Scottish Commercial Music Industry Taskforce Report for Scottish Government (July 2020)

This report presents the results of data gathered by the Scottish Commercial Music Industry Taskforce (SCMIT) at the request of Scottish Government (SG) in late July 2020. Data has been compiled and analysed and the report prepared by the Scottish Music Industry Association (SMIA) on behalf of SCMIT.

Research Scope

SG asked SCMIT to find out the answers to four questions:

1. Number of Full Time Equivalent (FTE) employees/non-salaried directors/partners.
2. Number of freelancers normally contracted 01/08/20–01/04/21.
3. Monthly fixed costs (excluding salaries and freelance contractor costs) that business needs to survive until 01/04/21.
4. Additional working capital amount that the business needs to support restart and recovery 01/04/21.

In this report we are primarily concerned with the music industry sub-sectors below. Music venues have not been included in this study because there is now some funding provision for them. However, they continue to be of great concern to SCMIT. Responses to question 2 counts the total number of contracted engagements, not total individuals.

- Agents (working with full time and commercial artists, not those supplying cover bands, wedding bands, etc.)
- Music Festivals
- Music Managers
- Artists (mid range, those who on average perform in the 500–1000 capacity range; at most at financial risk with their cash reserves depleted)
- Production Suppliers (i.e. PA and sound hire and sound engineering services, lighting hire, design and operation, stage hire and construction, road crew, etc.)
- Promoters

Methodology

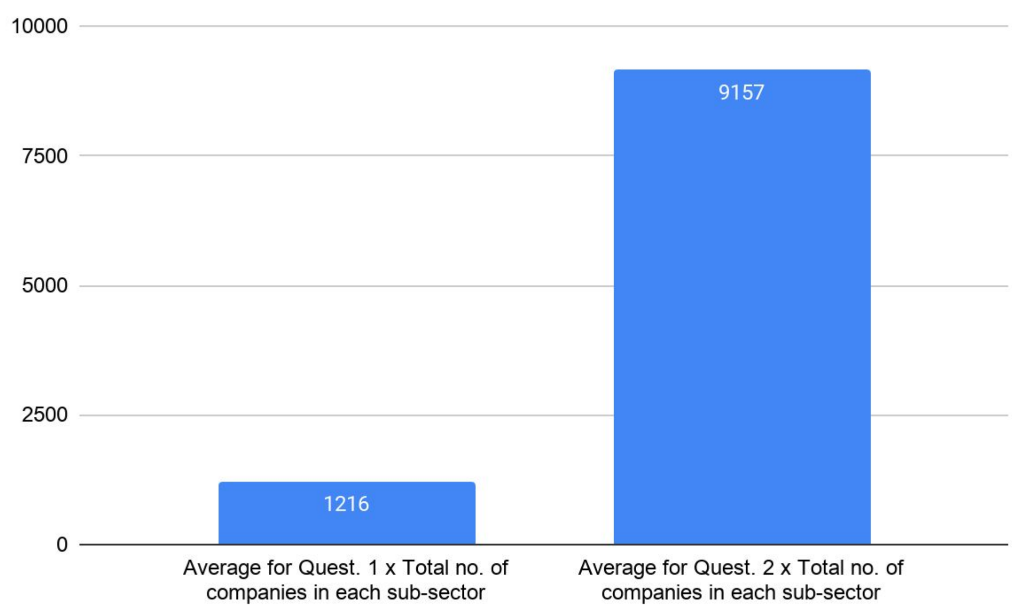
From its core members, SCMIT appointed leads who were tasked with gathering data from the live music sub-sectors in which they operate. SMIA compiled a list of companies operating in Scotland in those subsectors. The total number of companies in each sub-sector has been noted.

Data was obtained from as many companies as possible during the available time frame. Where it was not possible to obtain data from every company in each sub-sector, the data set was used as a reasonable representative sample, averages calculated and then multiplied by the total number of operating companies to provide estimates of the total needs.

