

Impact of the COVID-19 outbreak on the creative industries

July 2020

The Culture, Welsh Language and Communications Committee is looking into the impact of the COVID-19 outbreak on areas within its remit, including the creative industries. The Committee received written contributions and heard oral evidence from stakeholders at a meeting on 25 June 2020 and from the Deputy Minister for Culture, Sport and Tourism on 12 May.

On 5 July the UK Government announced a £1.57 billion support package for the arts, culture and heritage industries. This includes a package of support for cultural institutions in England, and consequential funding for the devolved governments, who are free to decide how to spend this money.¹ The funding includes £59 million for Wales.

1. Support for the workforce

1. The nature of the workforce in the creative industries means it is difficult for them to take advantage of UK Government support schemes and they are more at risk of unemployment. This may mean talented workers, who will be needed once the sector restarts, may no longer be available because they will have found employment in another country or sector.

2. The Committee was told that the financial support offered by the UK Government via the **Self-Employment Income Support Scheme** (SEISS) and the **Job Retention Scheme** (JRS) was welcome but was not suitable for freelance workers.

¹ <https://www.gov.uk/government/news/157-billion-investment-to-protect-britains-world-class-cultural-arts-and-heritage-institutions>



Pauline Burt, Ffilm Cymru, said of the film and television industry ‘it’s generally over 90 per cent of our sector that is freelance and micros’.² Accessing support is problematic because people are ineligible if they have not been in business for 3 years,³ or, as the Committee was told, as ‘micro’ businesses and sole traders, they are too small and have ‘fallen between the cracks’.⁴

3. According to the Film and TV Charity’s survey, 93 per cent of industry freelancers were not working due to the crisis and 74 per cent did not expect to receive any support as they were ineligible for SEISS and JRS.⁵

4. Henry Widdicombe, Little Wander Ltd, explained the limitations of the schemes:

‘As a director of a small business, my wife and I are currently ineligible for the furlough scheme. Not eligible for Arts Council of Wales grant schemes and not covered by Creative Wales. The immediate halting of all work is currently decimating the supply chain of the events industry. There may not be enough equipment, suppliers, and skill base to start the events industry effectively.’⁶

5. Sara Pepper, Cardiff University, made a similar point about the difficulty of restarting productions in future without supporting freelance workers to stay in the industry. She said, ‘we can’t start up business in the same way without this group of people. They’re absolutely vital.’⁷ She went on to say that based on a report by the Creative Industries Federation there could be up to 16,000 job losses in Wales.⁸ She estimated that half of the 80,000 creative workers in Wales are freelance and ‘they have fallen through a lot of gaps, and we really need to think about a way of supporting them going forward.’⁹

6. Pauline Burt, Ffilm Cymru, highlighted the knock-on effect on the sector. She said:

‘about two thirds of workers, certainly across film and television, are currently not eligible for the existing schemes, whether it’s the furlough scheme or the freelance support scheme.... It’s an extremely concerning picture and does point to a likely contraction of the sector.’¹⁰

² CWLC Committee para 62

³ CWLC Committee para 71

⁴ CWLC Committee para 62

⁵ Ffilm Cymru written evidence

⁶ Little Wander Ltd written evidence

⁷ CWLC Committee para 59

⁸ CWLC Committee para 31

⁹ CWLC Committee para 41

¹⁰ CWLC Committee para 39

7. Stakeholders also called for an extension to the JRS beyond October. Gareth Williams, TAC, said:

‘in terms of TAC member companies, we will see a number of those companies where perhaps half their workforce is on furlough at the moment, ... but before very long won't be able to take advantage of furlough and other schemes because it'll be too late, and they might find hardship and an absence of work opportunities in the coming months’.¹¹

8. Mark Davyd, Music Venue Trust, told the Committee that the Trust has ‘deep concerns about the tapering off of furloughing over the coming months’ given that the central Government advice and current Government advice in Wales is, frankly, we should not be putting on live music events.¹²

