

# Agenda – Culture, Communications, Welsh Language, Sport, and International Relations Committee

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Meeting Venue:

Committee Room 4

Meeting date: 26 October 2022

Meeting time: 09.30

For further information contact:

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Committee Clerk

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## Pre-meeting briefing: Creative Wales

(09.00 – 09.25)

## Pre-meeting registration and briefing

(09.25 – 09.30)

### 1 Introductions, apologies and substitutions – Culture, Communications, Welsh Language, Sport, and International Relations Committee

(09.30)

### 2 Challenges facing the creative industry workforce: Evidence session with academics

(09.30 – 10.30)

(Pages 1 – 15)

Professor Justin Lewis, Professor of Communication and Creative Industries, Cardiff University

Tom Ware, Associate Dean, Media Transformation and Partnerships, Faculty of Business and Creative Industries, University of South Wales

Attached Documents:

Research brief

Written evidence from Media Cymru

## Break

(10.30 – 10.40)



**Senedd Cymru**  
**Welsh Parliament**

### **3 Challenges facing the creative industry workforce: Evidence session with arts and culture organisations**

(10.40 – 11.40)

(Pages 16 – 37)

Dafydd Rhys, Chief Executive Officer, Arts Council of Wales

Gillian Mitchell, Chief Executive Officer, National Youth Arts Wales

Clara Cullen, Venue Support Manager, Music Venue Trust

Attached Documents:

Written evidence from Arts Council of Wales

Written evidence from National Youth Arts Wales

Music Venue Trust

### **4 Papers to note**

#### **4.1 Letter to Deputy Minister for Arts and Sport, and Chief Whip, regarding Creative Wales briefing**

(Pages 38 – 39)

Attached Documents:

Letter to Deputy Minister for Arts and Sport, and Chief Whip, regarding Creative Wales briefing

#### **4.2 Letter to Business Committee regarding the timetable for the Northern Ireland Protocol LCM**

(Pages 40 – 41)

Attached Documents:

Letter to Business Committee regarding the timetable for the Northern Ireland Protocol LCM

#### **4.3 Letter from the Countryside Alliance regarding urgent inquiry into the sale and purchase of agricultural land sold in Wales for tree planting to companies**

(Pages 42 – 43)

Attached Documents:

Letter from the Countryside Alliance regarding urgent inquiry into the sale and purchase of agricultural land sold in Wales for tree planting to companies

- 4.4 Letter from Chair of Legislation, Justice and Constitution Committee on Second Additional Protocol to the Council of Europe Convention on Cybercrime**

(Pages 44 – 49)

Attached Documents:

Letter from Chair of Legislation, Justice and Constitution Committee on Second Additional Protocol to the Council of Europe Convention on Cybercrime

- 5 Motion under Standing Order 17.42 to resolve to exclude the public from the remainder of the meeting**  
(11.40)

- 6 Private debrief**  
(11.40 – 11.50)

- 7 Legislative Consent Memorandum on Northern Ireland Protocol Bill: consideration of draft report**  
(11.50 – 12.00)

(Pages 50 – 78)

Attached Documents:

Legal Advice Note

Draft report

- 8 House of Lords' European Affairs Committee: consideration of draft response**  
(12.00 – 12.05)

(Pages 79 – 86)

Attached Documents:

Draft response

## **9 Report on increasing costs: consideration of draft report**

(12.05 – 12.20)

(Pages 87 – 106)

Attached Documents:

Draft report

## **10 Consideration of draft correspondence**

(12.20 – 12.30)

(Pages 107 – 109)

Attached Documents:

Draft letter to First Minister following scrutiny of International Relations

Draft letter to Deputy Minister for Arts and Sport, and Chief Whip on the Welsh Government's cultural strategy

## **11 International Affairs Monitoring Report: to note**

(12.30)

(Pages 110 – 115)

Attached Documents:

International Monitoring Report Issue 1 – May–September 2022

Document is Restricted

Response to Senedd Enquiry from Media Cymru

[Media Cymru](#) is a collaboration to accelerate growth in Cardiff Capital Region's (CCR) media sector, making it a global hub for innovation. Media Cymru brings together 23 organisations from across Wales, including education, broadcasting, technology, media production and local leadership partners to drive inclusive, sustainable economic growth in the screen industries by addressing future skills needs, increasing job opportunities and creating more innovative companies. Consortium members include: BBC, Cardiff Metropolitan University, Cardiff University, Ffilm Cymru Wales, S4C, University of South Wales, and Welsh Government.

As part of this five-year, Strength in Places Fund programme we are undertaking significant and in-depth research into the future development of the screen workforce in Wales, with our focus specifically on skills, training and innovation. Our research aims to provide new knowledge and evidence into needs of the media sector as part of the creative industries in Wales and impact policy. In October 2022, Media Cymru will launch our first annual pan-Wales Screen Industries Workforce Survey, conducted by our academic researchers at USW's [Centre for the Study of Media and Culture in Small Nations](#) who have previously authored surveys on the Film, TV and Games industries for Clwstwr and Creative Wales.

Our response to this Enquiry:

Media Cymru's focus is specific to the screen industries in Wales - which we include under Wallis and Van Raalte's categorisation as: Film, Unscripted TV, High-end TV, Children's TV, VFX, Animation and Games - so we have confined our responses, evidence and recommendations to this enquiry to this subsector of the creative industries. In our [Creative Industries Report](#) we found that in 2019 the creative industries employed more than 42,200 employees in Wales, roughly 3% of total employment, with more than 20% of these being employed in the Film, TV, Video, Radio and Photography sector (about 9,000). The sector is highly agglomerated in the CCR. Data from our more recent [Report](#) shows that between 2005 and 2018, the number of firms in film/TV production grew by 79% in the CCR. All our recommendations can also be applied to the creative industries workforce generally.

Our [key recommendation](#) is that we use the opportunity of this enquiry's coincidence with the launch of our annual **Wales Screen Workforce Survey** (October 2022) which aims to empirically evidence all of the issues outlined below and provide a basis for effective future Government-supported policy, skills and training strategies in Wales.

Our [other recommendations](#), responding to the specific questions posed by the Enquiry, are:

1. [What is the current health of the sector's workforce, including the impacts of the pandemic, Brexit and cost of living crisis? Have workers left the sector, and what impact has this had?](#)

Career opportunities for creative industries workers in Wales in 2022 are unprecedented. A boom in production, largely fuelled by COVID-19 recovery and the demands of high end (HETV) drama commissions for streaming video-on-demand services like Netflix and Amazon Prime, plus a general talent shortage, is placing high demands on the workforce of the screen sector across the UK in 2022, and Wales is at the forefront of this. There remains a significant demand for skilled labour across the UK screen industries, with the [BFI Skills Review](#) (June 2022) predicting a potential additional 20,000

new jobs required within the next five years. However, the current levels of growth and investment into Wales, though significant, largely remain specific and short-term and this has so far not aligned to an effective skills and workforce strategy that can support both scripted and non-scripted content production. Our [Clwstwr Policy Brief](#) from 2020 showed that 4 out of 5 creative businesses in Wales are concerned about Brexit's impact and already experienced a decline in business.

Without a long-term vision for what the screen sector should look like, Wales risks failing to consolidate its recent gains in the face of global competition from other territories in Europe and worldwide that can couple fiscal incentives, such as tax relief, with coherent workforce development.

There is also significant new evidence that the perceived shortage of talent within the industry is driven in no small degree by the failure of the industry to provide development opportunities and a supportive working environment. The forthcoming Creative Industries [Policy and Evidence Centre \(PEC\)](#) Good Work Review, and Wallis and Van Raalte (2022) both suggest that this failure has more impact on the overall health and future efficiency of the workforce than the prevailing industry view that growth is being held back by a lack of entry level skills.

In 2021 we published Screen [Survey Wales](#), which partly mapped the impact of COVID-19 on the screen industries workforce. The research saw 55.6% of companies and 26.9% of freelancers surveyed list remote working as the main change to working patterns as a result of COVID-19. Significantly, 15.3% of freelancers listed longer working hours on set as a direct result of changes to working patterns to comply with COVID-19 safety measures, and as many as 66% of freelancers had contemplated leaving the industry due to concerns around mental health and wellbeing.

However, the long-term impact of COVID-19, Brexit and the current cost of living crisis have yet to be fully assessed. As we have noted previously, an [annual](#) screen sector Survey is urgently required to accurately map the changing workforce and its current skills and training needs, and to ensure that evidence underpinning any Government strategy remains current and reflects changing market conditions.