Results

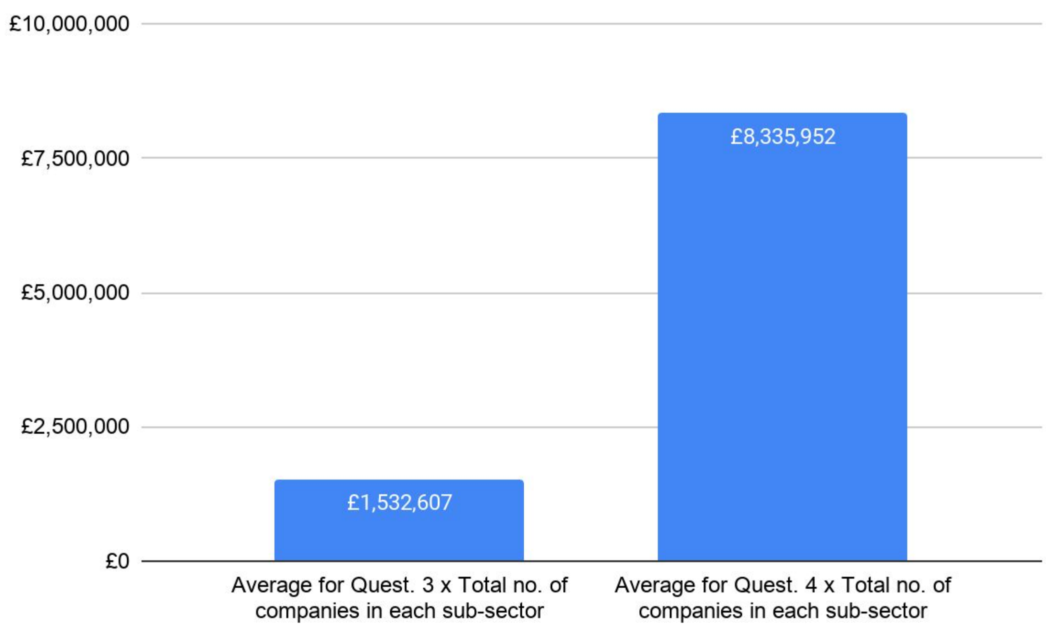
The following tables and charts present the results of our research.

Total Employment



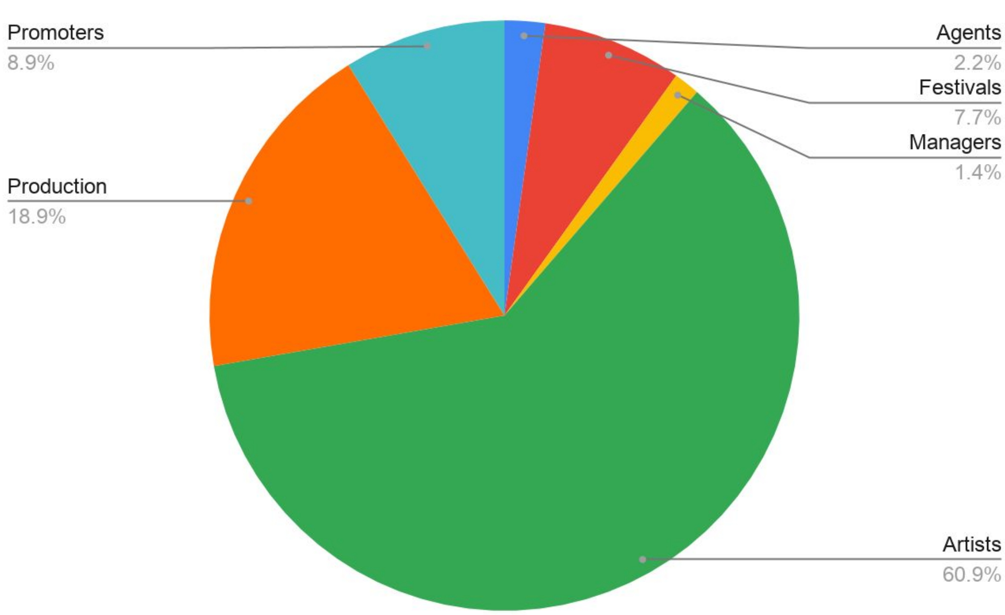
The first bar is the number of FTE employees/non-salaried directors/partners.
The second bar is the number of freelancers normally contracted 01/08/20–01/30/21.