9. Stakeholders called for direct investment from government. Sara Pepper, Cardiff University, gave the example of the German Government intervention:

‘€1 billion was made available for an emergency arts funding scheme, of which €1,000 a month... was made available to freelancers’.¹³

10. Pauline Burt, Ffilm Cymru, said that the Film and TV Charity has made 116 awards of £2,500 to individuals in Wales.¹⁴ She stressed ‘that imperative to get back into production is incredibly strong in the absence of a broad enough scheme that works for the creative industries’, noting that freelancers will only be paid once productions begin.¹⁵

Our view

Supporting the workforce

The lockdown saw a sudden and detrimental impact on the creative industries in Wales. The effect was felt not only by those directly employed but across the whole supply chain, such as electricians, carpenters, hair and make-up artists and others working from project-to-project.

The Committee heard that a high proportion of the creative industries workforce are freelancers and without addressing their financial needs many

¹¹ CWLC Committee para 51

¹² CWLC Committee para 57

¹³ CWLC Committee para 76

¹⁴ CWLC Committee para 78

¹⁵ CWLC Committee para 79

will be forced to leave the industry. We risk losing skilled workers who will be vital to restarting and rebuilding the industry once the lockdown is eased.

We are calling on the UK Government to address the gaps in eligibility in the SEISS to ensure that freelance workers in the creative industries qualify for support. We are also calling for both the SEISS and JRS to be extended beyond October 2020 because the reopening of the sector is likely to be gradual and will not return to full employment before that date.

The Committee welcomes the announcement of an extra £59 million funding. The Welsh Government has complete discretion over how this money is spent. Given the scale of the challenges facing these sectors we are calling for a commitment from the Welsh Government that the total amount of funding announced will be spent on arts, culture and heritage.

We are fast running out of time if we are to stabilise and sustain our creative talent and infrastructure. Therefore, the Welsh Government should set out how it will prioritise the additional funding to ensure our arts, cultural and heritage organisations are not forced to close their doors for good or make valued employees redundant, as a matter of urgency.

Recommendation 1. The Welsh Government should set out how it will prioritise the additional funding announced by the UK Government as a matter of urgency. The Welsh Government should also commit to spending the whole amount, £59 million, on arts, culture and heritage.

Recommendation 2. The Welsh Government should work with the UK Government to explore ways of financially supporting workers in the creative industries who, as lockdown eases, are still not able to return to work safely.

2. The importance of public service broadcasting

11. The Committee heard that the pandemic has highlighted the key role of public service broadcasters (PSBs) in providing up to date information, specific to Wales, on the pandemic and lockdown precautions. They have also produced the educational content needed by families for home-schooling. However, a rise in viewing figures comes at a time of increasing pressures from falling incomes and competition from subscription streaming services.

12. Stakeholders told the Committee of the importance of PSBs. Gareth Williams, TAC, said:

'This period has made us appreciate just how crucial public service broadcasting is in terms of providing information, in terms of ensuring that we're aware of what's happening in news and current affairs, giving people an opportunity to seek answers, but also looking for entertainment and escape from that challenging news'.¹⁶

13. The Committee heard that, partly due to the pandemic, PSBs have increased public understanding of devolution. Owen Evans, S4C, said:

'If there's been any gain from what's been a fairly ghastly few months for a lot of people, it's that people are starting to understand the role of the National Assembly and the Welsh Government. This is a chance for us not to throw that away. ...I think, as a nation-building exercise, a focus on the strength of the PSBs actually is... not one you take your eyes off'.¹⁷

14. The Committee was told that PSBs also face difficulties from the shift in viewing habits from terrestrial channels to subscription viewing on demand services such as Amazon and Netflix. Stakeholders agreed with Phil Henfrey, ITV Cymru Wales that:

'it has really brought to the fore the pressures that we are facing... it's amplified the competition against us, it has amplified the threats to our revenue streams, and the pace of that change has also accelerated. So, the need for action is now all the more urgent'.¹⁸

