and social. With the advent of mass communication, record industry, leisure time and disposable incomes, the music industry branched out beginning in the US with jazz and country music and through contact with our sailors in the UK and Ireland. That trademark image of a session in a bar in the west of Ireland developed in the Irish pubs of Kilburn by lonely and disconnected Irish builders in the 1950s. The folk clubs became the homes where traditional music changed from an entirely social activity into a professional artform. And this developed in Wales in the 1970s and 1980s. The time lag in domestic development is explained by two factors. The first is that “mainstream” musicians and promoters historically moved to London where the work is. The second is that the Welsh language “scene” was entirely self-contained. S4C stimulated the ability to exploit Welsh language IP, which in turn created businesses to work on this and stimulated a domestic market of musicians and writers and generated an audience for Welsh language product in folk festivals which until then had been closely identified with Irish, English and some European music. The folk clubs that had been dominated by UK folk traditions and Americana in turn became welcoming places for our traditional music and there was a flowering, largely stimulated by trac, of amateur traditional music making outside the Welsh speaking communities. And as new generations became involved in our traditions they brought contemporary music business practises into our cultural remit. The final changes to the Welsh traditional music scene were twofold: a generation of young musicians who wanted the same right to aspire to a professional career and the changes to how PRS paid royalties to Welsh broadcasters which forced an internal market to actively seek new markets outside Wales.
43. In 1974 Wales had three professional folk musicians playing traditional Welsh music. Now that number is over 100 with a further 300 working in the roots and folk scene with an overt relationship to our traditions.

44. But as a “scene” it is both beautifully strong with individuals and threatened by the same factors that other live music areas face-
- a. venues closing because of high rents or developers hollowing out cities and villages
  - b. a change in the way the public consume music out-pacing the old business models to react to it
  - c. the “noise” of mass-market music product backed by large capital taking our public’s capacity to encounter our traditions
  - d. Cuts in music education and music-making opportunities for our non-middle class young people
  - e. Wages for musicians have not risen in over 15 years.
45. Where there is growth is in our younger population who do not make distinctions between genres in the way previous generations have done. My daughter listens to traditional Welsh music, 1950 jazz torch songs, contemporary singer-songwriters, 1970s glam rock and modern indie music. When there’s a trad welsh band on her Spotify list she tells me but she’ll also tell me when she hears Etta James and Leonard Cohen. Contemporary traditional music is programmed at acoustic nights, storytelling festivals and increasingly in England as well as across the globe.

## 46. Some questions

47. Is this a viable sector to invest in, in terms of unique cultural identity?
- a. It is the only musical art-form unique to Wales and Cymru. If our aim is a thriving cultural Wales with a thriving Welsh language it would be impossible to deliver this without investing in both the amateur and professional traditional Welsh language sector.
48. Is this a viable business area to invest in?
- a. We need to sell Welsh cultural product to create incomes for Welsh citizens. We’ll need some work in building a strategy if we do not make this the agreed responsibility of trac as the expert organisation and the only organisation that has the health of our traditions written into its constitutional remit.
49. Is this a scene that enriches our lives, makes Wales a more attractive place to live and work in?
- a. If we look at Canada we see that the Federal government invests heavily in its music sector for instrumental, intrinsic and institutional merit and the Provincial governments all invest over and above what the state invests in their traditional arts specifically for that reason.
50. Do the Welsh traditions reward investment?
- a. The partnership with Eisteddfod Genedlaethol, Tŷ Gwerin, draws audiences of over 8,000 and similar numbers at the festival Interceltique in Lorient.
  - b. If we want to use our traditions as part of the mix to create 1,000,000 Welsh speakers who are comfortable and proud to speak our indigenous language. If we want to create a unique business sector as they have in Brittany, Estonia, Quebec, Catalonia, Euskadi, that we can use as cultural diplomacy and an income stream for our musicians.

