

Musicians' Union evidence

30 September 2022

Introduction

The Musicians' Union (MU) is the trade union for musicians in the UK, with over 32,000 members working in all sectors of the music business.

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

Many musicians are currently in an extremely difficult position due to a combination of factors, any one of which would be problematic on its own, but which are now affecting the creative industries at the same time.

Firstly, over a decade of austerity has had a significant impact on musicians and the music industry. Public funding cuts combined with a decline in living standards and disposable income among the general public have had a variety of consequences for many people and organisations in the creative industries, including static or reduced pay and conditions for workers. For some organisations it is an achievement to still be in existence today, partly thanks to the workforce accepting real-terms pay cuts and making difficult compromises while continuing to work hard in an increasingly difficult climate. Many people who would have been employed on good contracts with fixed hours 15 years ago are now on zero-hour contracts or self-employed, with a related reduction in their conditions and job security.

Secondly, the changing nature of the music industry, including the rise of streaming, has had a significant effect on musicians' work and incomes. This was highlighted during the pandemic, as it became clear when live music stopped that even successful, well-known musicians couldn't live on their income from recorded music.¹ The MU has done extensive work on this through our Fix Streaming campaign, and recently expressed our concern that the Competition and Markets Authority has so far decided not to proceed with a full investigation of the music streaming market,² in addition to our initial submission to the market study.³ The House of Commons Digital, Culture, Media and Sport Committee report into the economics of music streaming recognised this, as outlined by the first paragraph of their conclusions and recommendations: 'Streaming has undoubtedly helped save the music industry following two decades of digital piracy but it is clear that what has been saved does not work for everyone ... Streaming needs a complete reset.'⁴

Thirdly, Brexit is still causing significant issues for musicians. The number of musicians who are contacting us seeking help with what would have previously been problem-free travel to and from, and activity in, Europe is a clear indication of the confusion still being caused by Brexit, which means musicians have to spend more time and money to make work in Europe possible. Given the significant audiences and general investment into culture and the arts in much of Europe this has a direct effect on many musicians' livelihoods as well as talent

¹ <https://www.theguardian.com/business/2020/nov/24/nadine-shah-i-cant-pay-the-rent-on-unfair-music-streaming-revenues>

² https://assets.publishing.service.gov.uk/media/6322017fd3bf7f33d6200ca8/Musicians_Union_21.9.22.pdf

³ https://assets.publishing.service.gov.uk/media/62541ab48fa8f54a89b54bc7/Musicians_Union.pdf

⁴ <https://committees.parliament.uk/publications/6739/documents/72525/default/>

development in the UK music industry. This was recently recognised by the All Party Parliamentary Group on Music in their report 'Let the Music Move – A New Deal for Touring': 'Our work found that while limited progress has been made, UK music workers are facing more costs, more complications and getting fewer opportunities after leaving the EU ... Other reports have shown how these issues extend across the cultural sector ... and these barriers are particularly acute for less established and young artists. In the long term this threatens the health of the industry, the joy it provides to the UK and the revenue it brings to the Treasury.'⁵

Finally, musicians are now being badly affected by the cost of living crisis, at a time when the recovery from the Covid-19 pandemic was still ongoing. Our current concerns about these issues were set out in our submission to the Committee's inquiry on increasing costs.⁶ UK Music's 'This Is Music 2022' report⁷ sets out that a third of the workforce left the sector in 2020, most of them freelance musicians, with employment 26% lower in 2021 (at 145,000 people) than 2019 (197,00 people), and that many of those who fell through the gaps of government support either retired, retrained, or sought alternative employment.

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

Financial stability as well as pay and conditions vary significantly across different areas of the creative industries in Wales and across the UK. Organisations supported by public funding (including from the Arts Councils, Welsh Government, UK Government, and local councils), including schools, the BBC, S4C, and many orchestras, are seeing their funding being further eroded in real terms after austerity by high levels of inflation. However, other businesses, including international broadcasters and media companies, are potentially in a very different situation, with more freedom to invest, borrow, and grow. The MU, like the other creative unions, has various collective agreements with specific organisations (such as the BBC, ITV, WNO, and Sinfonia Cymru), as well as industry bodies (such as the BPI, TAC, PACT, and ABO) that set terms and minimum rates for the engagement of musicians, as well as promulgated rates and template contracts for work such as live performance.