15. Rhodri Talfan Davies, BBC Cymru Wales, also said that that the funding pressures facing the PSBs are 'significant'.¹⁹ The overall impact on BBC Cymru Wales is expected to be a reduction in its budget of £4.5 million.²⁰ ITV Cymru Wales said their advertising revenue across the UK has decreased by 41% in April. ITV PLC has also had to reduce overhead cost by £60 million in 2020 and capital expenditure by £30 million and furlough 800 staff.²¹

16. The PSBs called for intervention from government to safeguard their role, 'otherwise something that has absolutely been underscored in this debate as

¹⁶ CWLC Committee para 17

¹⁷ CWLC Committee para 312

¹⁸ CWLC Committee para 206

¹⁹ CWLC Committee para 206

²⁰ CWLC Committee para 197

²¹ CWLC Committee para 212

being vital for Wales could be lost', according to Phil Henfrey, ITV Cymru Wales. He went on to say:

'there's only one ITV that bases several hundred people permanently in Wales, creating and telling stories in a Welsh context. And put simply and put starkly: without intervention, all of that is at risk.'²²

17. The PSBs also drew attention to their role as employers and commissioners. Phil Henfrey, ITV Cymru Wales said there is a 'direct connection between the situation facing freelancers and the overall funding levels facing the public service broadcasters'.²³ Rhodri Talfan Davies, BBC Cymru Wales, said:

'it's about £280 million a year that is coming in via the public service broadcasters into the sector in Wales. If you see advertising revenue cut away at the ability of ITV and Channel 4 in particular to commission, then that has a direct impact on the freelance market'.²⁴

Our View

The value of public service broadcasting and the challenges it faces

This crisis had shown the value of public service broadcasters in Wales. They have provided resources needed for home education and ensured Welsh viewers continue to receive Wales-specific information about the virus.

Public service broadcasting is facing unprecedented challenges from the rise in subscription viewing on demand services and a reduction in income. PSBs stressed that the pace of that change has accelerated during the pandemic and called for 'urgent' intervention from government.²⁵

Ofcom is currently consulting on the future of public service broadcasting via their 'Small Screen: Big Debate' conversation. The Committee intends to respond to this consultation to argue for government support to maintain and strengthen the crucial role of PSBs in Wales, given their vital role in the media ecology.

It is vital that Welsh audiences continue to see their lives reflected on-screen, and have access to accurate information about our devolved democracy and Welsh life more broadly, in both English and Welsh. PSBs are also a crucial

²² CWLC Committee para 309

²³ CWLC Committee para 232

²⁴ CWLC Committee para 232

²⁵ CWLC Committee para 223

component in our growing screen industries – providing employment and skills which benefit the sector as a whole.

We are calling on the Welsh Government to respond to the Ofcom consultation on the future of public service broadcasting by underlining the importance of maintaining a distinct Welsh voice. The need for public service broadcasting has never been greater, or more under threat.

Recommendation 3. The Welsh Government should respond to the Ofcom consultation on the future of public service broadcasting to advocate for sufficient funding to ensure public service broadcasters can continue to provide Wales-originated programmes and distinctly Welsh content.

3. Restarting film and television productions

Production insurance

18. The Committee was told that the biggest obstacle to restarting film and television productions at scale is the availability of full production insurance for domestic producers.²⁶

19. S4C wrote that ‘The ability to secure insurance will be critical in resuming productions.’²⁷ BBC Cymru Wales also said that ‘The absence of Covid-19 insurance cover is now the key barrier to the recommencement of domestic physical production.’²⁸

20. Pauline Burt, Ffilm Cymru, and Gareth Williams, TAC, made similar comments on the impact of this situation:

‘With an inability to secure full insurance cover, we will see market failures in all genres of UK audio-visual. A two tier system will develop whereby inward investors are able to carry more risk around Covid-19 and proceed with productions, whilst domestic production cannot. In a competitive global market this could result in an eventual loss of all of the competitive advantages we have gained over the last decade’.²⁹

