

# **Agenda – Culture, Communications, Welsh Language, Sport, and International Relations Committee**

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Meeting Venue:

Committee Room 1, Senedd

Meeting date: 11 January 2023

Meeting time: 09.30

For further information contact:

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## **Pre-meeting registration**

(09.15–09.30)

### **1 Introductions, apologies, substitutions and declarations of interest**

(09.30)

### **2 Challenges facing the creative industry workforce: Evidence session with national broadcasters**

(09.30–10.30)

(Pages 1 – 29)

Sian Gwynedd, Head of People, Culture and Partnerships, BBC Cymru Wales

Siân Doyle, Chief Executive Officer, S4C

Nia Britton, Operations Manager, ITV Cymru Wales

Research brief

Consultation response from BBC Cymru Wales

Consultation response from S4C

Consultation response from ITV Cymru Wales

### **3 Papers to note**

(10.30–10.45)

#### **3.1 Additional information from Arts Council of Wales following the evidence session on 26 October**

(Pages 30 – 35)



- 3.2 Additional information from Screen Alliance Wales following the evidence session on 30 November**  
(Pages 36 – 37)
- 3.3 Additional information from Equity following the evidence session on 30 November**  
(Pages 38 – 41)
- 3.4 Letter from the First Minister to the Chair of the Culture, Communications, Welsh Language, Sport, and International Relations Committee regarding follow up from scrutiny on International Relations**  
(Pages 42 – 45)
- 3.5 Letter from the Deputy Minister for Arts and Sport, and Chief Whip to the Chair of Culture, Communications, Welsh Language, Sport and International Relations Committee regarding support for Rubicon Dance**  
(Page 46)
- 3.6 Letter from the First Minister to the Chair of Finance Committee regarding scrutiny of the financial implications of Bills**  
(Pages 47 – 48)
- 3.7 Letter from the Chair of Finance Committee to the First Minister regarding scrutiny of the financial implications of Bills**  
(Pages 49 – 51)
- 3.8 Letter from Huw Marshall, Founder, Talking Wales to the Chair of the Culture, Communications, Welsh Language, Sport and International Relations Committee regarding public interest journalism in Wales**  
(Pages 52 – 61)
- 3.9 Letter from Arts Council of Wales to the Chair of the Culture, Communications, Welsh Language, Sport, and International Relations Committee regarding the future of St David's Hall in Cardiff**  
(Pages 62 – 66)
- 3.10 Letter from Cardiff Council to the Chair of the Culture, Communications, Welsh Language, Sport, and International Relations Committee regarding the future of St David's Hall in Cardiff**  
(Pages 67 – 68)

- 3.11 Letter from the First Minister to the Chair of the Economy, Trade and Rural Affairs Committee regarding The Second Additional Protocol to the Council of Europe Convention on Cybercrime**  
(Pages 69 – 72)
- 3.12 Welsh Government response to the Committee's Report on the Supplementary Legislative Consent Memorandum on the Online Safety Bill**  
(Page 73)
- 3.13 Letter from Deputy Minister for Arts and Sport, and Chief Whip to the Chair of the Culture, Communications, Welsh Language, Sport, and International Relations Committee regarding the closure of Corgi Cymru**  
(Pages 74 – 76)
- 3.14 Joint letter from Chair of Legislation, Justice and Constitution Committee and Luke Fletcher MS to the Chair of the Culture, Communications, Welsh Language, Sport, and International Relations Committee regarding the second meeting of the UK–EU Parliamentary Partnership Assembly**  
(Pages 77 – 78)
- 3.15 Letter from Minister of State, Minister for Media, Data and Digital Infrastructure to the Chair of the Culture, Communications, Welsh Language, Sport, and International Relations Committee regarding the UK Government's forthcoming Media Bill**  
(Pages 79 – 80)
- 3.16 Letter from Chair of Finance Committee to the Chair of the Culture, Communications, Welsh Language, Sport, and International Relations Committee regarding Draft Budget 2023–24**  
(Pages 81 – 84)
- 3.17 Letter from the Chair of the Culture, Communications, Welsh Language, Sport, and International Relations Committee to the Chair of Children, Young People, and Education Committee regarding coordinating draft budget scrutiny on Welsh–medium education**  
(Page 85)
- 3.18 Letter from Museums Association to the Chair of the Culture, Communications, Welsh Language, Sport, and International Relations**

**Committee regarding Cardiff City Council's consultation on a proposal to potentially close the Museum of Cardiff**

(Pages 86 – 87)

**3.19 Welsh Government response to the Committee's Report on the impact of increasing costs**

(Pages 88 – 94)

**4 Motion under Standing Order 17.42 to resolve to exclude the public from the remainder of this meeting**

(10.45)

**5 Private debrief**

(10.45–10.55)

**6 Scrutiny of the Welsh Government Draft Budget 2023–24:  
Consideration of evidence from the First Minister**

(10.55–11.15)

(Pages 95 – 111)

Research brief

Letter from the Chair to the First Minister – 8 November 2022

Letter from the Chair to the First Minister – 30 November 2022

Welsh Government written evidence

**7 Public Accounts and Public Administration Committee Inquiry into Public Appointments: Consideration of correspondence**

(11.15–11.30)

(Pages 112 – 113)

**8 Guidance on Virtual and Hybrid Proceedings**

(11.30–11.35)

Document is Restricted



**Culture, Communications, Welsh Language, Sport and International Relations Committee**

**Inquiry into the Creative Industries Workforce**

**October 2022**

## **Context**

BBC Cymru Wales welcomes the opportunity to submit evidence to the Culture, Communications, Welsh Language, Sport and International Relations Committee as part of the inquiry into the Creative Industries Workforce.

