



**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.

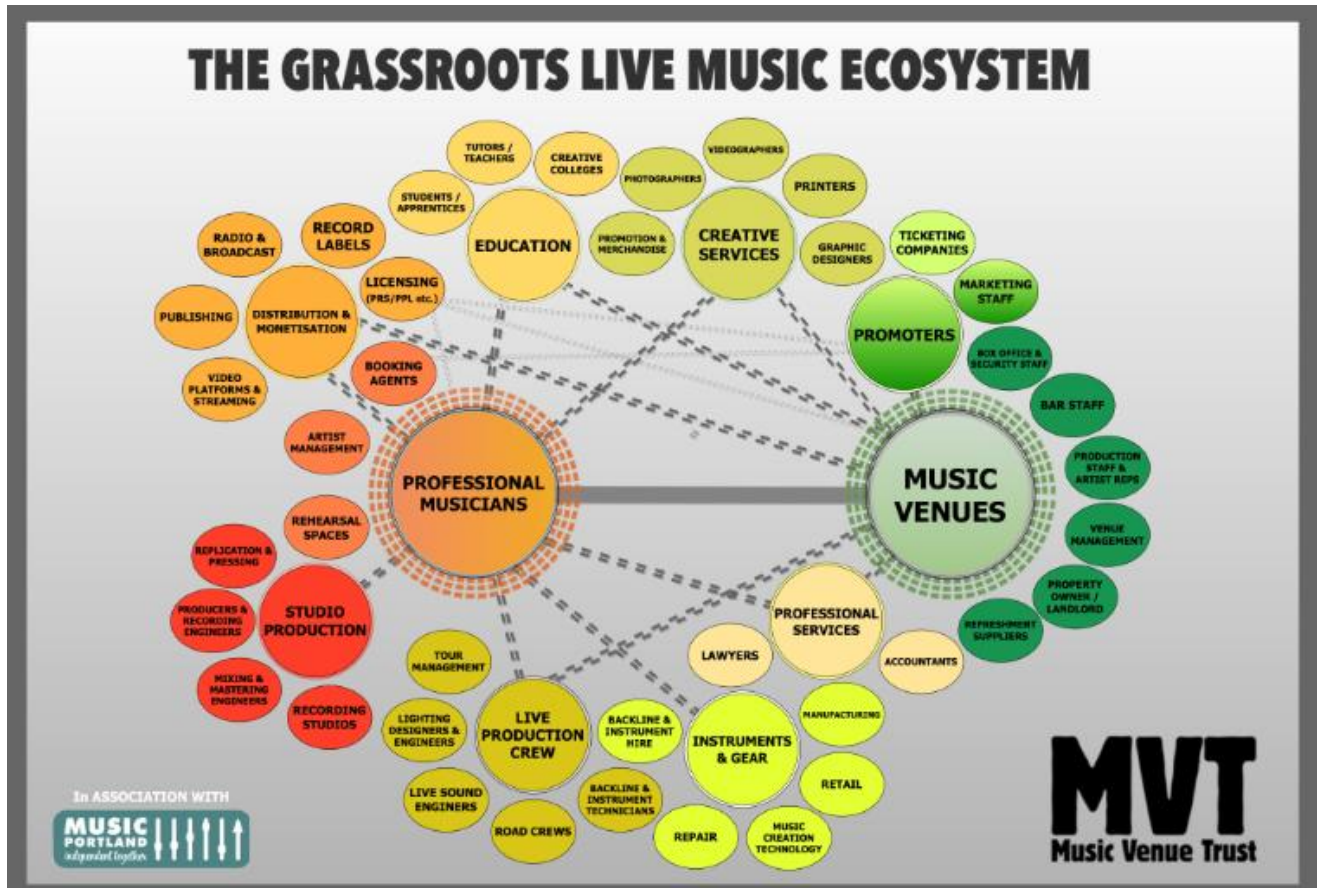
### **Recommendations:**

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
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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.