²⁶ BBC written evidence

²⁷ S4C written evidence

²⁸ BBC Cymru Wales written evidence

²⁹ BBC Cymru Wales written evidence

21. In terms of how to resolve the situation, stakeholders suggested intervention by the UK and Welsh Governments to provide reassurances for insurance providers. Gareth Williams, TAC, said:

'I know that there are discussions ongoing or in the pipeline, at least, in terms of having some way of underwriting levels of insurance, and there are discussions between broadcasters. I know that Creative Wales are also involved with those discussions, and TAC, for example, has been lobbying the Wales Office as to how important it is to tackle this challenge in terms of insurance'.³⁰

22. Pauline Burt, Ffilm Cymru, said:

'So, I think it is at Government level, and most likely Treasury level... So, looking at some sort of underwriting facility or finance guarantee that they can then provide to pass on to insurance companies that allows them to take on that additional risk and not have those exclusions is going to be necessary'.³¹

Some genres face greater challenges

23. The Committee were told that the nature of the work which can be done in film and television was dependent on genre. The need for social distancing means that news and current affairs are less affected than drama. For instance, Phil Henfrey, ITV Cymru Wales, said 'news and current affairs... stayed on the air throughout, whereas other genres haven't made anything since we went into this crisis and are really struggling to see how they can'.³²

24. Phil Henfrey, ITV Cymru Wales, suggested learning from countries which have already restarted productions. He said that 'In other parts of the world, they are finding solutions... and combining it with testing and tracing for the sector as well. Italy is a really good example of that.'³³ Rhodri Talfan Davies explained that the Italian model uses 'production bubbles... where you have a testing regime on location, a group of people within that production who can operate more closely than the rule because of that testing regime.'³⁴ Owen Evans, S4C also endorsed 'crew cohorts'.³⁵

25. The PSBs stressed the urgency of finding a solution. Phil Henfrey, ITV Cymru Wales, said:

³⁰ CWLC Committee para 112

³¹ CWLC Committee para 116

³² CWLC Committee para 272

³³ CWLC Committee para 187

³⁴ CWLC Committee para 280

³⁵ CWLC Committee para 283

'Ours is a highly mobile industry. There's a risk...Wales becomes disadvantaged by this. As productions and companies start to restart production, really what we want to see is Wales open for business. If it's not, then it's quite simple for these organisations and businesses to go elsewhere'.³⁶

26. Gareth Williams, TAC, also endorsed the need to restart productions as soon as possible. In answer to a question about support for freelancers, he argued that restarting productions will solve their lack of income. He said that productions have restarted in England and the US and 'we don't want the freelancers in Wales to be left behind and to miss out on opportunities, but we are fully aware that that has to be done within the relevant restriction'.³⁷

27. The PSBs called for guidance to be provided as soon as possible. Phil Henfrey, ITV Cymru Wales, said:

'forward guidance and knowledge about when things can happen will really help the sector prepare for that time so that they can get back up and running, re-employ the freelancers, and make the programmes that, frankly, we all want to be making'.³⁸

28. The Welsh Government published 'Creative Industries: Guidance for a phased return',³⁹ on 19 June 2020. Regarding onscreen activities, it says:

The Welsh Government has been working closely with the screen sector to understand how different types of productions can comply with the physical distancing duty in place in Wales and support safe ways to return to work, and work is underway across the sector to develop guidance that will support safe return to production activity. These will support the re-introduction of TV and film production activity in Wales that has the potential to operate in line with existing restrictions, together with supply chain activity such as post production and VFX.

In addition, consideration is being given to the issue of insurance and any action that should be taken to address this significant barrier to film and TV production.