Any assessment of the current 'health' of the screen industries workforce must also incorporate a number of factors that have historically proved difficult to capture:

- (a) It remains difficult to truly map the size and scale of the screen industries workforce as a whole due to issues around self-identification and siloing. Through [Clwstwr's Creative Economy Atlas](#), we have tried to fill the data gap and further develop mapping exercises. Also Media Cymru has taken a holistic approach to the definition of the Wales 'screen industry', including video games, visual effects (VFX), animation and virtual production alongside scripted and unscripted TV and film, with the intention of creating an inclusive new database. This new database will be particularly relevant for crossover areas such as Virtual Production, Animation and VFX.
- (b) The contribution of freelancers to the screen industries in Wales remains hugely significant, representing more than 70% of the current workforce. Clearly their experiences, support and development needs must be better appreciated and should frame discussions on skills and training requirements. Our Wales Screen Industries Workforce Survey and further additional research will focus on ensuring we produce accurate and qualitative data that reflects the broader freelancer workforce experience.
- (c) There is also a need to look beyond the CCR for an accurate reflection of the whole nation's screen industry. The [Cultural Freelancers Report 2022](#) found that about 41% of cultural freelancers in Wales are located in rural areas, a pattern that cuts across different occupations. Though CCR is home to the majority of the screen sector workforce in Wales, there are two further significant Film and TV micro-clusters outside the CCR, in North-West Wales and South-West Wales ([Screen Survey Wales 2021](#)). The same is true

for video game development, with secondary clusters in Swansea and North-East Wales supplementing activity in the CCR ([Games Survey Wales 2021](#)). Media Cymru's research and our strategic skills and training interventions will take a **pan-Wales** approach that reflects the differing needs of these discrete clusters.

More generally, both the forthcoming PEC Good Work Review and Wallis and Van Raalte (2022) provide compelling evidence that a significant cultural change is required across the screen sector in general, in order to improve working hours and conditions, eliminate toxic behaviour, and strengthen the ability of the workforce to feel protected. In collaboration with partners including Creative Wales and Welsh Government, Media Cymru is committed to building an accurate evidence base which can drive systematic change in management and workplace practice, enhance opportunities for professional development and give the creative workforce a sufficient voice.

## 2. How financially stable is the sector and how suitable are pay and working conditions?

Though the sector is undergoing a period of unprecedented growth, it remains significantly less stable and more subject to the impact of major social and economic events (COVID-19, Brexit, cost-of-living) than other sectors of the economy. The [Cultural Freelancers Report 2021](#) found that 92% of freelancers indicated that their work has been negatively impacted by COVID-19, with half losing 80% of their work in 2021. A deeply embedded and dynamic freelance culture and lack of regulation/pay structures, the predominance of micro-SME companies in the production delivery pipeline, plus contractual short-termism and significant fluctuations in skills and labour requirements all add to this instability.

Not surprisingly, this instability has created huge variations in pay and working conditions, which recent events have only exacerbated. On the one side, talent shortages – even prior to cost-of-living inflation – have led to spiralling wage inflation in specific employment areas. At the same time, the pressure of heightened production and delivery deadlines has led to reports of excessive working hours, workplace bullying and challenging working conditions. A deeper understanding is clearly needed; this will be a key element of both Media Cymru's Wales Screen Industries Workforce Survey and our subsequent freelancer ethnographic research.

## 3. How equal, diverse and inclusive is the sector? How can this be improved?

In short, the sector is currently neither sufficiently equal, diverse or inclusive. The [Cultural Freelancers Report 2021](#) found that in Wales minorities and disadvantaged groups earn on average far less and also face barriers to support. Notable inequalities in gender balance across Wales endure, with only 38.4% of freelancers and sole traders identifying as female in 2021's Screen Survey Wales. Workers with identified disabilities are also poorly represented – only 5% of Screen Survey Wales responses were from individuals who identified as having a disability or long-term health condition. Even more concerning is that only 2.5% of the survey's responses were from those identifying as being from any non-white ethnic background.

The Media Cymru Wales Screen Industries Workforce Survey will look to provide a more granular set of industry demographics, as well as a consistent evidence base that can be updated annually. The aim is not only to capture the current landscape of diversity and inclusion, but to track significant broadcaster initiatives and the efficacy of these initiatives to effectively improve inequalities. There is also a need to assess the benefit of engaging the screen industry with the Government's *Cymraeg 2050 Welsh Language Strategy*, using interactive media and screen content to support the stated aim of reaching 1 million Welsh speakers by 2050.



Archaic and opaque recruitment methods are at the heart of this problem. We have previously highlighted how informal recruitment processes and short-termism have had a deleterious impact on fostering diversity and inclusivity, and also make it difficult for talent from lower socio-economic backgrounds to break into the industry.

Access to transport and mobility remain tangible impediments to those from lower socio-economic backgrounds joining the screen industries, especially at entry level. Film and TV production in particular is heavily reliant upon an efficient transport network and physical infrastructure. Creative clusters are located along the main routes in and out of Wales; the 'M4 corridor' for South Wales, but also the A55 between the North Wales screen cluster and the screen production hub in North-West England (Salford Quays). Several companies have noted that they have lost work to companies outside of Wales due to their proximity to the main arteries of the M4 and A55 (Screen Survey Wales 2021). Working with Ffilm Cymru, Media Cymru is also conducting research into the challenges posed by the (lack of) transport infrastructure to both companies and freelancers working across Wales.

Media Cymru will enable a long-term study of screen sector freelancers, charting career progression and pathways over multiple years. We will help generate a rich data set to better understand the structural elements in place that prevent greater diversity and inclusivity in Welsh screen work, in terms of ethnicity, gender identity, physical and neurological disabilities and socio-economic background. This long-term engagement will also help chart governmental and broadcaster initiatives and interventions to measure if they are successful in promoting positive, long-term change, and encourage the adoption of those that do as best practice.

#### 4. [How sufficient are skills and training opportunities? Are there gaps, and how should they be filled?](#)

There were numerous skills gaps impacting the screen industry pan-Wales highlighted by our survey in 2021. Among the roles identified by more than one respondent in Film and TV were a lack of editors, edit assistants, researchers and producers (Screen Survey Wales 2021). These continue to present significant challenges to the industry's growth and wellbeing now. There are a range of established education, skills and training providers already working within the sector and, as a response to the recent growth and skills shortages highlighted above, there have been a number of new skills and training initiatives aimed at addressing immediate talent needs.

However, there is also significant anecdotal evidence that there remains a lack of awareness and – crucially, a lack of capacity - among staff working in a demanding industry to identify and engage with these initiatives. Consequently their real and long-term impact remains limited. There is also a strong desire from leading companies within the sector to see investment in sustained medium and long-term skills development, rather than relying solely on short-term initiatives. The [2022 BFI Skills Review](#) noted that medium and long-term investment is seen by industry as vital in supporting both the private and publicly funded training sectors, but there remains a need for significant strategic investment to support innovation in areas that do not lend themselves to “quick wins”.

Media Cymru has a skills-focused research strand looking to inform forward-looking skills and innovation for continued screen sector growth. We are developing a broad-based strategy that will complement the numerous training initiatives already in place (Ffilm Cymru, ScreenSkills, HE/FE provision) with a commitment to effective, accredited and R&D-specific training programmes that reflect these longer term needs of the sector. These interventions will encourage entry level opportunities, but also focus on helping to sustain and nurture upskilling within the industry, and in generating and supporting new professional and business opportunities at its highest levels.

At entry level, improved careers information and guidance is needed that links the new Wales Expressive Arts curriculum to the range of screen industry careers and ensures a growth in entry-level talent. Students, parents and teachers can all benefit from an improved understanding of the different types of careers and pathways into the screen sector across Wales. Understanding and lowering barriers to entry is a foundational motivation for the Media Cymru programme. Targeted grassroots support for screen sector development is needed to enable Further Education, Higher Education, and industry to build accessible progression routes into sustainable screen careers in the region.

Within the industry itself there is a need to revise training, mentoring and upskilling opportunities to reflect the post COVID-19 realities of geographical and social diversity. When surveyed, 55.6% of companies listed remote working as the most significant change to working patterns in the screen sector over the past 18 months. But there remains a concern about how mentoring and shadowing can be meaningfully undertaken when people are not physically in the same space. Again, the effective way to assess this fluid and ever-changing structure is through an ongoing annual survey.

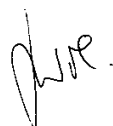
At the higher end, there remains a need to nurture and develop business leaders and promote intellectual property (IP) generation, supporting Wales-based companies to compete internationally. Based on the recommendations of the Screen Survey Wales 2021 report, tailored business skills development for Wales' screen sector SMEs will be a core element of Media Cymru's plan on skills and partnership with industry.

#### 5. What has been the impact of support from public bodies such as the Welsh Government, and is further support needed?