There is currently a mixed picture, as some shows and organisations are doing well, but other organisations and venues we have spoken to indicate they have been facing difficulties since re-opening after lockdown. These include different audience behaviour, such as reduced advance ticket sales, with more ticket purchases happening closer to gigs, and more no-shows (which mean reduced food and drink sales regardless of the ticket purchase).

Increased energy costs are a major issue and a new threat to financial stability across much of the creative industries, with significant increases in costs for venues and studios that aren't on fixed term contracts, even with the UK Government's energy scheme. That scheme is also currently only scheduled to last for six months, which leaves significant uncertainty in relation to organisations' budgets that, as noted above, are already being reduced in real terms by inflation. Musicians specifically are facing increases in their personal and business costs – again, even with the UK Government's energy scheme – as well as real terms cuts to fees and income which aren't increasing in line with inflation.

Most musicians have portfolio careers that involve a variety of different engagements with different contractual arrangements, as pay, contracts, and working conditions vary

⁵ https://www.ukmusic.org/wp-content/uploads/2022/07/APPG-on-Music_Let-the-Music-Move_A-New-Deal-For-Touring.pdf

⁶ <https://business.senedd.wales/documents/s129498/IIC%2027%20Musicians%20Union.pdf>

⁷ <https://www.ukmusic.org/wp-content/uploads/2022/09/This-Is-Music-2022.pdf>

significantly across the music industry. They range from full and part time employees, to employees or workers doing significant amounts of work on zero hours contracts, and many people doing significant amounts of self-employed work.

Many musicians also work under agreements including recording, publishing, licensing, agency, session, and management contracts that cover activity including live performances, recording, song writing, and composing, along with the associated intellectual property. Royalties from those contracts as well as PRS, MCPS, and PPL form an important part of many musicians' income streams. Unfortunately, many venues, labels, and publishers are less willing to negotiate on contracts to secure a fair and reasonable outcome for all parties than we would hope, while some companies actively encourage young and inexperienced musicians to pay upfront for benefits that may not materialise as promised. Buyouts have become an increasingly common feature of contracts for song writers and composers in recent years, which we are working against through the Composers Against Buyouts campaign and Fair Commissioning Manifesto, in partnership with the Ivors Academy.⁸

Unfortunately, many organisations, including those that receive public funding, still offer poor terms and conditions to musicians and other creative workers and don't engage with union rates and terms or negotiation and discussion. Some work carried out by musicians – including teaching instrumental music lessons – has also become increasingly fractured and casualised over the past decade, with a reduction in terms from stable and secure employed work to zero hours or self-employed work (including potential false self-employment), as noted above. This, combined with the often-variable nature of musicians' income and difficulties accessing support (including sick pay) and benefits compared to people in more traditional employment, means there is a potential lack of resilience among musicians that is a particular concern in the current cost of living crisis following soon after the pandemic. The nature of many musicians' work and contracts means that they often lack job security as well as the rights, ability, and confidence to address issues. They are therefore in a vulnerable position which can lead to a tolerance of, and difficulty in challenging, problems and poor behaviour by individuals and organisations on issues from health and safety to discrimination. We also know that many musicians have encountered problems with accessing benefits such as Universal Credit during the last two and a half years, particularly if they have portfolio careers and do significant amounts of self-employed work.

Given that, it's essential that fair work – including fair pay and terms, for activity carried out now and in the future, as well as intellectual property and royalties – is encouraged and required across the music industry and broader creative industries in Wales, in order to ensure a vibrant, diverse, inclusive, and growing sector. There should be a clear expectation that all organisations in the creative industries receiving public funding use union rates and terms and engage in discussions and negotiations with the creative unions on a social partnership basis, including formal collective bargaining for large organisations. This should be a clear element of the 'cultural contract', which is a promising concept that needs further work and engagement. This would also be a helpful and effective extension of the principles in the Social Partnership and Public Procurement (Wales) Bill to the creative industries, beyond the public bodies that are formally subject to the Well-being of Future Generations (Wales) Act 2015.