The BBC is a vital part of the fabric of Wales, used by 90% of adults in Wales every week. The BBC's job is to inform, educate and entertain all audiences and provide great value for everybody. In Wales, it does so in two languages. It is founded on the principle that everybody pays, sharing the costs, so that everybody gets great programmes and services. This principle of universality, providing a service for everyone, makes the BBC a mission driven media organisation and a great Welsh and British asset.

In Wales, the mission of the BBC is uniquely important in defining national life. It is the only national broadcaster providing a range of content across television, radio (BBC Radio Wales and BBC Radio Cymru) and online, in both English and Welsh. The content offer brings the nation together and includes news, sport, entertainment and education, as well as the only full-sized professional orchestra in Wales, the BBC National Orchestra of Wales, in partnership with Arts Council Wales. The Welsh language television part of our mission is delivered in partnership with S4C. Many of the BBC's functions in Wales are not provided for at all by the commercial marketplace.

The latest Annual Report and Accounts shows that BBC Wales employs approximately 876 working from bases across Wales. These include Cardiff, Bangor, Wrexham, Carmarthen, Aberystwyth and Swansea.

The current headcount is a reduction of 60 overall from the previous figure reported in the 2020/21 Annual Report and Accounts. This is in line with the overall approach that the BBC has taken to reduce the public service headcount to create a leaner more efficient organisation.

In response to the pandemic in the previous year we paused recruitment for non-business critical roles and initiated a voluntary redundancy programme with the intention to deliver savings quickly in the face of the growing financial challenge. This created an opportunity to reshape and simplify the structure of the BBC, and this strategy continued into 2021/22.

Our business-critical staff worked from our broadcast centre through the pandemic and we're grateful to them for their commitment and professionalism throughout this difficult and challenging period. Non-business critical staff have phased their return to the workplace through hybrid working.

The pandemic had a significant impact on television productions here in Wales and across the UK, resulting in a significantly slower production process in some instances. In others, production stopped altogether.

Competition in the UK TV market has increased significantly over the last decade as consumers have more choice than even before. Additionally the attractiveness of UK produced content for global audiences has increased investment in the UK's production sector. This has led to a significant increase in production costs ('input inflation') due to competition for production resources, particularly in genres such as high-end drama. The UK, in particular, faces considerable input inflation due to the current 'skills gap', scarcity of studio space and other factors which limit how quickly production capacity can expand. This has meant that production sector inflation has been in excess of general inflation. Additionally, the current higher rate of general inflation driven by energy cost and other product price increases will impact the production sector following cost increases continuing to impact the sector from the pandemic, driving costs for commissioners like the BBC higher still.

The issue of cost pressures is not unique to the BBC. *Broadcast's 2022 Indie Survey* respondents continued to find that their production budgets were being affected by Covid-19; 92% of indies reported that their costs were higher, by between 10% and 25% of their pre-pandemic levels, even though restrictions on filming had been relaxed by the end of 2021. Close to half of respondents reported that their production costs were higher than in 2020.<sup>1</sup>

## **Funding**

While the Committee's focus in this inquiry is on the workforce, we feel it's important to give context to the discussion and debate on the future of the BBC's current funding and future funding model.

As regards current funding, the starting point is that the BBC has been managing a c.30% real terms reduction in its income since 2012. In addition, the level of the Licence Fee has been frozen in both 22/23 and 23/24. This would be challenging in any environment, but hyperinflation is causing multiple pressures including additional pay-bill, energy and contracted distribution costs

The combination of these issues makes for an exceptionally tough financial environment and, at this point, we forecast it will result in an estimated £400m funding shortfall for the BBC by the end of this Licence Fee period.

Within the BBC, this is already leading to some very difficult decisions around what we are able to fund. The BBC has already announced its intention to stop a number of programmes and services.

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<sup>1</sup> [https://www.ofcom.org.uk/data/assets/pdf\\_file/0016/242701/media-nations-report-2022.pdf](https://www.ofcom.org.uk/data/assets/pdf_file/0016/242701/media-nations-report-2022.pdf), p.46



In respect of a future funding model - a debate which the BBC welcomes – given the impact of the funding on the creative sector. It is important that all the options are considered, with the public at the heart of the debate. Any process should win the confidence of the public, the Senedd and the UK Parliament and be evidence-based. Any funding model should also be sustainable in what will be a very different media landscape in the 2030s, not just answering today's questions.

The BBC can of course be funded in different ways, but the result could be a fundamentally different BBC. This has profound implications for audiences and the UK's creative economy. As part of this debate, it is vital to understand what audiences want and expect from the BBC in Wales, in the UK overall and in terms of the UK's place in a global media market. Currently the BBC is the only British media organisation that operates at scale in the UK, globally and with a public mission at its heart.