Over the last 5 years there has been a growing recognition that the screen industries can contribute significantly to the future success of the Welsh economy. Welsh Government initiatives including Creative Wales have put in place funding to support and strengthen existing companies, to maximise inward investment, and to develop skills and training funds that will help to nurture production talent. Comparisons with other national and regional support for the screen industries suggest that Wales status as a devolved nation provides considerable benefits by facilitating a more 'joined up' approach to connecting government funding, industry needs and skills and training funding. As Screen Survey Wales 2021 noted, the Wales Cultural Recovery Fund provided significant and effective support for both companies and (freelance) workers in the sector throughout the most difficult period of the pandemic, with a positive impact on the sector's ability to recover from the worst financial impacts of COVID-19.

However, Creative Wales' most effective work hitherto has been remedial and reactive. Long term and strategic government intervention, especially in the coordination of skills and training provision, is crucial. The new Creative Wales Action Plan should provide new focus for a coordinated and strategic basis for this support; a business without a strategy and direction is destined to fail.

There is now a great opportunity to utilise the current strength of the screen industries and the lessons learned from the pandemic to make significant interventions that will underpin our shared future success. Through the research we are undertaking and the skills and training initiatives we are developing, Media Cymru can make a major contribution to the long-term health and future success of the screen industries in Wales, and we will do everything we can to be effective partners going forward.



Tom Ware

On behalf of Media Cymru, supported by:

Justin Lewis (<https://www.cardiff.ac.uk/people/view/182947-lewis-justin>)

Sara Pepper (<https://www.cardiff.ac.uk/creative-economy/people/director-of-creative-economy>)

Marlen Komorowski (<https://www.cardiff.ac.uk/people/view/1585776->)

Kayleigh McLeod (<https://www.cardiff.ac.uk/creative-economy/people/creative-economy-project>)

Ruth McElroy (<https://www.bangor.ac.uk/staff/arts-culture-language/ruth-mcelroy-100071/en>)

Helen Davies (<https://staffdirectory.southwales.ac.uk/users/helen.davies1.html>)

James Davies (<https://staffdirectory.southwales.ac.uk/users/james.davies1.html>)

Richard Hurford (<https://staffdirectory.southwales.ac.uk/users/richard.hurford1.html>)

## What is the current health of the sector's workforce, including the impacts of the pandemic, Brexit and cost of living crisis? Have workers left the sector, and what impact has this had?

The Arts Council is one of the bodies that previously raised concerns with the Committee about the state of the cultural and creative workforce in Wales and we would wish to acknowledge our appreciation that this issue is now the subject of further inquiry.

We are aware of the significant issues raised in the Cultural Freelancers Wales January 22 report which highlighted the impact of COVID 19 on the freelance workforce in Wales. Our own survey data, which is drawn primarily from the organisations that are members of the Arts Portfolio Wales shows a slight improvement in the numbers of people employed by these 67 organisations, but the numbers remain less than those employed prior to the onset of the pandemic. In 2019/20 there were a total of 2,058 people employed, which reduced to 1,743 in 2020/21 and has returned to 1,934 at the end of the financial year 2021/22.

These figures do not include those creative and cultural practitioners working for these organisations as freelancers or on fixed term contracts. As the CFW report indicates and as our knowledge of the sector would also support, freelancers have been particularly hard hit by the impact of the Pandemic.

### Results of Cost of Living Survey

We have recently conducted a survey of the impact of the cost of living increases on the cultural sector. The survey received a total of 497 responses received in September prior to recent economic announcements by the UK Government. Of these:

- 40 were received from our Arts Portfolio Wales organisations
- 37 from other Arts Organisations
- 217 from Individuals Employed within the Arts Sector; and 203 from members of the general public

What is clear from the responses to the survey is that the impact of the cost of living pressures could have a significant negative impact on the cultural sector; a sector that is still, in many parts of Wales, recovering from a period of little or no activity during the two years of the Covid 19 Pandemic.

Many organisations do not have the earned income to help absorb further losses of revenue and manage increasing costs and have very small contingency budgets or reserves. Even in good times, many parts of the arts sector live a fragile existence.

The impact of rising prices is being felt across all the income streams relied upon by the arts sector - public funding, fundraising, box office, and earned income.

The costs of making productions in theatre and other sectors are 20-40% more than a year ago and the profitability of catering services that often fund so much else in theatres and venues is being hit by rising food and drink costs and the difficulty of passing on these costs to customers. Construction costs are also rising dramatically affecting building projects, and venues yet to open or re-open have the additional challenge of not being able to predict their future energy or operating costs with any certainty.

Audience attendances are 60% to 80% of pre-pandemic levels, bookings are last minute and there is growing evidence of increased price resistance with a greater take up of concessionary tickets and discount offers. Meanwhile, community arts organisations and venues are reporting on the basic needs of food and shelter of their participants and users and how this is impacting on how they respond and deliver their activities and services in and to our most deprived communities. The “rural premium” also undoubtedly adds to the impact on the arts and communities in many parts of Wales.

Touring companies are challenged by the increasing costs of fuel, logistics and accommodation and are seeking guarantees or fixed fees from theatres and venues. The increased costs and complexity of international touring and related fall in the demand for UK touring companies are also leaving their mark.

There will undoubtedly be independent arts companies and venues that will face closure without increased support, if, as predicted, the economy is heading for a long period of recession. Those maintained and supported as part of local authority provision or major universities may survive although will not be immune from significant change.

In the short term, we are receiving reports of action being planned or taken to raise prices; to reduce performances, exhibitions, community activity, touring, hours of operation, and workforce levels; to introduce new housekeeping regimes, pay as you can schemes, and pricing and payment schemes; and to seek longer term investment in improving energy efficiency and generation.

All the organisations we have canvassed remain committed to fair pay for their staff, artists and freelancers which is adding double digit increases to their people related costs.

## Arts and Cultural Organisations

In terms of the geographical spread of organisations that responded to the survey 20 out of the 22 Local authorities were represented.

56% of all organisations are either Very or Extremely worried about the impact of the increase in energy cost with just 1% stating they are not worried at all. Current energy budgets for these organisations range between £600 and £170,000 with the average budget being around £25,673. A number of organisations stated that energy bills were included in their rent, and some therefore expressed concern about potential rent increases to cover these costs in the future:

*‘Our energy bills are included into our studio lease and we know that the venue will be increasing their prices massively in April next year which we will struggle to pay.’*

29% of organisations stated they were currently on a fixed price contract, while 36% selected the ‘other’ option. Most who opted for ‘other’ did so because their energy costs were included within their rental agreements, or because they worked from home offices. Of the 18 organisations able to provide the remaining length of their fixed contract, 39% will end in 2023 leaving them with unknown energy costs. The survey results suggest that those organisations that are not on fixed term contracts expect their energy costs to double or triple. Around 18% of all organisations predict their energy costs could double in the future.

Other impacts reported by organisations were increases in cost of Petrol/Food/Drink. Donations to organisations have reduced, material costs have increased as well as an increase in artists and technical fees. Organisations are also starting to see some decreases in attendances to their activities.

In the last month over a half (56%) of organisations have seen an impact on their income which they relate directly to the cost of living crisis. 39% report an impact on ticket Sales, 19% on Café/Bar turnover and 18% on room and venue hire. Gallery and gift shop sales have also been hit.

*‘Our bar and catering sale on our last event were down by 23% and the cost of stock and supplies increased by almost 200%’*

*‘footfall 50% down on pre pandemic’*

*‘It's hard to divide the impact between cost of living and post pandemic effects currently.’*

*‘Ticket income had fallen significantly as audiences were smaller’*

33% of organisations predict that they can only sustain the increased costs for less than 6 months and over half (53%) are telling us that they will have to reduce their programme of work which will further reduce audience numbers and participants numbers. Almost 40% of organisations that responded stated that they will have to increase see ticket prices and just over a third, 35%, said that opening hours may have to be reduced.

Other potential impacts also highlighted were possible closure, working from home more often, reduced opening hours. reduced commissions for freelance artists, an increase in rural deprivation and a reduction in access to services.

## Feedback from Arts Portfolio Wales Organisations

48% of Arts Portfolio Wales organisations who are in receipt of ongoing support from us stated that they were either extremely worried or very worried about the current cost of living situation. A third were moderately worried. 28% of these organisations were on fixed energy contracts, 35% had an 'other' type of contract.

60% of these organisations reported their income during the last month had been impacted by the current increase in cost of living and 48% told us that they expected income from ticket sales to be impacted and just over a quarter predicted an impact on income from café/bars.

A third of those organisations whose energy bills were higher than in March 2022 felt they could sustain the increased cost for 1 year plus, while 20% felt they could sustain the current situation for up to 6 months and a further 20% for 6 months to a year.

60% of organisations felt one of the future impacts of increased energy bills would be a decrease in participatory activity, and 55% felt programming could be reduced, with 48% predicting increased ticket prices.