51. But is it a stand-alone “viable” business that can be left to its own devices?
- No business is.
52. What can make a difference?
- Investment, not just relatively small amounts of money but of willpower and understanding
  - An agreed strategy for Welsh traditional music involving all the stakeholders of Wales led by the sector and its expert representatives.
  - A national music centre with a residential training capacity would make an enormous difference.
  - A strategy for live music as part of a music industry strategy for Wales within which the Welsh traditional music sector can work and a framework that is mutually understood.
53. What will prevent growth?
- Allowing the current music provision in Wales to slowly shrink as part of an austerity agenda
  - Assuming that what works in London ( an international music business capital) can be scaled to fit Wales

## The viability of the festival sector, and any particular issues in this area.

54. There are no festivals in Wales any more that focus exclusively on the traditional music of Wales. There are community festivals that programme Welsh music and some greenfield festivals like the Green Man where traditional Welsh music is a very small part of a wider cultural celebration. Gower Folk Festival, Tredegar House Folk Festival and one or two others programme “folk” music. Focus Wales and trac have entered into a formal partnership to ensure our traditions are represented at Wales’ rapidly growing showcase event. Two of the Mentrau Iaith have used the new community music festival fund to host small weekend events focusing exclusively on Welsh traditional music but the dynamic that supports folk festivals has run out of steam. Many of the organisers are now in their seventies and no longer have the energy. Insurance and compliance for small festivals is toxically expensive and the large Festival conglomerates have emulated the supermarkets and choked the smaller independent festivals out of the mainstream. In 2012 the Association of Festival Organisers conference reported that there were 300 folk festivals with a combined turnover of £112,000,000 of the 750 licenced outdoor events in England. We should have been able to identify a sector in Wales of around £4,000,000 but we could not. Compare this to 1996 when the organisation Festivals of Wales had 110 members and the Cymdeithas Eisteddfodau Fychain had another 103.
55. This is not a complaint but an observation. It marks changes to the wider UK music industry. A shift in the music buying public and a generational shift away from music genre-specific labelling. VRï, one of Wales’ newest folk bands performed in one weekend at Festival of Discovery on Ynys Môn and at Gwyl Gregynog - a mid-Wales classical music festival. The green field events that developed in the 1960s and 1970s reflected a generic music event which has now been consolidated into the giant festivals in the UK - Glastonbury, V, Bestival, Latitude etc. A new range of festivals is growing behind them. Small, micro-themed and deliberately limited in numbers. In Wales they model themselves on Sŵn and Focus Wales. Multi venue events offering

- a. a huge range of acts with smaller headliners reflecting the majority of the music talent we have
  - b. Actively making international linkages and
  - c. bringing in reciprocal showcase/promotional programming.
56. It is far healthier in terms of accessibility and a more representative content package. Where they suffer are in their ability to pay artists properly (i.e. more than £50 per band with no overnight or travel expenses). They are also tremendously competitive in a way we do not see in other territories. Fees are secret in the UK- in the EU fees are common knowledge. In rural parts of the world festivals engage in joint booking operations to share travel costs for artists. They do not have 360 financial packages involving proper sponsorship as a rule, nor do they have common working practises in H&S, environmental impact as a sector.
57. In many cases this is because of the risk of putting them on. The risk of bringing WOMAD to Swansea as part of the City of Culture bid was £300,000. Who bore that risk and who benefited from surpluses and profits was the sticking point. Why is this a factor? Because in Wales we have less disposable income per head than in other parts of the UK. A week ticket for the Eisteddfod is £150, less than the price for a large English weekend festival. Festivals are expensive to put on and if the risk is left to market forces it will discourage promoters from attempting anything large. So it creates a damping effect on festivals aimed at local audiences. A festival profit/surplus margin is around 2% so in order to bring in audiences it has to aim at outside audiences who have a higher disposable income. But that skews the programming away from domestic content to UK and international content. On its own that is no bad thing, festivals are one of the few places that musicians meet each other and see performers from other territories. But it depresses the value of Welsh musicians to the festival. They become important but unneeded to sell tickets. So their fees are lower. Which means that they are less valuable to Welsh acts. Unless the festival is like Focus Wales, where the brand is the value and the brand is a chance to see local bands in an international context.
58. So gain the question of viability raises the further point “viable for what?”
59. Do they enrich our culture? Yes
60. Should we have more of them rather than fewer? If the above is true, then yes.
61. Can they exist without public investment? Yes, but there’ll be fewer of them and they’ll be less interesting.
62. What can make a difference?
- a. Developing a backend culture of best practise to make them more effective and reduce their environmental impact.
  - b. Develop a culture of paying musicians properly and charging appropriately
  - c. Develop a festival specific audience database for marketing purposes
  - d. Develop a rolling programme of investment and loans- loss guarantees, clawback on grants if they become profitable.