Our View

Production insurance

Insurers are understandably cautious about providing full insurance cover for productions when there is an increased risk of those productions being paused

³⁶ CWLC Committee para 188

³⁷ CWLC Committee para 81

³⁸ CWLC Committee para 229

³⁹ [Creative Industries: guidance for a phased return](#)

or cancelled. This has resulted in a slowdown of film and television productions. This has magnified the existing inequalities between companies with the financial clout of multinational producers such as Netflix and Amazon who can afford to carry the risk and domestic producers who currently cannot.

Creative Wales should hold discussions with representatives of the insurance industry, public service broadcasters and independent production companies to increase the availability of full production insurance.

In order to break the deadlock, the Welsh Government should hold discussions with the Treasury to facilitate guarantees for insurance providers.

What is clear is that the gains from building Wales' film and television industry, and investment in the sector by the Welsh Government over the last decade could be lost as a result of the slowdown in production. All options should be considered to restart productions and maintain Wales' competitive advantage.

Providing financial guarantees for the sector now, not only secures our place in the industry, but also ensures that investment to date is not wasted.

Safely restarting productions

The Committee heard that the social distancing rules and travel restrictions imposed during the lockdown have affected production of some genres more than others. PSBs told us that filming outside broadcasts and drama are now significantly more expensive because they typically employ more people.

The Welsh Government has said 'work is underway across the sector to develop guidance that will support safe return to production activity'.⁴⁰ We are calling on the Welsh Government to release a date for the publication of this guidance. We are also asking if they will be taking into account learning from international examples including the use of 'production bubbles' of workers. This guidance should be published as a matter of urgency. The UK Government's 'furloughing' scheme is due to end imminently and companies need adequate preparation time to implement safety measures to get back to work.

Recommendation 4. The Welsh Government should ensure their guidance on the precautions needed to restart filming and production activity is published as a matter of urgency.

⁴⁰ [Creative Industries: guidance for a phased return](#)

Recommendation 5. The Welsh Government should update the Committee on any discussions led by Creative Wales on the availability of production insurance.

Recommendation 6. The Welsh Government should initiate talks with the Treasury and the insurance industry to seek guarantees which will give insurance providers the confidence they need to make production insurance available.

4. Reopening venues

29. The Committee heard of the challenges facing venues as a result of the lockdown. For instance, Henry Widdicombe, Little Wander Ltd, said ‘The immediate impact was a halting of all work which is currently decimating the supply chain of the events industry’.⁴¹

30. The Committee heard that consumer confidence is essential to reopening venues. National Dance Company Wales, said:

‘Even when social distancing is relaxed, older audiences may be reluctant to return, further undermining viability... Some segments of the population may be eager for live arts experiences again, but others will be fearful of mass gatherings’.⁴²

31. Sara Pepper, Cardiff University, said:

‘consumer confidence is really important, but also understanding the very essence of what so much of the creative industry is, which is about experiences. We’re talking about the experience economy here and making sure that we can put in place measures that make people feel confident and comfortable with that’.⁴³

32. Stakeholders told the Committee that as long as social distancing measures were in force the economic case for reopening was marginal. Pauline Burt, Ffilm Cymru, said cinemas may benefit from a change to the social distancing rules because at the moment ‘They can’t get the flow of people through the building, and it would cost them more to be open than to be closed’.⁴⁴

33. Mark Davyd, Music Venue Trust, said:

‘Essentially, what we’ve got is a very low margin of profitability in any case, and when we look at the kind of capacities that we can hit with any kind of social

⁴¹ Little Wander Ltd written evidence

⁴² National Dance Company Wales written evidence

⁴³ CWLC Committee para 140

⁴⁴ CWLC Committee para 124

distancing, plus adding the measures that we need to have in place in order to control that social distancing, well, actually, what you've got is a show that's even more expensive and requires a lot of extra staffing and requires a lot of additional cleaning and additional control measures, and then you've got returns from it'.⁴⁵

34. John Rostron, National Federation of Music Societies, also noted that if audiences lack the confidence to return then events will not be financially viable and venues will only reopen for rehearsals or streaming shows. He pointed out that on top of additional cleaning costs, most venues do not have sufficient ventilation and 'Venues may have unavoidable pinch points at entries/exits which make them unsuitable.'⁴⁶