27% of the Arts Portfolio Wales organisations specifically referenced seeing an impact on ticket sales, with reductions in the numbers being sold already being noted. This in spite of ticket prices having been reduced. Changes in spending patterns are also being noted with tickets to mainstream, feel good events selling well, while lesser known 'risky' events not attracting sales. There were positive examples of organisations offering free tickets for events, but this is not sustainable in the longer term. Of particular concern is the sense coming from the organisations that it is those who are already worse off in society and being hit the hardest by the cost of living crisis who are now choosing not to attend arts events. This based on the fact that concession sales are being hit the hardest, while full price tickets continue to sell above targets.

## Feedback from Other Arts Organisations

These are arts organisations that are not members of the current Arts Portfolio Wales and which largely depend on lottery supported project funding. 65% of these organisations stated that they were either extremely worried or very worried about the current cost of living situation.

30% of these organisations had fixed priced energy contracts while one fifth were on variable rate contracts. A further 38% had an 'other' type of contract, the majority of these stated their energy costs were included within their rental costs. 51% of organisations reported that in the last month their organisations income had been impacted by the cost of living increases.

Of those organisations who reported an impact on income strands, 30% stated ticket income had been impacted while 19% stated room/venue hire and 'other' areas had been hit. Included within 'other' was a decrease in attendances and loss of freelancers.

Just under a half (46%) of organisations felt they could sustain the increases for between 1 to 6 months, while almost a third, (32%) of organisations believed their organisation could sustain the increases for 6 months to a year.

In terms of the future impact on the arts due to the increase in energy bills, 65% of organisations believed there would be a decrease in participatory activity, while half predicted a reduced programme.

## Feedback from Individuals

90% of all individuals responding to the survey would consider themselves to be an arts attender or participant. The majority of attenders who responded were based in Cardiff (43%).

70% of these individuals told us they plan to attend or participate less in arts activities due to the impact of the cost of living crisis. 45% of those expect they will both attend less than usual and spend less than usual.

59% expect to struggle to afford transportation highlighting this as a major issue. Some have mentioned that they plan to stick to local cultural activities and make use of free or discounted local transportation. However, that can prove to be an issue for those with specific access needs: *"I have a bus pass the problem occurs when I go to certain theatres or museums because of the distance from bus stops and I am unable now to get taxis"*

The majority of those expecting to struggle with transportation costs are between 35 to 64-years-old (69%). 71% stated that they expect to travel less to cultural venues and events.

## Individuals working in the Arts Sector

47% of the respondents who work in the arts told us that they earn between £10,000 and £24,999 a year.

57% of respondents working in the arts said they are unsure whether they will be able to carry on working in the arts with their current income in light of the cost of living increase. 14% stated that think they will not be able to carry on working in the arts.

In response to the energy bill question, respondents indicated that they expect their energy bills to increase from between 16% to 386%. The median increase is of 100%.



40% of these individuals told us they plan to cope with cost of living increases by seeking additional employment outside of the arts sector. As freelancers are an essential part of the arts economy, this will impact on the wider arts scene.

27% told us they plan to cut down on essentials such as food and other coping strategies mentioned included moving out of the capital to seek more affordable housing, reducing WFH and sharing workspaces.

*“I am in the process of looking for full time work outside the arts sector instead of continuing to be a freelancer as costs are so unstable and there are not enough opportunities.”*

## Responses from the general public

19% of respondents from the general public told us they used to be employed in the sector and had to leave. The reasons for this included uncertainty and precarious employment, redundancies, health and family obligations.

90% of individuals from the general public told us they expect the cost of living increase to impact their income negatively. 56% expect to struggle paying their energy bills and 89% told us they felt worse off financially at the time of completing the survey, compared to March 2022 (before the last cost of living increase).

Transport is clearly being identified as a concern affecting staff members, freelancers and visitors, all of whom are now struggling to pay transport costs. One organisation mentioned a large group of students cancelling their tickets due to transportation costs doubling. This is a particular concern for vulnerable groups and those living in rural, lower income areas where people are more car reliant.

## How financially stable is the sector and how suitable are pay and working conditions?

Organisations responded telling us that they are struggling to pay staff and freelancers in line with inflation. In addition, they are struggling to retain freelancers and essential arts practitioners who cannot afford to do the work or pay travel costs to get to work. They pointed out that salaried staff are working longer hours, doing more work than they are being paid for and facing cost of living challenges themselves. There is a clear picture emerging of organisations struggling to adhere to industry expectations around fair pay, which we expect from all organisations in receipt of funding from us, whilst ensuring the survival of the organisation.

18% of our Arts Portfolio Wales organisations expressed real concern about being able to maintain fair pay standards.

## How equal, diverse and inclusive is the sector? How can this be improved?

Data from our monitoring processes shows that our actions to improve equality and diversity across the sector are now having a positive impact. Our latest monitoring reports from the arts Portfolio Wales organisations show an increase in 2021/22 of 44% in the

number of people employed who are from culturally and ethnically diverse backgrounds and a 38% increase in the number of deaf or disabled people employed by these organisations. This is compared to the numbers employed in 2020/21. There was a 25% increase in the number of people employed who identify as LGBTQ and a 67% increase in the number of younger people being employed.

There has also been an increase in the number of individuals receiving Lottery grants from us who identify as being deaf or disabled or from a culturally and ethnically diverse background. A 10% increase in the former compared to the previous year.

The loss of local arts projects and venues across Wales will disproportionately impact on people with protected characteristics and people of a lower economic status. It is these communities that we and our arts organisations are prioritising through accessible and targeted programmes and projects across Wales and it is these communities that will be hardest hit by the cost of living crisis.

In recent times, there has been an across the board increase in the employment of people with protected characteristics in our Arts Portfolio Wales and 30% of all Arts Council of Wales's National Lottery awards are made to projects that targeted D/deaf and disabled people and 30% also targeted culturally and ethnically diverse participants. Well documented evidence suggests there is likely to be a marked impact on the health and well-being of individuals and communities across Wales if opportunities for participation in the arts are reduced, cannot be readily accessed, or become unaffordable.

Our widening engagement action plan, developed and being delivered in partnership with Amgueddfa Cymru, will continue to drive forward our ambitions and priorities for improving equity across the sector.

## **How sufficient are skills and training opportunities? Are there gaps, and how should they be filled?**

The response to our survey indicated that 40% of organisations are currently struggling to fill vacancies. The roles identified as being hardest to fill include full time Technicians (lighting/sound etc.), full time catering/ hospitality roles and full time Administrators.

69% of all organisations stated that there are skills and training gaps in the arts sector. When asked to identify the types of skills/training gaps, consistent messages came through in relation to Technicians, Funding and income generation skills, Marketing, Leadership / Management and social media.

Over a half of the individuals who responded (52%) who are working in the arts sector told us they feel they have sufficient skills and training opportunities. A further quarter (26%) were unsure and 22% felt they didn't have enough opportunities.

Of those individuals that felt they needed more skills and training opportunities, areas which they would like developed included CPD, paid for training opportunities for freelancers, business management, finance, social media, Disability training, sustainable management systems and leadership training.

We at the Arts Council welcomed the setting up of the Creative Skills Advisory Panel and were pleased to accept an invitation from Creative Wales to join. We also welcomed the launch of the Creative Skills Action Plan but we do have concerns that both the Plan and the associated funding focuses only on the part of the cultural and creative sector that sits within the remit of Creative Wales. Creative Wales and ourselves are aware that creative practitioners work across both sectors. Our regular conversations indicate that both sectors are experiencing similar shortages and gaps in terms of skills and experience. Our hope was that a joint skills plan would be developed to address the gaps across the sector as a whole. We would recommend that this be explored further

## **What has been the impact of support from public bodies such as the Welsh Government, and is further support needed?**

We have previously provided evidence that demonstrates the positive impact of both our own and Welsh Government's Covid support schemes. Without these, many arts and cultural organisations would have been lost.

75% of organisations that responded to our survey stated that they would welcome a COVID style government support scheme and 70% would welcome investment in sustainable energy. 66% supported a price cap for business and almost a quarter felt there was a need for temporary tax cuts. 80% of our Arts Portfolio Wales organisations stated their support for a Covid style government support scheme at this time. The clear message coming through from the sector was one of needing help to survive.

The majority of individual respondents also expressed support for additional measures such as price caps (75%), investment in sustainable energy (72%), and COVID-style government support (59%).

*“We need a COVID style grant for freelance artists to enable them and their families to survive this winter, or we’ll lose everyone to other sectors. For working class practitioners, the situation is so precarious that those of who made it through the challenges COVID brought us means we’re now re-examining whether we can continue all over again.”*

Managing our current Investment Review for decisions on new multi-year funding agreements from 1 April 2024 will be challenging for both Arts Council of Wales and the organisations applying for support. Many organisations which may wish to apply face the challenge of survival in the interim. Our grants programmes are not of a scale to meet this challenge.