# Agenda Item 6.1

Yr Arglywydd Elis Thomas AC/AM  
Y Dirprwy Weinidog Diwylliant, Chwaraeon a Thwristiaeth  
Deputy Minister for Culture, Sport and Tourism



Llywodraeth Cymru  
Welsh Government

Nick Ramsay, AM  
Chair – Public Accounts Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

23 December 2019

Dear Chair,

## **PUBLIC ACCOUNTS COMMITTEE REPORT ON THE WELSH GOVERNMENT'S RELATIONSHIP WITH PINWOOD – Updates on Media Investment Budget and Pinewood Studios**

In the Welsh Government response to the report on the Welsh Government's relationship with Pinewood, we committed to providing an update on both the Media Investment Fund's performance, and financial performance and income projections for Pinewood Studios in December 2019.

I have pleasure in enclosing these updates for your consideration.

This letter is being copied to the Culture, Welsh Language and Communications Committee, in advance of my appearance at the Culture, Sport and Tourism draft budget session.

Yours sincerely,

**Yr Arglywydd Elis-Thomas AC/AM**  
Y Dirprwy Weinidog Diwylliant, Chwaraeon a Thwristiaeth  
Deputy Minister for Culture, Sport and Tourism

CC: Culture, Welsh Language and Communications Committee

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

## UPDATES FOR PUBLIC ACCOUNTS COMMITTEE

Update on the Media Investment Fund's performance (response to recommendation 2 of the Public Accounts Committee report on the Welsh Government's relationship with Pinewood) – Figures as at November 2019

Project	Investment Value £m	Amount recouped £m	Net Gain / (Loss) to date £m	Welsh spend to date £m
<b>Under Pinewood Management</b>				
Take Down	3.144	1.113	(2.031)	1.089
Their Finest	2.000	2.050	0.050	1.618
The Collection	1.750 <sup>1</sup>	0.250	(1.500)	5.187
Show Dogs	1.566 <sup>2</sup>	0	(1.566)	4.338
Journey's End	0.850	0.631	(0.219)	0.903
Don't Knock Twice <sup>3</sup>	0.630	0.612	(0.0186)	0.641
Minotaur	0.026	0	(0.026)	N/A <sup>4</sup>
Lionel the First	0.025	0	(0.025)	N/A <sup>5</sup>
<b>Total</b>	<b>9.991</b>	<b>4.656</b>	<b>(5.335)</b>	<b>13.776</b>
<b>Under Welsh Government Management</b>				
Trampires <sup>6</sup>	2.000	0	(2.000)	1.621
Eternal Beauty	1.050	0.770	(0.280)	1.255
Bang	0.350	0	(0.350)	2.562
Tiny Rebel	0.318	0	(0.318)	0.260
Goose Green	0.025	0	(0.025)	N/A <sup>7</sup>
Almost Never (formerly True Believers) <sup>8</sup>	0.622	0	(0.622)	2.118
Six Minutes To Midnight <sup>9</sup>	0.750	0.075	(0.675)	3.520
<b>Total</b>	<b>5.115</b>	<b>0.845</b>	<b>(4.270)</b>	<b>11.336</b>
<b>Overall Total</b>	<b>15.106</b>	<b>5.501</b>	<b>(9.605)</b>	<b>25.112</b>

<sup>1</sup> The investment value includes £600,000 of grant funding from the Media Investment Budget

<sup>2</sup> The investment value includes £362,000 of grant funding from the Media Investment Budget

<sup>3</sup> Don't Knock Twice also received £75,000 of grant funding under the Welsh Government's Business Finance scheme.