The BBC has set out five principles which a funding model should meet in order to support the BBC as a national and global asset:

- **Does it deliver the Mission?** – providing a universal public service in the UK, to inform, educate and entertain. Everybody uses and benefits from our trusted impartial news, quality British content, and education services.
- **Does it safeguard impartiality and independence?** – championing free democracy in the UK and globally. Operating without fear of or favour to political or commercial interests.
- **Does it provide a sustainable financial model?** – supporting a BBC to innovate and modernise to meet new audience demands. Enabling the BBC to be ambitious, operate at scale in a global digital marketplace.
- **Does it help the creative economy grow?** – enabling the BBC to invest and work in partnership to grow the world-leading UK creative industries, develop British talent and export British content and services globally. Creating a strong UK brand valued across the world.
- **Does it deliver fair value for audiences?** – ensuring a system that is fair for our audiences, offering good value versus the market and is widely supported.

## **Diversity and Inclusion**

Creating a diverse and inclusive workforce is a priority for the BBC as is ensuring our content is reflective of the society we serve. Whilst we have made good progress in both areas, there is still work to do in this area.

Working with partners such as Culture Connect Wales, Screen Alliance Wales and It's My Shout our aim is to ensure we are pro-actively working to secure a more diverse pipeline for BBC Wales and the industry more widely.

Our public engagement work in this area is a priority – both in terms of tours of our broadcast centre in Central Square and in particular the work we're undertaking with schools across Wales. Over recent weeks there has been an additional project in place to

reach out to schools. Entitled, Share your Story this is a project which celebrates the BBC's centenary using our staff and presenters to inspire the workforce of the future.

In terms of inclusion we have a range of staff networks which are supported by the business. These include a disability network, LGBTQ+ and BAME networks as well as much more. These networks connect and support staff and are run by colleagues who are role models for diversity and inclusion. As well as wanting to ensure that the voices of their members are heard, they are passionate about encouraging a deeper understanding of diversity and inclusion across the BBC. They're a great asset to our workplace and we also help them work strategically on behalf of staff as well as our audiences and have a crucial role to play in the future success of the BBC.

We have also recently appointed a Portfolio Manager to focus on inclusion at BBC Wales.

BBC Wales also offers apprenticeship opportunities across the year. As part of the apprentice recruitment, we work hard to ensure our resourcing teams reach out to underserved communities all over Wales. In early 2023 we will be piloting disability traineeships, having worked closely with Disability Wales.

## **Skills and Training**

BBC Wales is currently working closely with industry partners on growing skills and identifying areas where there is a skills or training deficit. These industry partnerships include Factual Fast Track Wales, which will be launching for the third time in the next few weeks. The aim of this development course, organised in partnership with Channel 4, S4C, Creative Wales and independent production companies across Wales is to grow the next generation of business winners in factual production.

Ffilm Cymru's Beacons project is a short film scheme shining a light on Welsh talent, supporting emerging filmmakers from Wales to make a cinematic calling card with funding, training and advice. It's supported by BBC Cymru Wales and BFI Network with funding from the National Lottery. From a documentary portrait of local life to dark horror comedy, the projects commissioned through Beacons reflect the rich variety of talent and stories Wales has to offer.

BBC Wales has also been running a New Directors Scheme since 2017. Having identified a need to give talented up-and-coming directors the opportunity to make their first long-form documentary programme, we launched the scheme which sees four successful candidates each get the chance to produce a half hour documentary for BBC Wales. The new film makers are also be given access to a series of specialist mentoring sessions and masterclasses with leading figures within the documentary field in Wales and beyond.

The National Film and Television School (NFTS) has established a new national hub based in BBC Wales's Central Square broadcast hub Wales in partnership with the broadcaster and Creative Wales. Following the successful opening of hubs in Glasgow and Leeds in addition to its main site in Beaconsfield, NFTS Wales has focussed its activity on supporting very recent graduates to acquire the higher-level skills required to

either pursue postgraduate study or to successfully transition into the creative industries.

Backed by funding from Creative Wales, the new national training centre in Wales also supports emerging talent, as well as strengthen skills development. BBC Wales is working closely with NFTS to identify skills gaps and make the most of training opportunities.

Every year BBC Wales offers a number of apprenticeship opportunities across the business in order to support the growth of skills in the industry and in our workforce. The range of schemes on offer is spread across the operation, from Journalism, Technology and Operations, to Sport, Radio and Audiences. Our aim is to build a skilled and diverse workforce while providing an exceptional learning experience for our apprentices. Currently we have 27 apprentices across many functions within BBC Wales who have on-the-job training as well as learning opportunities with our Welsh educational partners such as Sgil Cymru and Cardiff and Vale College. Our apprenticeship portfolio is targeted to ensure we build a sustainable skills base in our workforce and the wider industry. Many of our graduating apprentices secure long-term employment with BBC Wales at the end of their scheme and others go on to work in the broader Welsh creative sector.

### **Collaboration with Creative Wales**

In September 2021, the BBC signed a Memorandum of Understanding [MOU] with Creative Wales. There was a good working relationship between both partners prior to the formal signing and it continues to flourish and grow. Creative Wales provides value to the BBC in a number of ways, including co-funding of content, building capacity in the sector, investing in skills and training, as well as using its national convening role for the public good.