Some arts venues are already considering whether they can respond to the impact on individuals and communities by offering themselves as “warms hubs”, but in many cases this will require them to find additional funds to provide this offer and related discounted food and beverages.

The crisis now facing the sector is as great as at any time over the last two years. The Cultural Recovery Fund provided a critical lifeline to the sector in Wales and the UK. Additional funding is now required to build upon that investment and ensure the longer-term sustainability of the arts infrastructure in Wales. Artists, makers, and freelancers will

need support and security that universal basic income or similar schemes to survive the impact of the looming crisis.

The detail of the UK Government's economic and fiscal interventions to ameliorate the impact of the energy crisis on businesses, and their benefit to the arts sector seem unlikely to benefit the medium to long term sustainability of many arts organisations.

**Arts Council of Wales**

**September 2022**

## About National Youth Arts Wales

1. National Youth Arts Wales is the national charity for young performers with talent and potential throughout Wales. Every year we work with hundreds of young actors, dancers and musicians aged 16 – 22, through exceptional training and performance opportunities in the arts.
2. Since its formation in 2017, NYAW has expanded its work beyond the six national youth ensembles, and now produces a variety of year-round development projects designed to improve access to high-level training. This includes Music Futures, Wales's first national mentoring scheme for indie, rock and pop musicians in schools; and Hard Côr, a new vocal collective made up of rappers, vocalists and beatboxers, most of whom don't traditionally engage with mainstream arts activities.
3. In the 2021-22 financial year, NYAW employed more than 200 freelance creatives in order to deliver its ambitious programme of work. These freelance creatives fulfilled a number of roles including instrumental tutors, directors, choreographers, composers, writers, conductors, workshop facilitators and welfare staff.
4. NYAW provides youth employment opportunities, including an annual Trainee Producers scheme, paid at the Real Living Wage, designed to help young people from lower-income families or from Global Majority communities to join the creative industries workforce.

### ***What is the current health of the sector's workforce, including the impacts of the pandemic, Brexit and cost of living crisis? Have workers left the sector, and what impact has this had?***

5. Over the last 2 years of the pandemic, NYAW has struggled to find experienced freelance staff to support our project and programme work. We believe that there are many reasons behind this.
6. Firstly, as a publicly-funded arts organisation, we struggle to compete with the wider creative industries when offering fees and salaries, particularly compared to the film and television industries.
7. Recruitment challenges have always existed in the cultural sector, however the Covid-19 pandemic has exacerbated this pattern – as the arts and youth arts sectors struggled with a substantial reduction in activity, and a slow return to in-person delivery. Film and television was generally able to keep going

during the pandemic, so may have seemed a more secure career choice for a majority of the freelance workforce.

8. The cultural sector is the training ground for many freelancers starting in the industry, particularly in technical roles, and arts organisations invest in developing talented technical staff. However, there is a “brain-drain” as technical staff leave the subsidised arts sector for better-paid roles in the film and television industry.
9. Over the past 2 years, we know that the industry has lost talent and knowledge due to staff leaving for other industries or redundancies. This is true of both freelancers and salaried staff. As Cultural Freelancers Wales have reported, it is those from under-represented groups that have been most at risk of leaving the sector, further undermining efforts to ensure an equitable and diverse cultural sector.
10. Recruitment for Welsh-language projects has been particularly challenging. We know that the bilingual creative workforce is in great demand at the moment, particularly due to a growing film/TV sector, alongside the perceived career stability and higher wages of the academic sector, meaning cultural organisations are unable to compete with these growing sectors.

### ***How financially stable is the sector and how suitable are pay and working conditions?***

11. As an organisation, NYAW pays, as a minimum, the rates recommended by the appropriate union or trade body. In our case, this could include referring to recommended rates by the Musicians’ Union, BECTU or Equity.
12. We would always advocate for these fees to rise in line with inflation to ensure that freelancers are paid fairly. However, this would put organisations like ours in difficult positions unless similar increases are made to organisations’ core revenue funding.
13. The arts sector as a whole is also facing a reduction in raised and earned income due to cost of living pressures, on top of stand-still revenue funding. This combination of factors could result in a reduction of overall freelance work available across the sector. It would also mean that staff retention will become increasingly difficult, with pay differentials eroding and arts organisations losing their appeal as an employer.
14. The cost of living does not just affect the arts sector through wages and freelance fees, but it also affects project costs including catering, accommodation and travel, further reducing available budgets which could

otherwise be spent on artists. NYAW is particularly vulnerable to increases in catering and accommodation costs through its residency model, where young people come together to train and perform over a period of 1-3 weeks at a time.

15. NYAW is proud to be an accredited Living Wage employer, paying all our contracted staff at least the Real Living Wage. This has recently increased by 10.1%, a cost which we will absorb in our central budgets. This increase affects only a small proportion of the people we work with, as most are on freelance contracts.
16. By its nature, working patterns in the creative sector typically involve long working days, and working at evenings and weekends. The sector has always faced this challenge, however we are seeing a similar pattern of migration to that of the hospitality sector - where Covid has forced them to look again at their careers, with many choosing to move towards sectors with perceived better work life balance and pay. This is especially true in both freelance and salaried positions in “in-demand” roles such as marketing, finance and communications.
17. We are also concerned with burnout and poor wellbeing within the sector. This is one of the biggest challenges facing the sector right now, and a contributing factor to workforce challenges, including talent leaving the sector. Many organisations are working hard to ensure that working conditions prioritise positive mental wellbeing, including at NYAW where we are introducing an “access rider” where those with additional needs can be assured that we will put accommodations in place wherever we possibly can, no matter what the length of the contract.

### ***How equal, diverse and inclusive is the sector? How can this be improved?***

18. NYAW is striving to improve the diversity of the freelancers we employ. In the 21-22 financial year, we sent an anonymous equal opportunities survey to all freelancers – 14% of respondents were from Global Majority backgrounds, and 15% of respondents have a disability. We will strive to improve these figures year-on-year. There is currently no baseline information for Wales however, so it is hard for us to measure our progress against the wider sector. Conversations and actions around equality, diversity and inclusion - while needing to acknowledge intersectionality - also need to be balanced against how differing communities across Wales are comprised.
19. During the pandemic, NYAW formed four Diversity Taskforces to explore inequalities within the sector – focusing on improving access to artists with

disabilities, artists from the Global Majority, and artists from lower socio-economic backgrounds. These taskforces were independently led by experienced freelancers with lived experience. We regularly review the independent recommendations and these will continue to inform our work.

20. We know that more must be done. We welcome the growth of entry-level roles reserved for young people from the Global Majority, but there is more work needed to ensure that this talent is able to progress to all levels of the workforce including senior management roles.
21. There is more that we can do as a sector to encourage those from lower-income families to join the creative industries. We don't believe that unpaid internships are fair, as they exclude those who cannot afford to work for free. However, unlike in places like London where some arts organisations do advertise unpaid roles, this is rarely the case in Wales, which we welcome.

### ***How sufficient are skills and training opportunities? Are there gaps, and how should they be filled?***

22. On a small scale, NYAW has been able to help young people entering the freelance workforce to get the training and skills they need. One example of this is our Future Mentors scheme, where six young people from the Global Majority were given paid work and offered mentoring and training, helping young musicians to gain experience as workshop facilitators. This was as part of Music Futures, our new contemporary music development project for 15-19 year olds in Wales. The Future Mentors scheme has been funded by the Youth Music Incubator Fund.
23. Our Professional Pathways project, delivered in partnership with Theatr Clwyd in 2022, enabled us to give more than 40 young actors an insight into many different career paths, not just acting. Participants were able to meet and learn from theatre writers, directors, producers, designers and technical staff, to explore the wide range of career opportunities open to them.
24. Whilst we will continue to explore further opportunities such as these, we feel there need to be more widespread opportunities for young performers, particularly for those from under-represented communities, to explore how their skills can be used across the whole sector. More dedicated funding in this area, along with a joint working approach between the arts sector, schools, colleges and universities, will help all young performers to have a better understanding of the career opportunities available to them.



25. We also feel that many young freelancers would benefit for advice on some of the more practical issues facing creative freelancers – such as how to apply for funding, and how to manage invoicing and taxes.