<sup>4</sup> Development funding does not include a Welsh Spend commitment

<sup>5</sup> Development funding does not include a Welsh Spend commitment

<sup>6</sup> Trampires also received £652,572 of grant funding under the Welsh Government's Business Finance scheme.

<sup>7</sup> Development funding does not include a Welsh Spend commitment

<sup>8</sup> In production or production has only recently completed.

<sup>9</sup> In production or production has only recently completed.

## UPDATES FOR PUBLIC ACCOUNTS COMMITTEE

### Update on financial performance and income projections for Pinewood Studios (response to recommendation 6 of the Public Accounts Committee report on the Welsh Government's relationship with Pinewood)

	FY 2017/18 (Starts 1 Nov 2017)	FY 2018/19	FY 2019/20	2020/21
Income from primary tenants ex VAT	-	£379,382~	£1,247,000*	£1,247,000*
Income from media hub tenants ex VAT	-	-	£87,468*	£87,468*
TOTAL		£379,382	£1,334,468	£1,334,468
Running costs ^	£588,199	£1,176,398	£1,096,000	£898,398
Operational profit & loss	<b>-£588,199</b>	<b>-£797,016</b>	£238,468	£436,070

(~) this is an aggregated figure consisting of all income from the studio rentals up to March 2019

(\*) projected figures, a rent review is due in January

(^) an ongoing reconciliation of utility billing and rebilling at site is underway and there may be some further downward adjustments following completion in March 2020.

#### Comments:

Running costs decreased in 2019/20 due to planned adjustment figures received from Pinewood relating to operational costs.

Projected running costs for 2020/21 are based on the studio transferring to WG management.

Primary tenant agreements are not yet confirmed for 2020/21 onwards.

Ein cyf/Our ref MA/DET/5884/19

Bethan Sayed AM  
Chair  
Culture, Welsh Language and Communications Committee  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

06 January 2020

## **CULTURE, WELSH LANGUAGE AND COMMUNICATIONS COMMITTEE - UPDATE ON THE ARTS AND CREATIVE INDUSTRIES PORTFOLIO**

Thank you for your letter of 5 December requesting an update on the Arts and Creative Industries portfolio before the budget scrutiny session in January 2020.

I will answer your questions in the order in which you have raised them in your letter.

### **Creative Wales**

Gerwyn Evans has been appointed as Deputy Director, Creative Wales following an extensive recruitment exercise across the civil service, to lead the Creative Wales team. Gerwyn, formerly Head of Tourism Development in Welsh Government (WG), brings with him over 18 years' experience of policy development and strategic delivery.

The intention is to publicise and formally seek nominees for a Chair and a small number of members for the Creative Wales Board alongside the launch. The Board will comprise an external Chair, a small number of external members, Director, Culture, Sport and Tourism, WG and Deputy Director, Creative Wales, WG.

We will be seeking applications for a Chair and Members with experience of the commercial creative industries in Wales, insight into the issues facing the industry and ideas for growing the sector. In appointing individuals to the Board, consideration will be given to ensuring broad and diverse membership, representative of the sector in Wales.

The Creative Wales launch, originally scheduled for November 2019, was postponed as a result of the pre-election period. This is in line with the Welsh Government's position on other key announcements, including the International Strategy, which has also been postponed until the New Year. The intention is now to launch Creative Wales at 6:15pm on 29 January 2020 at the Creative and Cultural Skills Wales Awards ceremony at the Cardiff

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

& Vale College, City Centre Campus, Dumballs Road, Cardiff, CF10 5FE. I would very much like you to be present as Chair of the Culture, Welsh Language and Communications Committee, and as such, extend this formal invitation to you to attend the launch event.