The BBC-Creative Wales partnership is focused on delivering the following objectives:

- Creative impact – including UK-wide and global portrayal of Wales in commissioned content
- Economic impact – growing and upskilling Wales' creative industry base.
- Ensure our content is produced in a way which reflects the diversity of Wales
- Contributing to the economic success of Wales post COVID-19 and in a manner which is environmentally and socially responsible

The MOU supporting the partnership outlines the annual commitments in terms content and programmes from both parties. These were delivered in the first year and are on track to deliver in the second year. For example, Creative Wales have contributed funding towards the second series of *The Pact* due to broadcast this Autumn as well as a range of other drama series and factual programmes – including the BBC Three and BBC Wales co-commission *Hot Cakes*.

The partnership goes beyond TV. Creative Wales played an active role in the 6 Music Festival which came to Cardiff in April. They're also a key partner in the Comedy Festival which will be in Cardiff for the next twelve months. As part of the festival a partnership scheme, co-funded with Creative Wales, will pair a Welsh-based emerging independent production company with a leading BBC Comedy supplier to help strengthen and enhance comedy production in Wales.

## About S4C

S4C is the independent Welsh-language public service broadcaster and one of the UK's six PSBs. S4C offers a full service in Welsh every day of the week and across a variety of genres and platforms. This is essential for the audience and crucial for the future of the Welsh language.

We also play an important role in supporting the wider creative industry. As the broadcaster that commissions the most hours of content from Wales each year, S4C is a cornerstone of the screen sector in Wales. Almost 80% of our public money is invested in content from companies across Wales which in turn supports a highly skilled workforce that can work in their communities.

In 2019/20, S4C was responsible for an economic impact worth £197.4m in the UK economy and £141.1m in Wales. With a direct expenditure of £102.7 million in 2019-20, we support an average of 101 FTE jobs at S4C and 2,334 employees and freelancers in our supply chain – the vast majority of these being in Wales. S4C plays a key role in Wales not only for the audience and the Welsh language, but also for the economy and the wider workforce.

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

S4C's vision for the production sector in Wales is a highly skilled, bilingual, representative, and inclusive workforce. Anchor broadcasters such as S4C have played a vital role in the success of the creative industries here, leading to a strong supply chain of independent production companies making first class content. We are working with Creative Wales, a Welsh Government agency, on developing skills and talent, focusing on opportunities for people from under-represented backgrounds in the sector and building a larger workforce that can work in the two national languages of Wales.

Yet, as in the rest of the UK, there are skills gaps across almost every area of expertise in the sector in Wales. Although this has been exacerbated by the pandemic, there is also a general shortage of workers. This was partly caused by the increase in recent years of productions that are filmed here due to the success and reputation of the Welsh television sector - a sector that was established mainly as a result of the existence of S4C as the Welsh language broadcaster (i.e. we commission the majority of our content rather than creating it ourselves.) The Welsh screen sector workforce is also in great demand in areas beyond Wales, which can create additional recruitment challenges.

This skills gap could potentially offer a huge opportunity to grow a highly skilled workforce to work in the communities across Wales where S4C's production partners are based. In addition to the currently identified shortage behind and in front of the camera, we are increasingly seeing trends for new skills: digital or multi-platform content creation, data scientists, developers and more.

Screenskills estimates that around 15-21,000 extra crew members will be needed by 2025, across the UK. They further estimate that the value returned to the UK economy will be approximately 15 times the cost of investing in the skills and training required to train this additional workforce.

Covid had an impact on productions including the fact that companies were unable to get insurance for Covid. S4C noted at the time that insurance had risen to 0.85-1% of the production budget and the amount companies had to pay from around £2.5k-£4k (depending on the level of risk of the production) to £10k- £40k. Companies are still unable to access Covid insurance and are now building Covid health and safety systems into their production budgets.

S4C does not have exact figures for people leaving the sector. S4C commissions certainly continued during lockdown periods with additional commissioning rounds to support the sector and the workforce and to ensure that content remained on screen to entertain our viewers.

Overall, there is a general increase in content production costs beyond Covid. Prices have increased significantly in all areas – from fuel / energy costs for businesses – to a significant direct but also indirect increase through the supply chain, e.g., travel costs, hotel rates, and employee costs, especially freelancers.

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

With the licence fee settlement in January 2022, S4C was assured of its public funding until April 2028. S4C will receive £88.85m from the licence fee. We have welcomed this, as it enables us to plan our content and commissions in the long term. The £88.85m includes an increase of £7.5m per year to support S4C's digital development, which will also have a positive impact on the sector in Wales. The funding is frozen for the first two years of the settlement, but there will be a CPI increase from 1 April 2024. In real terms and while inflation is high, S4C's settlement will be lower after 24/25 because we have had a flat settlement for the two years before that.

S4C is one of the sector's main commissioners, so the financial security from the settlement and S4C's role as a publisher broadcaster that commissions most of its content undoubtedly contributes to the stability of the Welsh language sector. Our production companies are important employers in their local areas and travel throughout Wales to film content for S4C. Arad's research estimated in 2021 that S4C's spending in 2019-20 supported 2,334 UK employees and freelancers through the supply chain and that S4C had an economic impact of £141.1m on the economy during the same period.