Total Financial Need: Monthly Fixed Costs and Working Capital



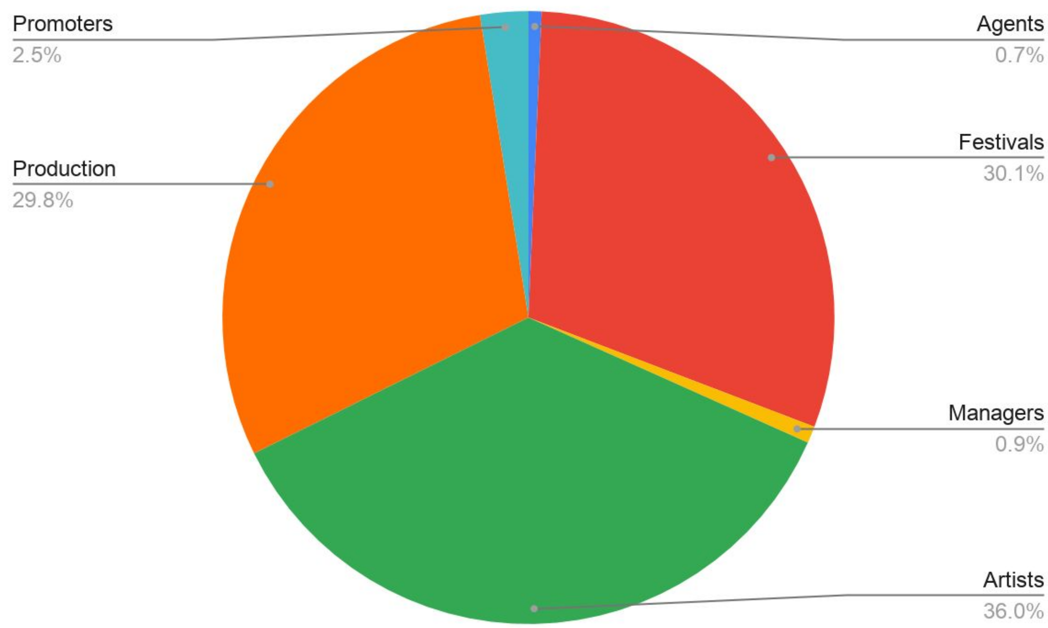
The first bar is the total needed to cover monthly fixed costs.
The second bar is the total needed to support restart and recovery on 01/04/20.

Sub-sector Employment Breakdown Estimate: FTE



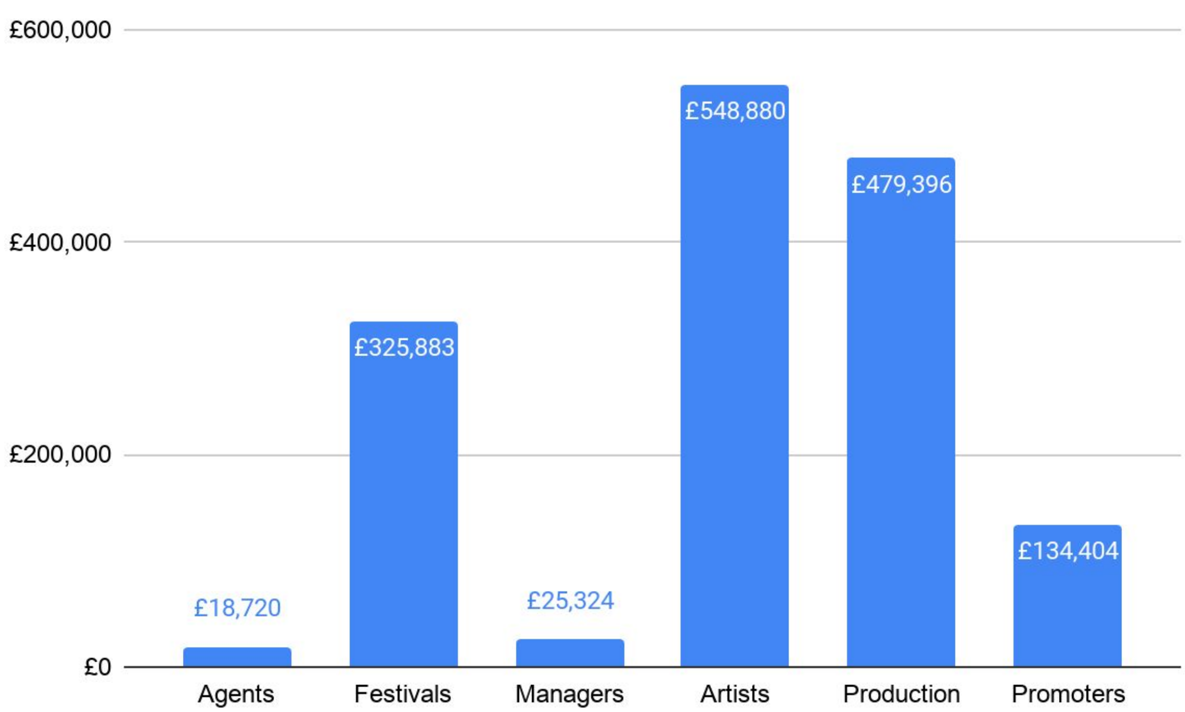
This pie chart shows the per-centage split of FTE total employment.