### **National Contemporary Art Gallery for Wales**

The Contemporary Art Steering Group is now developing a business plan that will outline investment to deliver a distributed contemporary art offer across Wales. As you will be aware, this was a key recommendation in the feasibility report published in July 2018: <https://gov.wales/sites/default/files/publications/2019-08/national-contemporary-art-gallery-wales-preliminary-feasibility-study-and-options-appraisal.pdf>. It will ensure everyone in Wales has access to our national contemporary art collections and will include investment in our existing excellent network of art galleries and museums. This will deliver an innovative and inclusive approach to contemporary art in Wales. I will provide a fuller update shortly, including on funding to take forward the next stage of this work.

### **Skills investment in the film industry in Wales and update on Pinewood Studios management**

At the end of October we announced that Welsh Government and Pinewood would be parting ways on the studio facility in Wentloog at the end of March. We are currently considering future options for the site from April onwards and will provide a further update to the Committee when a decision has been made.

Since April 2019 the studio has been at full occupancy, with Bad Wolf being the majority tenant alongside the smaller media hub companies. Accordingly, the studio is due to make an operational profit of around £200k this financial year (this sum may vary following adjustments on variable costs such as utilities and back billing for certain charges).

We recognise that in order to maintain and promote further growth in the screen industry in Wales, we must prioritise support for developing industry skills and improving the talent pathway. A key pillar of activity for Creative Wales will be supporting skills development and progression, including establishing a strong entry route and pathway for future talent.

We will be working with our partners and key stakeholders to develop a range of actions, to invest in skills development and ensure a vibrant and sustainable future for the industry in Wales. We are establishing a skills stakeholder group. This will meet for the first time on 15<sup>th</sup> January 2020, and will provide an opportunity for the industry to inform our future skills strategy.

No formal application for skills funding has been received from Wolf Studios Wales. We are in discussion with Wales Screen Alliance, and a number of our other stakeholders, on initiatives to address skills issues in the short, medium and longer term from across the creative industries sector. Our intention is to consider proposals in a holistic way, to maximise the funding available and to ensure projects complement and build on existing provision internally and externally. Our aim is to support projects that meet needs across a range of sectors, including music and creative digital.

Funding will be targeted at gaps in support with the aim of realising the greatest benefit for the whole of the creative industries in Wales, working inside and outside of Government to shape activity in line with the needs of the sector.

## Survey of Music Venues in Wales

The following response to these questions was provided to the Committee in early December 2019:

*The research study to map grassroots music venues in Wales was formally commissioned by Welsh Government in April 2019. The purpose of the study is to provide Welsh Government with accurate evidence of the complex issues that exist for grassroots music venues, in order for Welsh Government (Creative Wales) to develop appropriate initiatives to support them.*

*Following a four week open tender public procurement process advertised via Sell2Wales, the research study to map grassroots music venues in Wales was awarded to Landsker Business Solutions in June 2019. Landsker Business Solutions formally began the research over the summer period. They are continuing to engage with grassroots music venues in order to gather the data required to produce their final report and the associated map of grassroots music venues in Wales. As this work is ongoing we are not yet able to confirm the total number of venues contacted and who they are.*

*The mapping exercise (data gathering) is expected to conclude by the end of the year.*

*A [press release](#) was issued to publicise the research study on 27 July 2019. Additional publicity about the study was shared via relevant social media channels belonging to Welsh Government and our partners. Key stakeholders within the music industry were also informed, in order for introductions to be made between them and Landsker Business Solutions to aid the research study.*

*On delivery of the final report, Welsh Government officials will arrange to meet with representatives of Music Venues Trust to discuss the report's findings. Advice will then be provided to Ministers about the report and any recommendations made within it.*

The mapping exercise has now been completed, and officials will be reviewing the report. We note the concerns raised that some venue owners do not appear to have been approached. Supporting and growing the music industry, including grassroots venues, is a key priority for Creative Wales, and this research will be an important component of our evidence base. We will be considering the robustness and completeness of the exercise as part of our review. We will update the Committee on our findings, and any action we are taking should there be an issue with the way in which the exercise has been carried out.

I trust you will find this response useful.

Yours sincerely,



**Yr Arglwydd Elis-Thomas AC/AM**  
Deputy Minister for Culture, Sport and Tourism