***What has been the impact of support from public bodies such as the Welsh Government, and is further support needed?***

26. Funding to organisations including NYAW during the Covid pandemic, such as the Cultural Recovery Fund, did indirectly help to ensure that freelancers could continue to work during the pandemic. 27% of our first CRF award went directly to freelancers, with a further 13% going to small Welsh businesses. Whilst we were determined to support our freelance community as much as we could, we were aware anecdotally that many were struggling to access financial support to supplement losses of income due to the pandemic.
27. We are really pleased to see support from Creative Wales to help strengthen the creative industries in Wales. Whilst it is encouraging to see this support for sectors not traditionally supported by Arts Council of Wales, it's clear that a collaborative approach is needed as the sectors are connected. One example of this is the flow of talent from the subsidised theatre sector, often benefitting from subsidised training and development opportunities, into the commercial film and television sectors, often for substantially increased fees. This creative brain drain can result in a skills shortage in the sector responsible for developing skills and talent in the first place. A subsidised apprenticeship scheme for arts and culture, similar to those offered in the wider creative industries, would be impactful.
28. The Welsh Government's Cultural Contract has, we feel, helped to facilitate a conversation within the sector about equity of opportunity and fair pay for freelance workers. We welcome this and would encourage funders to increase this further into funding requirements.
29. Positive messaging around the desirability of the arts and cultural sector in Wales as a viable and rewarding career choice would be helpful. This could be linked to the new opportunities presented by the new Curriculum for Wales, and how creative and expressive arts are taught. To increase diversity, it is particularly important that efforts are focussed on young people from lower socio-economic communities - who may not be aware of the kind of job opportunities that exist, particularly off stage (technical, marketing and communications, administration, finance and fundraising) in the arts and cultural sector.



**September 2022**

## **Music Venue Trust response to Inquiry into Creative Industry Workforce:**

### **About Music Venue Trust**

Music Venue Trust is a UK registered charity which acts to protect, secure and improve the UK's grassroots music venue circuit. We provide advice to the government, the cultural sector and the music industry on issues impacting on the network of venues and are the nominated representative that speaks on behalf of the Music Venues Alliance, an association of more than 900 such venues from across the UK with 55 members based in Wales.

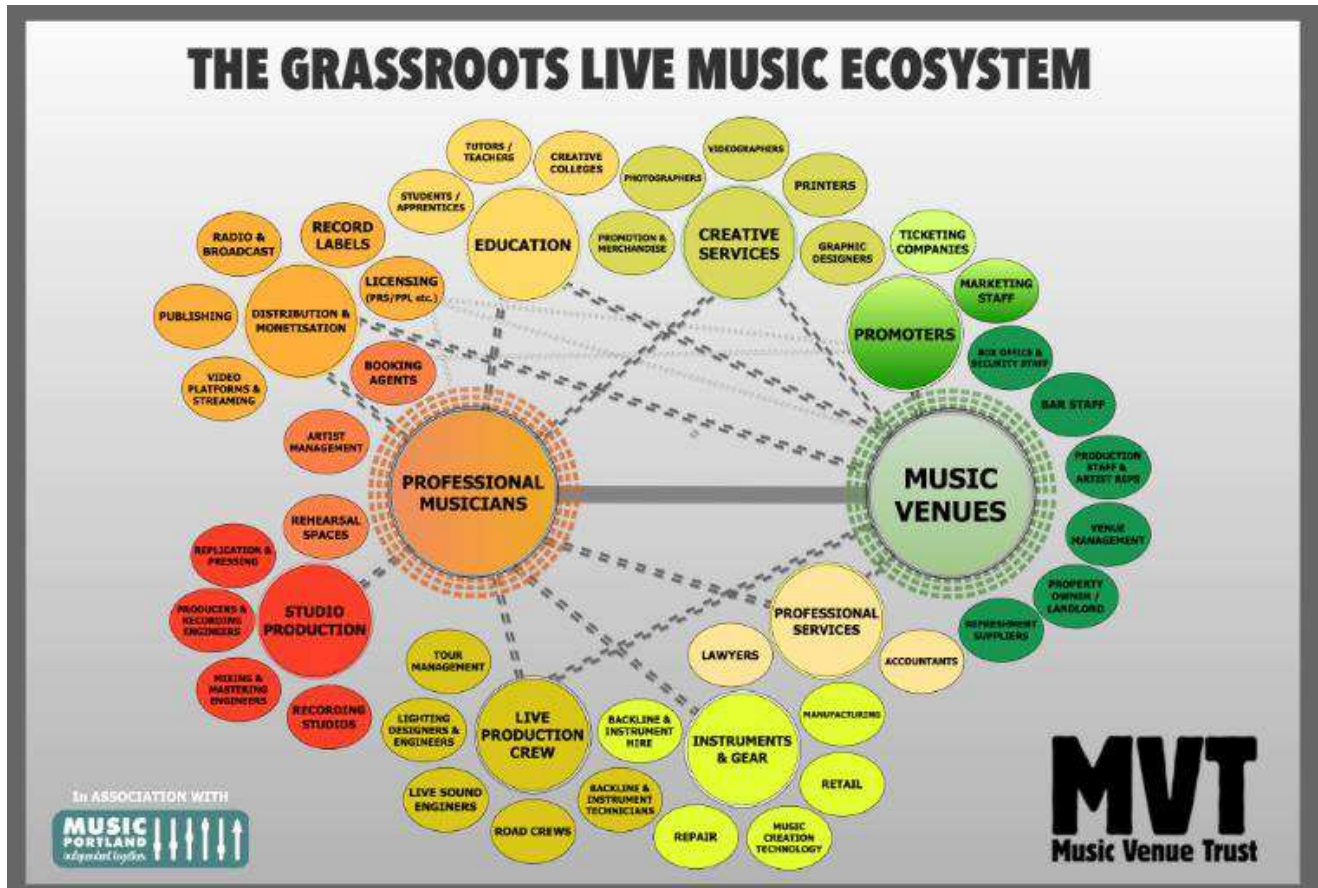
### **Recommendations:**

We call on the Welsh Government to:

- Commit to a continuation of Business Rates Relief for all GMV operators to provide security to the sector
- Create a dedicated and ring-fenced funding pool for Grassroots Music Venues that develops existing opportunities, increasing the breadth, range and quality of programming as a sustainable method of increasing the size and scope of the workforce
- Support educational and training reform in the sector by ensuring that any funding programme actively promotes skills and training, stabilises the sector and encourages worker retention
- Make use of the geographical diversity of Wales' Grassroots Music Venues as an opportunity to create skills hubs.

**1. Background**

- A. Music Venue Trust welcomes the opportunity to comment on this consultation on the Creative Industry Workforce. We have a specific interest in this area as we represent Grassroots Music Venues and the members of our Music Venues Alliance (MVA) form a key part in the ecosystem of the creative industries.



- B. Our focus is on:
- The negative effects of Brexit & the Covid-19 pandemic upon the GMV sector, the resulting loss of skilled workforce and the need to reverse this.
  - The need to stabilise the sector to enable pay increases in line with other sectors, to attract new workers and retain the current workforce and ensure ability to deal with cost of living crisis.
  - The wide ranging skill sets used in the sector and the lack of security for both venues and the workforce due to the number of freelance staff and portfolio nature of careers
  - The opportunity to make use of the creative community hubs surrounding GMVs which present an opportunity for development into skills hubs with structured investment

## **2. What is the current health of the sector's workforce, including the impacts of the pandemic, Brexit and cost of living crisis? Have workers left the sector, and what impact has this had?**

The Grassroots Music Venue sector lost many skilled and resourceful people in our workforce during the Covid pandemic. Early indications are that many of these have now left the sector for the long term.

The diverse range of employment models across the sector, ranging from freelance and voluntary positions to part time/ portfolio career staff and salaried staff, also causes challenges for career development, staff retention and providing unified solutions that are able to meet the needs of workers employed in these varying business environments.

The operational structure of the industry requires higher staffing (whether self-employed, freelance or zero-hours) for individual events but lower levels of employees retained on an annual basis. Roughly ¼ of all staff are retained on a full time basis and this makes it more difficult to identify and define direct job losses in the short term. During the pandemic this resulted in furlough support being unavailable to many and the support offered by Self Employment Income Support (SEISS) funds was less than optimal due to the methods of calculation for the scheme.

Add to this the reduction in European and International touring as a result of Brexit and there has been a substantial and significant decrease in the number of opportunities across the industry for freelance staff, with a concurrent decrease in security of the work available. With such a highly cross-skilled workforce many moved into other sectors, which whilst less vocationally rewarding, offered more financial security.

It is an incredibly challenging time for Grassroots Music Venues. The effect of Brexit, the cost of living crisis, rising energy prices and the Covid-19 pandemic have created an environment of intense instability within the sector. The impact of these challenges are:

- A reduced workforce, as experienced venue operators and freelance technical teams leave the GMV sector
- Soaring energy prices which are not viable for the sector.
- Across our membership, energy prices are rising by an average of 300%.<sup>1</sup> This type of rise is not viable for the sector and will result in the permanent closure of venues.
- Prior to the pandemic, GMVs employed 12,200 FTE Workers.<sup>2</sup>

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<sup>1</sup> Taken from Music Venue Trust's sector research - available on request

<sup>2</sup> Taken from Music Venue Trust's sector research - available on request

This instability has a wider effect on the creative economy and cultural community pushing venues closer towards permanent closure. The result of these closures are fewer development opportunities for new and emerging artists, fewer employment opportunities for those wishing to enter the live music industry and fewer entertainment options for local audiences.