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

The creative industries in Wales have had problems with equality, diversity, and inclusion and more work is needed in this area, but the sector is making progress, with the support of funders including the Arts Council of Wales (ACW), Creative Wales, and PRS Foundation

⁸ <https://musiciansunion.org.uk/campaigns/composers-against-buyouts>

(e.g. through Power Up⁹). Funding is important to support diversity and inclusion in relation to talent development, as well as accessibility for venues and studios, especially at a grassroots level. The MU is committed to supporting this work, through our own initiatives such as our Equality, Diversity, and Inclusion Committee, equality network groups,¹⁰ and SafeSpace scheme,¹¹ as well as in partnership with others. It's also important to note that fair work, with fair pay and conditions as well as the right support, is a crucial requirement for increasing the diversity of the sector. On the other hand, in the past we have heard concerns about the way certain genres and artists have been treated, and it's important to create opportunities to raise problems and discuss these issues at a high level.

Cult Cymru's work on wellbeing facilitators¹² is an important development in this area, and we are keen to explore the roll out of wellbeing facilitators to music, where work can be even more isolated and dispersed than other areas of the creative industries. The nature of the music industry and the way many musicians are engaged means they are often reluctant to draw attention to poor treatment out of fear of losing work, so it's crucial that they are supported and that organisations have appropriate systems and policies in place to deal with issues including discrimination, harassment, and other inappropriate behaviour for all types of workers, not just employees.

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

The launch of the new National Plan for Music Education in Wales was a very welcome step to ensure that there is a formal strategy in relation to music education, a crucial starting point for talent and audience development. We were pleased that the plan recognised the importance of the music education workforce and committed to a review of teachers' pay and conditions. However, it is also important to note that the plan has not actually created a 'national music service', which could be confusing for the public. We still have some concerns about the plan, including the level of funding (which is a significant increase but not a huge amount compared to the level of ambition), the systems for accountability, governance, and evaluation, and ensuring that schools engage with the plan, music services and teachers. We are continuing to engage with Welsh Government, the WLGA, and music services on those issues.

The creation of Creative Wales within Welsh Government has been very positive for the sector, and we are pleased that they have engaged positively with the MU and the other creative unions in the spirit of social partnership. The Creative Skills Action Plan and Creative Skills Fund, supported by the Creative Skills Advisory Panel, are also positive, and we look forward to continuing our engagement with them, particularly in relation to talent development and ensuring that musicians from all genres, backgrounds, and areas of Wales can be supported to develop their skills.

It's important to note that the Wales Union Learning Fund, a broad scheme that supports initiatives across many unions and sectors of the economy, has enabled excellent work on skills and training for workers in the creative industries through the Creative Unions Learning Together 'CULT Cymru' project.

⁹ <https://prsfoundation.com/2022/09/06/power-up-announces-details-of-new-partnership-with-arts-council-of-wales/>

¹⁰ <https://musiciansunion.org.uk/about-the-mu/equality-diversity-and-inclusion/equality-member-networks>

¹¹ <https://musiciansunion.org.uk/safespace>

¹² <https://cult.cymru/en/wellbeing-facilitator-pilot-grant-for-production-companies/>

In time the National Plan for Music Education, the Creative Skills Action Plan, and the Wales Union Learning Fund, as well as HE and FE providers, should be able to offer a good framework for skills and training opportunities as well as talent and audience development in Wales. However, a long-standing weakness in the music industry in Wales is the lack of joined up work, so it's important to encourage greater collaboration as well as clear resources and guidance in the future. Each element also requires sufficient funding in order to be successful and ensure that opportunities to make, learn about, and experience music of all types and genres are available to people from all backgrounds and areas of Wales, and that support is available from beginners up to a professional level.

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

The support from Welsh Government and ACW during the covid-19 pandemic – much of it through the Cultural Recovery Fund and related Freelancer Fund – was crucial and very welcome. The music industry and broader creative industries in Wales would have been devastated without that specific support, and funding for individuals from ACW and the Freelancer Fund made a real difference to the musicians and other creative workers who had fallen through the gaps of the UK Government schemes, even if it couldn't fill those gaps completely.