35. The Institute of Theatre Consultants said that social distancing rules reduce theatre capacity considerably. Requiring distancing of 2 metres would achieve only 21 per cent occupancy and 1 metre would result in 50 per cent occupancy which is 'far below practical operating levels where 60% can be a minimum required.'⁴⁷

36. The Committee was also told that venues cannot reopen without insurance which is nearly impossible to access. Mark Davyd, Music Venue Trust, told the Committee that insurance companies are not willing to accept that putting in place public health guidance has sufficiently minimised the risk for them to provide cover for the risk of COVID-19 infection. He said:

'we are extremely concerned about it. We've seen very, very inconsistent approaches from insurance companies so far... the wildest quote I've seen so far would be 10 times the premium, but we haven't seen any that are effectively saying that the premium will remain the same'.⁴⁸

37. Despite the risks there is a real appetite to return to live audience events. Mark Davyd, Music Venue Trust, told the Committee that his survey showed '86 per cent of the audience were very eager to get back to a live music experience'.⁴⁹

Our view

Reopening venues

⁴⁵ CWLC Committee para 128

⁴⁶ National Federation of Music Societies written evidence

⁴⁷ Institute of Theatre Consultants written evidence

⁴⁸ CWLC Committee para 105

⁴⁹ CWLC Committee para 147

The Committee is pleased to hear that Welsh Government support for live music venues has been ‘addressed much more effectively within Wales’⁵⁰ than support from the UK Government in England. However, the livelihood of our smaller venues is still very much at risk. The loss of grass roots venues will have a knock-on effect and, we were told, ‘would echo down the whole industry for decades’.⁵¹ The Welsh Government has already shown its desire to support grass roots music venues with the establishment of a relief fund offering grants of £25,000, announced in March.

The Committee will be seeking an update on the support provided through this fund in the autumn.

The lack of insurance for live events means that no amount of investment in infrastructure can bear fruit if promoters are unable to host events without it. Currently the insurance market is not serving promoters and venues at all, no matter what health and safety requirements venues are willing to enforce. A crucial element of live events in indoor venues is the sense of enjoying a shared experience. If insurers prevent this from taking place then venues will be struggling to make a profit long after the lockdown is lifted.

Reopening venues relies on audience confidence, adequate insurance and reaching a point where health measures do not make it unprofitable to host events. However this will require intervention from the Welsh and UK Governments. Unlocking the insurance market must be a priority. We are calling on the Welsh Government to include discussions on the provision of live performance insurance in their talks with the insurance industry and the UK Treasury.

Recommendation 7. The Welsh Government should discuss the provision of live events insurance in its talks with the Treasury and the insurance industry.

5. Increasing skills and diversity

38. The Committee was told that the need to divert funds to cover immediate needs across the sector has meant, in some cases, that resources for skills are no longer available. Pauline Burt, Ffilm Cymru said that there has been an:

‘immediate need for Welsh Government to pivot all of the resources for the rest of this year for skills, certainly as reported from Creative Wales, they’ve

⁵⁰ CWLC Committee para 97

⁵¹ CWLC Committee para

been diverted elsewhere, so there isn't a budget left for skills. So, that's a big concern, I think, that needs to be addressed'.⁵²

39. Gareth Williams, TAC, said that his organisation has offered training at no charge to freelancers during this period.⁵³ Ffilm Cymru also said they had provided online training which had a wider reach but that 'This comes with the caveat that this delivery doesn't suit all circumstances and can limit socially inclusive access'.⁵⁴

40. Screen Alliance Wales said that because all production has ceased they are not able to provide work shadowing, placements or traineeships. It was doubtful whether these would resume when productions recommence due to the need to limit crew sizes. Going forward, it said 'it would be of great advantage to have a platform in place for working with educational institutions remotely'.⁵⁵

41. Sara Pepper, Cardiff University, said that she will be involved in a skills census led by Clwstwr 'to take account of all of the skills needs across Wales, because, I think, pre COVID and post, during and post, the skills needs need to be really understood'.⁵⁶ The census findings will be available in the autumn.