The loss of skilled workers in the sector has also been a contributing factor to why recovery within the live music industry post pandemic has been sluggish. Reduction in activity and venue closure will continue and multiply this cycle of resource loss.

### **3. How financially stable is the sector and how suitable are pay and working conditions?**

During the last twenty years, this sector has declined substantially<sup>3</sup>:

- I. 144 GMVs were trading in London in 2007.
- II. Only 94 GMVs were trading in London in 2016, a reduction in trading spaces of 34.7%
- III. The 2007-2015 permanent closures of small music venues that occurred across the country resulted in:
  - Reduced access to live music experiences
  - A decrease in performance/earning opportunities for musicians, crew and sector workforce
  - Decline in the number of touring dates taking place in the UK
  - Decline in the number of affordable quality live music experiences
- IV. However, current systemic challenges including rises in cost of living and its effect on both venues and their audiences threatens to plunge GMVs back into the prospect of prolonged decline.

In 2019, the UK Music Industry provided:<sup>4</sup>

- I. Total GVA: £5.2 billion
- II. Total Export Revenue: £2.7 billion
- III. 190,935 FTE jobs.

Even prior to the COVID-19 crisis, the GMV sector operated with high overheads, show costs and tight margins<sup>5</sup>. The increasing costs associated with the energy crisis act as an added pressure and as a deterrent to any would-be venue operator wanting to open a GMV.

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<sup>3</sup> Music Venue Trust (2019) *DCMS Live Music Inquiry Response*  
<http://musicvenuetrust.com/wp-content/uploads/2019/03/Digital-Culture-Media-and-Sport-Committee-Live-Music-Ninth-Report-of-Session-2017-2019.pdf>

<sup>4</sup> UK Music (2019) *Music by Numbers Report*  
[https://www.ukmusic.org/assets/general/Music\\_By\\_Numbers\\_2019\\_Report.pdf](https://www.ukmusic.org/assets/general/Music_By_Numbers_2019_Report.pdf)

<sup>5</sup> Music Venue Trust (2019) *Town Hall Presentation* - available on request

GMVs consistently exhibit negligible individual profit margins at the point of delivery, supporting the development of new artists and creation of new intellectual property assets through not-for-profit activity. This investment creates substantial value elsewhere in the wider cultural and local economy. For example, in the local economy for every £10 spent on a GMV ticket, £17 is spent elsewhere in the night time economy<sup>6</sup>. As noted above (section I) the work created in GMVs is the bedrock of a multi-billion pound music industry which is heavily reliant on the creation of new Intellectual Property by new artists. However, the GMVs which develop those artists and that IP are not partners to the profits that it generates.

The cost of touring for artists and performers, due to the fuel cost increase of 47% in the last 12 months, is resulting in both a reduction in the number of shows being offered and higher artist fees to cover costs. GMVs find themselves in the middle of multiple supply chains, with no bargaining power, where suppliers have increased costs which cant be passed onto customers as they are unable to afford increased drink or ticket prices, have been forced into cutbacks, and have other options on social spending.

A MVT survey of venues in 2022 revealed that operators were paid an average salary of £20,500 whereas similar positions in Not-For-Profit and funded arts organisations could expect double this.<sup>7</sup> The lack of security and sector appropriate pay conditions is a major threat to workforce retention and recruitment.

#### **4. How equal, diverse and inclusive is the sector? How can this be improved?**

Whilst we do not have specific data regarding the Grassroots Music Venue sector, those working within it are committed to creating an inclusive, diverse and equal workforce.

The [Uk Music Diversity Report 2020](#) key findings show:

- Representation of Black, Asian and other ethnic minorities among those aged 16-24 in the music industry stands at record 30.6% – up from 25.9% in 2018.
- Proportion of women increased from 45.3% in 2016 to a new high of 49.6% in 2020.
- Number of people from Black, Asian and other ethnic minority communities at entry-level rises from 23.2% in 2018 to a new high of 34.6% in 2020.
- Number of women in the 45-64 age group drops from 38.7% in 2018 to 35% in 2020.
- Representation of Black, Asian and other ethnic minorities at senior executive levels rises from 17.9% in 2018 to a new high of 19.9%.

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<sup>6</sup> Mayor of London (2017) *Rescue Plan for London's Grassroots Music Venues - Progress Update* [https://www.london.gov.uk/sites/default/files/rescue\\_plan\\_for\\_londons\\_grassroots\\_music\\_venues\\_-\\_progress\\_update\\_-\\_jan\\_2017.pdf](https://www.london.gov.uk/sites/default/files/rescue_plan_for_londons_grassroots_music_venues_-_progress_update_-_jan_2017.pdf)

<sup>7</sup> Taken from Music Venue Trust's sector research - available on request

## **5. How sufficient are skills and training opportunities? Are there gaps, and how should they be filled?**

Grassroots Music Venues act informally as important skills hubs for those wanting to work in live music. They are entry points to the wider live music industry. As a skills and development pipeline, it is very typical for professionals who specialise in production, lighting design, stage management, tour management, programming and sound engineers to begin their careers working in Grassroots Music Venues, gaining lifelong employment skills and live events experience that is then applied across the music industry.

However this role goes largely unrecognised by cultural funders, the wider music industry and local Government. Despite the fact that these stakeholders benefit from people who started their careers at GMVS, there is a lack of vocational guidance encouraging those in education to view working in GMVs as a viable career path and underappreciated for the role that GMV play in this. This is due in part to the stagnant wages within the sector with the typical venue operator earning only £20,500 per year which is well below the national average in the UK.

Whilst there are some training and educational establishments including BIMM, ICMP, Access Creative, Backstage Academy and regional colleges offering training appropriate to the sector these are few in number and suffer both from a lack of joined up approach to solving the challenges facing the wider industry and developing a combined curriculum. The lack of an industry standard is exacerbated by the wide range of skills often required at the grassroots level where dedicated job roles are few and instead workers are required to cover multiple aspects within one role.

There have been numerous productive examples of GMVs working in partnership with academic and educational establishments to deliver mentoring, lecturing and skills development opportunities, however these are too reliant upon unpaid support and ad hoc funding rather than a national strategy of support

## **6. What has been the impact of support from public bodies such as the Welsh Government, and is further support needed**

The very necessary work that the Government undertook during the Covid-19 crisis to ensure venues were able to survive, such as establishing the Culture Recovery Fund and at a local level the use of Retail, Hospitality and Leisure grants, is at risk of being seriously undermined if venues have to close as a result of workforce loss and threats to Grassroots Music Venues. The measures that the Government and the Senedd introduced during the pandemic do not amount to a long-term commitment to Grassroots Music Venues.

However we have grave concerns that this necessary work will be undermined by the fact that no longer-term framework for funding the Grassroots Music Venue sector has been devised by either the Welsh Government or funding bodies such as Creative Wales and Arts Council Wales.

We call on the Welsh Government to:

- Commit to a continuation of Business Rates Relief for all GMV operators to provide security to the sector
- Create a dedicated and ring-fenced funding pool for Grassroots Music Venues that develops existing opportunities, increasing the breadth, range and quality of programming as a sustainable method of increasing the size and scope of the workforce
- Support educational and training reform in the sector by ensuring that any funding programme actively promotes skills and training, stabilises the sector and encourages worker retention
- Make use of the geographical diversity of Wales' Grassroots Music Venues as an opportunity to create skills hubs.

We urge the Government to play a pivotal role in delivering bold reform - without it GMVs will be plunged into another decade of decline. These recommendations will help support GMVs to continue to act as spaces where valuable intellectual property is developed, created and showcased and help strengthen the Welsh live music industry so that the unique global standing we have gained through our live music sector remains the envy of the world.



Dawn Bowden MS  
Deputy Minister for Arts and Sport, and Chief  
Whip  
Welsh Government

12 October 2022

### Briefing with Creative Wales officials

Dear Dawn

You will be aware that the Committee is currently undertaking an **inquiry** into the challenges facing the creative industry workforce in Wales. A key part of this inquiry's terms of reference includes considerations related to the sufficiency of skills and training opportunities within the sector. Following your **announcement** (21 September 2022) on a new plan to develop Wales' creative talent, the Committee would like to discuss the detail of this plan with Creative Cymru officials.

The purpose of this discussion would be to help the Committee better understand the work of Creative Cymru as well as that of the new plan that's been announced. The Committee is keen to be well-informed of this work in advance of questioning witnesses as part of its inquiry.

Given the importance of this plan in developing existing and next generation of talent in the creative industries in Wales, and considering the Committee's ongoing inquiry, would you be willing for Creative Wales officials to provide a short private briefing to the Committee on Wednesday 26 October 2022?

I should note that this request is in addition to inviting you and your officials to provide formal evidence later on in the inquiry; Committee officials will liaise with Welsh Government officials on that matter separately.