However, production costs have increased significantly over recent years - especially, drama. Note the following from Ofcom's report Small Screen: Big Debate – a five-year review of public broadcasting (2014-18) (published 27 February 2020):

"In 2018, multichannels spent less on first-run drama in total than the PSB broadcasters, although their hourly spend was higher. Including third-party spend, drama costs per hour in the multichannel sector rose dramatically over our review period to £1.9m per hour in 2018, up from £1m in 2014. This is consistent with the growing PSB spend on drama, which increased from £1.1m to £1.7m per hour over the same period."

Whilst average costs for high-end S4C drama productions are lower than this at around £250k-£300k per hour, there has been an increase of £25k-£50k per hour in tariff over the last three years, therefore 10%+.

A shortage of manpower (which, as noted, is partly the reason for the success and reputation of Welsh drama attracting productions and companies here) has also had an impact on production costs. Whilst this success is a positive thing, it has meant that there is more demand for staff than there is workforce. And of course, it is easy to understand the decision of freelancers who choose to work on productions for SVODs and international platforms that have much larger budgets than those of the public broadcasters. We are eager to increase the number of people who can work in Welsh on screen and behind the camera. There is a real opportunity here to develop a workforce that could contribute towards creating a million Welsh speakers and to double daily consumption, and we would welcome further collaboration, including through Creative Wales and Cymraeg 2050 working with the broadcasters to make this a reality.

S4C expects the companies that create content for it to ensure fair working conditions and pay for their workforces. We work closely with TAC (Teledwyr Annibynnol Cymru) to ensure best practice and good industry relationships in the production activities of its members. We achieve this through a combination of commissioning terms, publishing policies and guidelines and contributing financially to the work of TAC's industry relationships.

We also collaborate with TAC on training, and support a range of schemes such as the Film and TV Charity's The Whole Picture Programme, the CULT Cymru Wellbeing Facilitator pilot, Bectu and 6ft from the Spotlight to ensure fair working conditions.

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

Reflecting Wales is a priority for S4C. We are committed to contributing to improving diversity and inclusivity in the broadcasting sector in Wales. This includes work that is internal to S4C as well as being involved with production companies and other partners in commissioning and developing content, and

supporting new talent. A Diversity and Inclusion Officer was appointed in December 2020 to coordinate this work and S4C's diversity, inclusion and equality strategy is available [here](#).

S4C's main priorities are to improve inclusion in terms of disability and minority ethnicity as these are the two characteristics most underrepresented in the screen sector in Wales. We are also taking steps to ensure that people from less socio-economically privileged backgrounds come to work in the sector and this is also a big priority for us.

Unlike the other broadcasters, S4C is not yet formally monitored. We are working on this as a priority so that we can set targets as some of the broadcasters under Ofcom's licence have had to do for several years. We will join the Diamond monitoring scheme run by the Creative Diversity Network (CDN) as soon as possible. This will give us data about how diverse and inclusive S4C's content is and the sector that creates it for us so that we can set our own targets to reflect our audience.

We work to improve inclusion and representation in a number of ways including our membership of the CDN, partnering with specialist bodies and organizations that advise us and implement specific plans with S4C, and by funding specific projects and plans e.g.

- sponsoring bursaries to give access to the sector to people from under-represented backgrounds - with the College of Music and Drama, Cardiff Met University, JOMEC and S4C's Journalism Scholarship;
- working with Culture Connect to support opportunities in the film and television sector in Wales;
- It's My Shout and Screen Alliance Wales to present the sector and provide experience and training;
- co-funding the Rad Cymru Wales pilot to provide work experience and training for newcomers;
- organizing specific training on inclusion for S4C, and for the sector through our partnership with TAC, in partnership with external organizations such as Stonewall, DAC, Hi-jinx and others;
- sponsoring the Pride Cymru 2022 parade and commissioning special content

Many of these plans merge our training and inclusion strategies - these are linked. But there is more we can do. Working in partnership is essential if we are to ensure that the workforce and content reflect Wales today. Our intention is to continue working with other organizations and broadcasters and with both governments to continue to see progress.

We would support an industry-led integrated skills programme across Wales to improve diversity and representation within the sector's workforce, which is also linked to the ambitions of Cymraeg 2050.

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



As previously noted, partly due to the success of the sector, there is a shortage of manpower which means that there are skill gaps across almost every work specialization and this has been supported by [the skills research that has been carried out by Clwstwr Wales and the Welsh Government since 2020](#). As the reports also indicate, further gaps are appearing in terms of a workforce that can speak Welsh and English.

S4C has a history of innovative support and training in the sector and will publish its latest skills and training strategy in 2023 in order to respond to the emerging challenges and opportunities in the sector in Wales. Since 2019, S4C has formed a partnership with TAC, to provide a skills and training programme for its producers. To date, the programme has delivered over 75 courses, moving online during the first lockdown to support the sector.