42. Stakeholders also told the Committee of the importance of creating jobs at a time when the job market was so hard for young people. Gareth Williams, TAC, suggested that 'there could be a scheme in terms of encouraging newcomers to the industry and for that crucially to be representative of wider society and as diverse as possible'.⁵⁷

43. Pauline Burt, Ffilm Cymru, said that the lockdown has 'amplified access issues for people who are living with disabilities, and also socioeconomic exclusion, BAME communities, et cetera'.⁵⁸

44. In terms of how to address these issues, Phil Henfrey, ITV Cymru Wales, said that the 'first thing is to get the data and really understand how our sector is made up, where the skills gaps are and, in terms of diversity too, where we need to put our attention'.⁵⁹ He said that training, and in particular the apprenticeship scheme can be hard to plan for in an industry that works on a project basis. He

⁵² CWLC Committee para 87

⁵³ CWLC Committee para 51

⁵⁴ Ffilm Cymru written evidence

⁵⁵ Screen Alliance Wales written evidence

⁵⁶ CWLC Committee para 93

⁵⁷ CWLC Committee para 69

⁵⁸ CWLC Committee para 88

⁵⁹ CWLC Committee para 235

suggested that the Welsh Government and Creative Wales have a ‘leadership role’ to play:

‘Whether that’s potentially attaching conditions to support in terms of diversity, I think that can be an important element to demonstrate leadership within the sector and promote change’.⁶⁰

45. Rhodri Talfan Davies, BBC Cymru Wales, said that the sector has been talking about increasing diversity for some time and that progress needs to speed up. He called for diversity to be ‘part of the contract of business now’,⁶¹ and said that BBC are:

‘ring-fencing about £100 million a year of investment in output, where it will require production companies to demonstrate, both in front of the camera and behind the camera, that at least 20 per cent of the staff base and the talent base is from a diverse background, and that’s black, Asian, minority ethnic, disability and socioeconomic diversity’.⁶²

46. Owen Evans, S4C, agreed that progress needed to be quicker, saying:

‘I agree there is a role in governance. S4C will be advertising for new members to its board, hopefully over the next six weeks. We will be approaching diverse communities to encourage people to apply for those roles’.⁶³

Our View

Increasing skills and diversity

Stakeholders told the Committee of the impact of the lockdown on stifling employment opportunities for new entrants into the creative industries. At the same time, there is an increased appetite for training, due to the slowdown in work, which organisations such as Ffilm Cymru and TAC are seeking to meet. However, online training can never replace on the job training.

Production companies and PSBs providing on the job training opportunities need to also attract people from a wider background. The lack of diversity in front of, and behind, the camera needs to be tackled at every level. The Welsh Government can show leadership in this regard, through the support it provides.

We will be asking the Welsh Government to set out the information Creative Wales holds on the diversity of the creative industries workforce and the ways in

⁶⁰60 CWLC Committee para 236

⁶¹61 CWLC Committee para 239

⁶²62 CWLC Committee para 239

⁶³63 CWLC Committee para 243

which it seeks to record and increase diversity through contractual requirements with funding recipients.

If Wales is to benefit from a culture-led renewal and recovery from this crisis then it is important that we all have the chance to benefit equally.

Recommendation 8. The Welsh Government should require funding recipients of Creative Wales to demonstrate their commitment to increasing the diversity of their workforce.

6. Creative Wales

47. Committee Members heard praise from all those who contributed to this inquiry for the interventions from Creative Wales, the creative industries division of the Welsh Government.