Sub-sector Employment Breakdown Estimate: Freelance

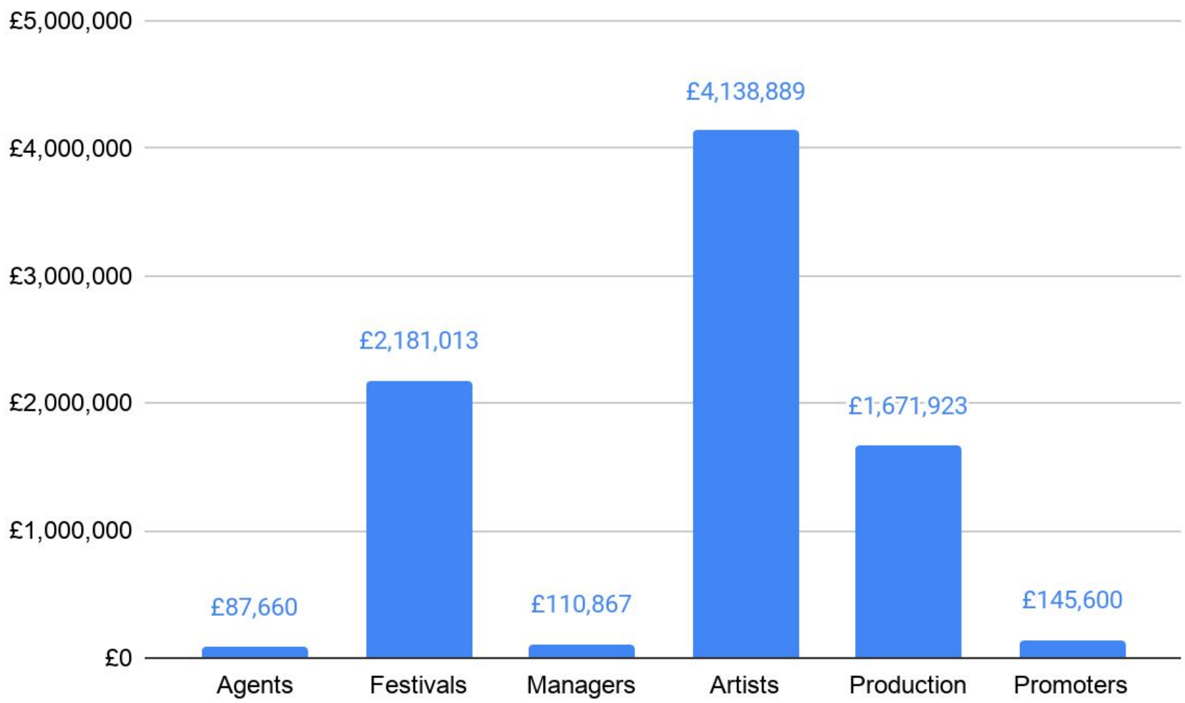


This pie chart shows the per-centage split of freelance total employment.