More investment in skills and talent development is needed to ensure a sustainable and innovative production sector, which can compete internationally whilst also meeting domestic demand. Sector-led training is essential. In addition to TAC, S4C also co-funds several training programmes with Creative Wales, Screen Alliance Wales, It's My Shout and other public service broadcasters including the BBC, ITV and Channel 4. Ensuring representation is also the aim of many of these training programs.

Developing long-term talent ideally requires longer-term funding planning than is currently available. Plans to fill talent and skills gaps in high-demand areas - such as digital content creation and storytelling - should start young, not just through post-16 training. It should be ensured that these plans are part of the sector's partnerships and wider initiatives, including the Welsh Government's Cymraeg 2050 targets. Access schemes and bringing new people into the workforce, from all walks of life, is S4C's priority. We need more access opportunities. And these plans must be adequately funded. S4C welcomes the opportunity to work with Creative Wales and screen and training sector partners to address this. We are also developing a pilot scheme to bring more apprentices into the sector, building on work that has already taken place on S4C productions through collaboration with Sgil Cymru.

## **New skills**

Following the licence fee settlement in January 2022, S4C has ambitions to establish a digital unit to meet requirements and help skills development. There are huge opportunities to develop talent in areas, such as science and data development, which are increasingly important to S4C and Welsh media. These are relatively new skills areas for S4C, and they are also ones where there is a shortage of skills across many industries and sectors - which makes it difficult to recruit. We feel there is potential to work across governments, with local authorities being part of creative development programs linked to Levelling Up schemes and other emerging funding streams and we would welcome further action on this. There are also obvious opportunities in terms of realizing the Cymraeg 2050 objectives of a bilingual workforce and these should be acted upon.

Personalization of content will become increasingly important in the provision of service to our audiences. Data will help gain insight into user behaviour and help deliver content relevant to our existing audiences and target potential new audiences. But we need the skills base in the sector to enable us to realize this ambition.

S4C's commercial arm has invested in the Aria studio on Anglesey with Rondo Media and the support of Creative Wales. Aria is about to open, and two soundproof studio stages will offer a total of 20,000 square feet of filming space. Skills and talent are at the core of the scheme with the intention of working in partnership with colleges, universities and media training agencies throughout Wales and developing freelance work opportunities across a range of specialisms. More details will be announced in due course.

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

We welcome the creation of the Creative Wales agency, and the fact that a creative skills action plan - which will cover the digital and music sectors as well as screen - is being developed. This integrated approach throughout Wales will be essential to the success of the creative industries in the future. We would also recommend action across borders so that the workforce can continue to benefit from training and production experiences through schemes running across the border. Leadership by the sector is essential. The provision available must be suitable for the requirements of the sector, and a national plan for Wales must be led by the broadcasters.

S4C, BBC, and Channel 4 have co-invested in significant skills and training projects, including the Factual Fast Track Wales Scheme, RAD Cymru Wales (with BBC Cymru Wales, Channel 4, and Creative Wales) and Culture Connect Wales (which has also been jointly funded by ITV Cymru Wales.) Projects like these are essential to ensure a diverse and skilled pipeline of talent for the sector in Wales and it is important that they continue.

Innovation is essential to the future of the sector in Wales. Both governments, funding bodies and sector organizations need to work together to support innovation and research and development to support the creative industries across the UK and ensure future growth and innovation. S4C has welcomed the partnership work of UKRI, the Arts and Humanities Research Council which has led to an £80m [Creative Industries Cluster Programme](#) to stimulate innovation and growth across the UK's creative industries. S4C is a partner in the Wales Creative Cluster programme which connects academia, industry, and governments. Through the Screen Innovation System and News Innovation Lab, Clwstwr aims to create and deliver a Research and Development programme that will enable the creation of a high value screen cluster. The Welsh Government is also part of the wider programme, and we welcome this as a multi-party approach to support skills development and innovation in Wales.

### **Conclusion**

The sector in Wales is feeling the impact of Covid and workforce shortages, and inflation and the upcoming increase in costs will undoubtedly affect the creative industries. We see more focus in terms of representation and inclusion but recognize that there is a way to go until the sector reflects Wales today. It will be a few years before the current plans have a visible effect as we must target and stimulate interest in young people who are currently in school.

We believe that there are great opportunities in terms of developing a workforce with a high level of skills who will be able to work in Welsh and English. There must be integrated plans, which support Cymraeg 2050 and the needs of the sector in order to succeed and we welcome that Creative Wales is now working with the broadcasters to ensure this.

Delyth Jewell MS

Chair of the Senedd's Culture, Communications, Welsh Language, Sport, and International Relations Committee

Senedd Cymru

Bae Caerdydd

CF99 1NA

17th October 2022

Annwyl Chair,

I am writing to respond to the committee's invitation for stakeholders to outline the **challenges facing the creative industry workforce in Wales**.

Public Service Broadcasters are at the heart of the creative economy - boosting the television production sector, creating jobs and nurturing talent all across Wales and the rest of the UK. ITV spends more on new UK content, more with independent producers and more on programmes made outside London than any other commercial PSB. Together with the ITV Studios company Boom Cymru, we are a significant employer here in Wales with some 400 staff operating from various locations right across the country.