48. Creative Wales launched a £1 million fund to respond to the coronavirus emergency. This includes a Grassroots Music Relief Fund to support people – other than musicians – working in the music industry, with funding of up to £25,000 per business. They also have an Emergency TV development fund for television projects made by independent production companies based in Wales and an Emergency Digital Development Fund for games, animation, digital agencies and creative digital businesses. Both were launched on 20 April, and are now closed to new applications.

49. Phil Henfrey, ITV Cymru Wales told the Committee that at a recent meeting of production companies there was universal praise for the speed with which Creative Wales responded to the crisis.⁶⁴

50. Owen Evans, S4C, said that one of the ways this was demonstrated, was through Creative Wales' work with the Department for Digital, Culture, Media and Sport to get guidance published by the Welsh Government so that 'key sector workers' in the media were able to continue to work during the pandemic.⁶⁵ He went on to say: 'So, the fact that they were able to respond to the demands of the sector swiftly and to sort these things out has actually made things much easier for us in terms of working at a time when it's difficult enough already.'⁶⁶

⁶⁴ CWLC Committee para 257

⁶⁵ CWLC Committee para 256

⁶⁶ CWLC Committee para 255

51. Stakeholders also welcomed the level of consultation with the sector, such as testing investment decisions with them. Rhodri Talfan Davies, BBC Cymru Wales, said that conversations with the sector are taking place ‘almost daily’, this level of consultation was described as ‘refreshing’.⁶⁷

52. Phil Henfrey, ITV Cymru Wales, praised the spending by Creative Wales on development and called it ‘well targeted’.⁶⁸ He acknowledged that the money had been spent where ‘it could make the value of that investment count quite quickly’, and that ‘it is to the credit of the decision makers within Creative Wales that they saw that’.⁶⁹ He said Creative Wales ‘have done a terrific job within the realms within which they can affect things’.⁷⁰

53. Stakeholders also valued the fact they had a voice for the sector within the Welsh Government, when decisions about changes to the lockdown were being made. Phil Henfrey, ITV Cymru Wales, said that having this representation was as important as the funding provided by Creative Wales, commenting that ‘making the concerns of the sector and the desires of the sector known is also really, really important.’⁷¹

Our View

Creative Wales

The Committee is very encouraged to hear that, although Creative Wales has only been in existence for a year, it has ‘responded fantastically well’⁷² to the pandemic with ‘innovative schemes’.⁷³ Not only was the speed of its response praised, but also the inclusive relationship it has established with those who work in the sector, with stakeholders commenting on the nature and extent of the consultation they carried out. We hope that Creative Wales will now embed this consultative way of working in their procedures as they begin the task of distributing the additional funding announced by the UK Government of £59 million.

We are pleased to see that Creative Wales has clearly listened to, worked with and responded quickly to the needs of the sector. The pandemic has

⁶⁷ CWCL Committee para 254

⁶⁸ CWLC Committee para 257

⁶⁹ CWLC Committee para 265

⁷⁰ CWLC Committee para 257

⁷¹ CWLC Committee para 260

⁷² CWLC Committee para 185

⁷³ CWLC Committee para 185

accelerated the pressures on all public sector agencies and it is encouraging to hear praise for one which is still in its infancy. We hope that the work of Creative Wales will build on these foundations of trust and inclusiveness, and we look forward to engaging with Creative Wales on its longer term strategic goals for the recovery of the sector.

Recommendation 9. The Welsh Government should ensure that the principle of stakeholder consultation is embedded in the ways of working of Creative Wales.

7. Annex – Evidence for the inquiry

54. The written evidence which informed this report is available on our [website](#).

The following people spoke to Committee members at the meeting on 25 June 2020:

Rhodri Talfan Davies	BBC Cymru Wales
Owen Evans,	S4C
Phil Henfrey	ITV Cymru Wales
Gareth Williams	TAC
Sara Pepper	University of Cardiff
Pauline Burt	Ffilm Cymru
Mark Davyd	Music Venue Trust

A transcript is available on the [website](#).

The Committee also heard from the Deputy Minister for Culture, Sport and Tourism, Welsh Government on [12 May](#).