Total Monthly Fixed Costs by Sub-Sector



Total Restart Working Capital by Sub-Sector



Data Tables

Below we present all of the data we gathered and analysed to produce this report; exact data collected, sub-sector averages and estimates for sub-sector totals. The names of sub-sectors in the tables below have been truncated for formatting reasons. Please note that “Agents” refers to artist booking agents, “Festivals” to music festivals, “Managers” to music managers (including the artists they represent and record labels to which they are signed and/or operate), “Production” to production suppliers (i.e. PA and sound hire and sound engineering services, lighting hire and lighting design and operation, stage hire and construction, road crew, etc.) and “Promoters” to event, concert and gig promoters. Where there may be overlap across different sub-sectors in the services provided by a company, they have only been counted once in one specific sub-sector category.

In each of the tables below, the responses to the questions are abbreviated to “Quest X”:

Quest. 1 — No. FTE employees/non-salaried directors/partners.
Quest. 2 — No. freelancers normally contracted 01/08/20–01/30/21.
Quest. 3 — Monthly fixed costs that business needs to survive until 01/04/21.
Quest. 4 — Additional restart and recovery working capital 01/04/21.

First, here is the exact data collected during the course of this research.

Exact Data Collected								
	Total no. responses	Total no. companies in sub-sector	Total Quest. 1. FTE	Total Quest. 2. Freelancers	Total Quest. 3. Monthly Fixed Costs	Total Quest. 4. Working Capital		Percentage of responses (out of sub-sector total)
Agents	8	12	18	42	£12,480	£58,440		66.67%
Festivals	15	40	35	1034	£122,206	£817,880		37.50%
Managers	9	12	13	61	£18,993	£83,150		75.00%
Artists	27	250	80	356	£59,279	£447,000		10.80%
Production	26	45	132.5	1575	£276,984	£966,000		57.78%
Promoters	10	13	83	179	£103,388	£112,000		76.92%
Grand Totals	**95**	**372**	**361.5**	**3247**	**£593,330**	**£2,484,470**		**25.54%**

Next we used the number of companies that provided data divided by the total number of companies operating in that sub-sector to calculate industry averages.

Averages						
			Average for Quest. 1	Average for Quest. 2	Average for Quest. 3	Average for Quest. 4
Agents			2	5	£1,560	£7,305
Festivals			2	69	£8,147	£54,525
Managers			1	7	£2,110	£9,239
Artists			3	13	£2,196	£16,556
Production			5	61	£10,653	£37,154
Promoters			8	18	£10,339	£11,200
Totals			**22**	**173**	**£35,005**	**£135,979**

Finally we took the averages and multiplied them by the sub-sector totals to find estimates of total need.

Estimates for Sub-Sector Totals (Average x Total no. Sub-Sector Companies)						
			Average for Quest. 1 x Total no. of companies in each sub-sector	Average for Quest. 2 x Total no. of companies in each sub-sector	Average for Quest. 3 x Total no. of companies in each sub-sector	Average for Quest. 4 x Total no. of companies in each sub-sector
Agents			27	63	£18,720	£87,660
Festivals			93	2757	£325,883	£2,181,013
Managers			17	81	£25,324	£110,867
Artists			741	3296	£548,880	£4,138,889
Production			229	2726	£479,396	£1,671,923
Promoters			108	233	£134,404	£145,600
Totals			1216	9157	£1,532,607	£8,335,952

Data was gathered by members of SCMIT and reviewed for accuracy. Responses were aggregated and anonymised. Data on individual companies will be destroyed once the report has been finalised and published.

During our research SCMIT found that several festivals who are established as not for profit organisations are also in danger of being unable to continue operations. They foresee considerable gaps in funding and noted that the Creative Scotland Open Fund now has a reduced ceiling of £50,000. They anticipate that in addition to costs required to sustain their staff until April, they will have significant gaps in funding and an increase in operational costs that will require assistance. SCMIT notes that these organisations are an important part of the ecosystem, regularly employing production companies, freelancers and artists. We urge the Scottish government to also look at these organisations and to discuss separately with them their needs.

This report was designed, processed and produced by SMIA in its capacity as a member of SCMIT.