Over the past nine months both ACW and Creative Wales have sought to move back to a form of 'new normal', and in that context the Creative Wales Music Capital Fund and Music Revenue Fund were both positive funding schemes. We hope to see more of these schemes in the future as well as, ideally, schemes that provide support direct to musicians to encourage their growth in addition to other initiatives like BBC Horizons.

ACW has also initiated an Investment Review consultation that we are pleased to be involved in. We have some concerns about ACW's potential new approach to funding set out in that consultation, in relation to issues such as the long-term stability needed to run the largest organisations effectively, how 'performance' is defined, and how positive approaches to social partnership and fair work are encouraged, and look forward to engaging further with them on those issues.

However, as outlined in our submission about increasing costs further support is needed in relation to the cost of living crisis. Given the overall direction of funding over the past decade, organisations are finding it difficult to offer pay rises even approaching inflation, as well as to be sustainable and effective. We aren't currently aware of any plans to provide further support to mitigate those issues, which is needed and could take a variety of forms.

We would also urge the Welsh Government to continue to consider how it can go further in supporting the creative industries and creative industry workforce in Wales beyond funding. A key example of this is conditionality in funding, to direct organisations to engage with the Welsh music industry including Welsh and Wales-based musicians, and to require or at least encourage fair work. For instance – and we understand there has been an agreement for this to happen – film and TV productions supported by Creative Wales should include a certain level of music written and/or performed by Welsh or Wales-based musicians, and any music commissioned or paid for in relation to those productions should be in line with the MU and Ivors Academy Fair Commissioning Manifesto

Finally, support for music and the wider creative industries from local government varies and has been eroded by austerity over the past decade. In addition to increasing this funding we would like to see more engagement on music, culture, and the creative industries by local government, including through public sector boards, as well as more specific advisory groups or boards on the night-time economy and culture/creative industries.

Conclusion

Overall musicians in Wales are currently facing a variety of difficulties, in relation to broad issues such as Brexit, combined with the aftermath of the Covid-19 pandemic and the cost of living crisis.

In the short-term action is needed in relation to the cost of living crisis, and our submission to the committee's inquiry into increasing costs set out a number of measures that could and should be taken in relation to that this autumn, by the Welsh Government and UK Government. That submission was written before further details were announced about the Energy Bill Relief Scheme for businesses. However, the fact that support only lasts for six months before focusing on unspecified 'vulnerable industries' is very concerning due to the uncertainty that businesses still face in the medium term. Further urgent action is needed to support musicians in Wales, the Welsh music industry, and the broader creative industries workforce in Wales through the cost of living crisis, otherwise a significant sector that was supported through the Covid-19 pandemic will be devastated and that investment wasted.

Beyond that there are some positives for musicians in Wales, including the opportunities presented by the new National Plan for Music Education, the Creative Skills Action Plan and Creative Skills Fund, as well as ongoing work on equality, diversity, and inclusion. Our ongoing engagement with ACW, Creative Wales, and Welsh Government more broadly is also positive. There are challenges in relation to encouraging fair work, as well as equality, diversity, and inclusion, in relation to the creative industry workforce in Wales but we are confident that a social partnership approach between those public bodies, the MU and other creative unions, and organisations, can see further progress on these and other issues faced by the workforce during the current Senedd term.

Welsh Government needs to ensure that its work on, and commitment to, fair work and social partnership extends to the creative industries, to work and jobs beyond traditional employment, and – as much as possible - to organisations receiving public funding and then the private sector as a whole, as well as those covered by the Well-being of Future Generations (Wales) Act 2015 and Social Partnership and Public Procurement (Wales) Bill. If the Social Partnership Bill is passed then in turn the Future Generations Commissioner also needs to ensure they continue to engage with fair work, and issues relating to it, across all sectors.

Finally, in order to improve the current situation for musicians and the broader creative industries in Wales progress is needed on the major issues of Brexit and streaming, with continuing pressure on the UK Government to explore and implement solutions in those areas.