I would be grateful if you could let me know whether this would be possible as soon as you can.

Yours sincerely,

*Delyth Jewell*

Delyth Jewell MS

Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



Elin Jones MS  
Llywydd  
Chair of Business Committee

14 October 2022

**Extension for reporting on Legislative Consent Memorandum on the Northern Ireland Protocol Bill**


Dear Llywydd

The Committee discussed the Legislative Consent Memorandum ("LCM") on the Northern Ireland Protocol Bill at its meeting on Thursday 13 October 2022. Given the serious implications arising from the Bill, Members were of the view that the current timetable for reporting is insufficient to allow for full consideration of the issues at large, nor for further consideration of its impact on Wales. Members are keen to undertake evidence sessions with relevant Welsh and UK Government ministers, as well as stakeholders working in international relations.

Finally, the Committee feels that the amount of time provided for scrutiny is minimal in comparison with the time available to the Welsh Government. The Bill was introduced in Westminster on 13 June 2022 but it was not referred to Senedd Committees until 4 October 2022. While the Committee accepts the Welsh Government's reasons for the delays, it has been allowed a substantial amount of time to consider the Bill's implications compared with the Senedd.

For the reasons outlined, the Committee would like to request an additional three weeks to the initial reporting deadline of 7<sup>th</sup> November 2022.

Yours sincerely,



Delyth Jewell MS  
Chair of the Culture, Communications, Welsh Language, Sport, and International Relations Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

# Countryside Alliance



Delyth Jewell MS  
Chair of Culture, Communications, Welsh Language, Sport, and International  
Relations Committee  
Senedd  
Cardiff Bay  
CF99 1SN

11 October 2022

Dear Delyth

I write to you as chair of the above committee to ask if you and your fellow committee members would consider holding an urgent short inquiry into the sale and purchase of agricultural land sold in Wales for tree planting to companies who wish to use this as an off-set for carbon emissions or as part of investment funds.

The trend of purchasing Welsh farmland to mass plant trees to companies outside of the farming sector is ripping through our countryside like a fire-ball and we firmly believe that this is a threat to our culture, heritage and Welsh language.

The effects of the pattern of purchase will be seen in years to come across rural communities the length and breadth of Wales and we feel strongly that something must be done to ensure that any planting undertaken does not impact negatively on the fabric of rural life.

We met with Julie James MS, the Minister for Climate Change on the 16<sup>th</sup> of August 2022 whereby I had the opportunity to put forward the Countryside Alliance's proposal to implement a Rural Community Impact Assessment for all tree planting applications in Wales. The proposal was warmly received by the Minister.

The RCIA would assess the potential impact the planting of woodland would have on the local rural community assessing whether this would disproportionately and significantly detrimental to people living in rural areas.

The RCIA would look at the impact the woodland would have on the fabric of rural life and would include food security under the following headings;

- Rural economy;
- Food security; sustainability, traceability and affordability, and the impact on
- Culture, Heritage and the Welsh language.

This would need to be undertaken and approved prior to any woodland creation undertaken by public bodies and other companies who wish to “mass” plant trees on agricultural land. It is our belief that this would need to be undertaken independently from Government and Natural Resources Wales but should include a delegation of experts in various fields who could study the potential, both positive and negative, that large plantations could have on rural communities.

The Countryside Alliance is absolutely not opposed to tree planting and support tree planting as part of the wider campaign to combat climate change but we feel strongly that this must be the right tree, in the right place, for the right effect and should not jeopardise the future of the people in rural of Wales or indeed our future food security.

I would welcome the opportunity to bring this idea to fruition with the support of your committee and look forward to hearing from you.

Yours Sincerely,

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Rachel Evans  
Director for Wales  
Countryside Alliance  
Tel:07825337978

Delyth Jewell MS

Chair, Culture, Communications, Welsh Language,  
Sport, and International Relations Committee

7 October 2022

Dear Delyth

## Second Additional Protocol to the Council of Europe Convention on Cybercrime

You will be aware that the Legislation, Justice and Constitution Committee is responsible for monitoring the implementation of non-trade international agreements in the Sixth Senedd.

During our meeting on 26 September 2022 we considered the Second Additional Protocol to the Council of Europe Convention on Cybercrime.

The purpose of this agreement is to enable relevant authorities in one Party to the Convention to directly cooperate with authorities and service providers in another Party, including to expediate the provision of stored computer data via a 24/7 contact point. This builds on the original Convention, which was ratified in 2011. It will also provide a legal basis for enhanced cooperation in criminal investigations and proceedings and to the collection of electronic evidence for criminal offences relating to computer systems and data.



During our consideration of the Convention we agreed to draw it to the attention of both the Culture, Communication, Welsh Language, Sport and International Relations Committee and the Economy, Trade and Rural Affairs Committee should you wish to request more information from the Welsh Government on its effect on areas within your remits.

Our latest report is enclosed for your information.

Yours sincerely,

*Huw Irranca-Davies*

Huw Irranca-Davies

Chair

# International Agreements

Agreements considered on  
26 September 2022

October 2022





## 1. Background

1. The Legislation, Justice and Constitution Committee is responsible for the scrutiny of non-trade international agreements in the Sixth Senedd.
2. International agreements signed by the UK Government can cover matters within devolved competence or matters which have important policy implications for Wales.
3. The Committee will consider the impact on Wales of international agreements laid in the UK Parliament under the process established by the Constitutional Reform and Governance Act 2010 (CRaG Act 2010). It provides an initial 21-day scrutiny period.
4. Our consideration of an international agreement takes into account:
  - whether it engages the Senedd's competence; and/or
  - whether there are potential policy implications for Wales.
5. On 26 September 2022 we considered three international agreements that have recently been laid in the UK Parliament.<sup>1</sup>
6. The agreements we considered were:
  - Second Additional Protocol to the Council of Europe Convention on Cybercrime;
  - Protocol to the North Atlantic Treaty on the Accession of the Republic of Finland;  
and
  - Protocol to the North Atlantic Treaty on the Accession of the Kingdom of Sweden.
7. We agreed to take further action on one of the agreements and to note the other two for information. Further details on each of the agreements are set out below.

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<sup>1</sup> Legislation, Justice and Constitution Committee, 26 September 2022

## 2. Agreements requiring further action

### **Second Additional Protocol to the Council of Europe Convention on Cybercrime**

- 8.** This international agreement, also known as the Budapest Convention, was laid in the UK Parliament on 14 July 2022. Its scrutiny deadline, as required by the CRaG Act 2010, is 1 November 2022.
- 9.** The purpose of this agreement is to enable relevant authorities in one Party to the Convention to directly cooperate with authorities and service providers in another Party, including to expediate the provision of stored computer data via a 24/7 contact point. This builds on the original Convention, which was ratified in 2011. It will also provide a legal basis for enhanced cooperation in criminal investigations and proceedings and to the collection of electronic evidence for criminal offences relating to computer systems and data.
- 10.** The Explanatory Memorandum for this agreement states that the UK Government consulted the devolved governments on the drafting of this treaty and shared the relevant draft text in advance of signature.
- 11.** The prevention, detection and investigation of crime are reserved matters, as provided by paragraph 39 of Schedule 7A to the Government of Wales Act 2006 (the 2006 Act). National security is also a reserved matter (paragraph 32 of Schedule 7A to the 2006 Act) and is therefore outside the Senedd's legislative competence.
- 12.** However, the First Minister's responsibilities include "national security, including counter-terrorism and cyber security" and cyber security is identified as one of three of Wales's "centres of excellence" in the Welsh Government's international strategy. In May 2022, the Welsh Government announced its investment in a new "Cyber Innovation Hub" to "help Wales to become a global leader" in the cyber security sector.
- 13.** We noted the agreement and agreed to draw it to the attention of both the Culture, Communication, Welsh Language, Sport and International Relations Committee and the Economy, Trade and Rural Affairs Committee recommending that they may wish to request more information from the Welsh Government on its effect on areas within their remits.

### 3. Agreements noted for information

#### **Protocols relating to the accession of Finland and Sweden to NATO**

**14.** Both the Protocol to the North Atlantic Treaty on the Accession of the Republic of Finland, and the Protocol to the North Atlantic Treaty on the Accession of the Kingdom of Sweden, were laid in the UK Parliament on 6 July 2022. The UK Government has invoked section 22 of the Crag Act 2010 to disapply its usual scrutiny deadlines on the grounds of them being exceptional cases.

**15.** The purpose of these agreements is to allow Finland and Sweden's accession to NATO following their applications.

**16.** The Explanatory Memoranda for both protocols explain that they relate to the UK's policy on NATO, which is a reserved matter (paragraph 11 of Schedule 7A to the 2006 Act) and confirm that the devolved governments were not consulted.

**17.** We noted both agreements for information only.

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