Whilst the pandemic showed the value of public service broadcasters, we also saw our revenue move in an opposite direction as **advertising spend fell** and TV production across the world was put on hold. The crisis has hastened trends we have long observed with the likes of Google, Facebook and Amazon further strengthening their competitive position in advertising and other markets versus national players. As the UK Government prepares to introduce the forthcoming Media Bill, there is a clear consensus for an urgent new public service media settlement to maintain prominence and sustainability for content that makes a very important contribution to the cultural, economic and political life of Wales. This is particularly important in the context of the expiry of ITV's PSB licences in 2024 which is now not long away.

The pandemic had a fundamental impact on **television productions**, and the increase in delayed production activity post covid has seen an unprecedented demand for a skilled workforce, leading to more competition and an increase in costs and salaries.

We are also facing a shortage of **multi-skilled freelancers** who can help with multiple aspects of a production, with many of them specialists in one area of the industry. The pandemic disproportionately affected freelancers, who make up an estimated half the cultural sector workforce in Wales. Many freelancers have still not fully recovered from the financial and job losses in the industry, and have increased their fees and costs as a result of this. The pandemic highlighted the lack of job security and employment support for freelancers, resulting in an appetite for longer term contracts, more stability and employee benefits.



As an industry, we rely on a broad range of highly-developed **skills**, particularly in jobs that need a mix of creative and technical skills. We would like to see further support from public bodies to address the skills shortage in the sector, with the expansion of traineeships, internships and work placement programmes. Vocational training in a professional setting is vital to tackle the issue, and closer links between formal education and the industry is urgently needed.

In terms of our own workforce, the pandemic has greatly impacted **working life** and it's unsurprising that many employees have seen the benefits of flexible working during this difficult period. ITV Cymru Wales is proud to have introduced Smart Working back in 2019, allowing team members to work remotely for almost all tasks apart from those directly involved with gallery production of our studio based programmes. Smarter Working has continued to accelerate and develop, and it has improved employee engagement and well-being in a variety of ways.

Prior to the pandemic, a growing trend towards **digital technology** was already changing the way we worked. The outbreak and the subsequent lockdown has accelerated this shift to digital technology, and ITV's strategy to meet the challenge presented by a rapidly evolving market is to become a digitally led media company that creates and delivers brilliant content to audiences when and how they want it.

We have invested heavily in digital technologies and increasingly create news and current affairs content specifically for digital audiences. Our news website [www.itv.com/wales](http://www.itv.com/wales) is delivering significant growth for trusted, impartial news about Wales that can be accessed by audiences anywhere, anytime on mobile devices. In 2020, page views doubled to 20 million, and in June 2022 we achieved 1.74 million monthly page views on our website. We are also very proud to be producing current affairs programming and innovative digital content for S4C's platforms.

Whilst ITV is doing everything in its power to modernise its business for the online era, we also need the **policy framework to move at pace** to recognise the new realities and market power of global platform operators. The increase in our digital output and services has highlighted the digital skills shortage in the sector and workforce, and we are facing difficulties in filling vacancies that require digital competency.

As a significant employer and broadcaster in Wales, we have a crucial role to play to use our platform to reflect the **diversity** of modern Wales. ITV Cymru Wales is proud to be involved in several initiatives to increase diversity both on screen and behind the scenes, and we are proud to have a vibrant Diversity Panel that brings together a wide range of stakeholders in Wales to inform our content strategy and commissioning decisions.

Despite all of our successful initiatives, there is strong competition in the industry to create a diverse and representative workforce. We believe that there should be more collaboration between the key broadcasters and media companies to identify and retain key diverse talent. Broadcasters should be working to complement their similar initiatives, and work together to connect with the communities that are harder to reach and underrepresented

groups.

At ITV Cymru Wales, we are committed to developing and nurturing our team, and our employees are fortunate to be able to undertake numerous training courses within the business. As our digital offering and output increases, the need to upskill and reskill the workforce has never been more urgent. We welcome the launch of Creative Wales' Creative Skills Action Plan for 2022 to 2025 that is designed to support the development of the skilled workforce in Wales. We hope that this plan will address some of the challenges that we face as an industry, enabling our workforce to thrive.

We are also pleased to be supporting Creative Wales' bid to run the BFI National Lottery Skills Cluster for Wales, as we hope that this will further strengthen the implementation of the Creative Skills Action Plan. The Skills Cluster will work with local industry, education and training providers, and other screen organisations across the UK, to coordinate skills and training in their area. It will identify skills gaps and develop clearer pathways to employment for anyone in their area over the age of 18. There will be a focus on building local skills bases, leading to more people, especially those from underrepresented backgrounds, working in the screen industry.

Internally at ITV, we were very pleased to welcome the recent appointment of Sonny Hanley to a new role as ITV Academy Director. ITV Academy will act as the focal point for future skills development to address current or anticipated production skill shortages and will work with partners such as Screen Skills, the National Film and TV School, BFI, Creative Access, CrewRoom Academy, Production Park and the Centre for Screen Excellence.

We hope that the Committee recognises the important contribution ITV Cymru Wales makes to the cultural, economic and political life of Wales, and we very much hope that members can help amplify the urgent need to reform the regulatory media framework, ensuring that ITV can play its vital role in the Welsh media landscape for years to come.

