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Gweinidog yr Economi, Gwyddoniaeth a Thrafnidiaeth
Minister for Economy, Science and Transport



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref

11 August 2014

Christine Chapman AC/AM
Chair, Communities, Equality and
Local Government Committee

CELG.Committee@wales.gov.uk

Dear Christine

You requested information on the decision to discontinue funding for the Welsh Music Foundation (WMF).

WMF had been funded by the Welsh Government since 2000 under a series of funding contracts. The latest contract, providing £160,000 per annum, was for three years and came to an end on 30 June 2014.

EST funding to other creative industry 'spoke' organisations that were set up in a similar way (including the Film Agency for Wales) was discontinued between 2012 and 2013. These organisations have established alternative business models and continue to deliver services.

A review of WMF's annual report and its business plan for 2014-17 did not provide sufficient evidence of economic impact on the music industry in Wales to justify continued funding from my Department.

In May 2014 I agreed to offer a six month extension of funding to December 2014, to provide an opportunity for WMF to continue its services to the music sector while the organisation managed its exit from EST core funding. The offer of extended funding was declined by the board of directors of WMF who suspended the operations of the organisation on 1 July 2014.

My officials are now exploring options for a new advice and information service catering for the whole creative industries sector, including music. This will be developed in alignment with EST priorities. The new service is expected to reduce the impact to the music industry of WMF's closure.

While the new service is being set up, music companies are being directed to the Welsh Government Business Helpline for support.

My department also continues to offer a range of support available to businesses in the music industry. This includes support for trade development and attendance at overseas trade events; funding for job creation and capital investment projects; and funding for projects to exploit commercial opportunities in the digital economy, through the Digital Development Fund.

A handwritten signature in black ink, appearing to be 'C. I.', located at the bottom left of the page.