Yn gywir,



Phil Henfrey  
Head of News and Programmes  
ITV Cymru Wales

## Culture, Communications, Welsh Language, Sport and International Relations Committee: Consultation on The Challenges Facing the Creative Industry Workforce in Wales

A response to the committees' additional questions from the Arts Council of Wales

- The case study (or studies) regarding support of autism project(s)

Here are some examples of our projects supporting autism in Wales:

### Aubergine Café

Cardiff based Aubergine Café received funding through our 'Sharing Together' scheme. The fund supports ideas which encourage the creation of new networks, and which strengthen existing networking opportunities. The organisation facilitated the creation of a network for autistic creatives in Wales with a view towards setting up an integrated online platform where autistic freelancers and small businesses can market their work, connect with audiences and collaborate with their peers in a supported environment that is accessible for neurodivergent users.

### Head 4 Arts

One of our most established and successful community arts organisations Head 4 Arts covers the local authority areas of Torfaen, Blaenau Gwent and Caerphilly and much of the work they deliver is with and for young people who face a range of challenges and barriers. They have delivered projects both in and out of schools that have had marked impacts on the lives of these young people. Head 4 Arts have links with Dewis Cymru which is a health and wellbeing partner and online resource supporting wellbeing across Wales.

### William Mathias Music Centre, Caernarfon

In 2003 it came to the attention of the William Mathias Music Centre, based in Caernarfon that there was a lack of learning for people with Learning Disabilities and/or Autism to participate in music in the community once a night in the week.

### Canfod y Gân/Discover the Song

In 2018 the Centre applied to the Spirit 2012 Home Trust - [Spirit of 2012](#) for funding from the 'Music Challenge Fund' which was open to applicants from 4 specific areas of Britain (including North Wales ). The centre was chosen as one of 4 organisations (the only one from Wales) to receive funding to carry out a 3-year project, which gave people with a Learning Disability or/and Autism the opportunity to participate equally in music with people without a disability, improving mental health and well-being and changing the 'perception' of disability.

As a result of receiving £198,000 from "Spirit of 2012" the Centre developed their scheme "Canfod y Gân/Discover the Song" ([here](#)) in partnership with a health partner (Gwynedd Learning Disabilities Team) . The project is inspired by "Doniau Cudd/Hidden Talents" supported by ACW. As a result of the funding it was possible to appoint a part-time Project Manager and establish 3 groups across Gwynedd - Pwllheli, Felinheli and Harlech. The Learning Disability Team refers individuals to the project. Several members have mental health needs as well as Learning Disability and/or Autism.

Performing in public is also an important part of this plan. The groups have performed at the National Eisteddfod, the Hijinx Unity Festival and a number of community events where the centre has invited local groups and choirs to perform with the groups. There were also several virtual performances during Covid-19 such as this original song written over Zoom by the members ([here](#))

One of the successes of the project is that the William Mathias Music Centre has been able to recruit and mentor new Tutors to work in the field and centre now has no less than 6 tutors who confidently lead integrated sessions which enables the work to be developed in the future.

#### STAND Gogledd Cymru

The William Mathias Music Centre has also established a new partnership with [STAND North Wales](#). One of William Mathias Music Centre's Music Stages tutors will provide music STAND sessions for under 5s, monthly and will hold music days in Denbighshire during the School holidays.

The William Mathias Music Centre is also a partner in "Bwthyn Sonig" with Ty Cerdd, [Bwthyn Sonig](#), and is currently finding out how it can help musicians with Learning Disabilities and/or Autism to have a career in music.

The William Mathias Music Centre also notes importantly - that a few members of "Doniau Cudd/Hidden Talents" and "Canfod y Gân/Discover the Song" have been approved to take an instrumental one to one and have developed the confidence to join Community Music groups.

#### Oriel Mostyn, Llandudno

Since 2016, Oriel Mostyn has collaborated with CIC's Making Sense agencies and others, with the "Immersive Spaces" holding group sessions with young people - those who leave school, and adults with multiple learning disabilities and Autism. The provision, creates a stimulating creative environment and provides a one to one source that will dedicate to continue providing, learning and exploring through the senses. Running the initial Pilot [project](#) was very successful in MOSTYN in Llandudno. There is an impact with bilingual young people and adults, and Disability Art Cymru, to offer a sensory, stimulation and creative experience, which is related to the cultural culture.



- Data regarding diversity and inclusion in the creative industries, collected every six months from supported organisations.

We do not collect data on the Creative Industries but rather on the Arts Sector that we fund. Our portfolio companies have an obligation to report on a 6 monthly cycle on a variety of factors. The following selection of data is for 2021/2022 and reflects elements of both Lottery Funded projects and Portfolio organisations.

### National Lottery Projects by activity

<i>Protected Characteristic Group</i>	<i>Number of Awards</i>	<i>Total Value of Grant</i>	<i>% of all awards</i>	<i>% value of all awards</i>
<i>Culturally and Ethnically Diverse People</i>	107	£4,419,239	28.9	29.5
<i>Children &amp; Young People</i>	95	£4,885,339	25.7	32.6
<i>Older People</i>	45	£1,569,309	12.2	10.5
<i>Deaf or Disabled People</i>	109	£4,577,096	29.5	30.5
<i>People who are pregnant or on Maternity Leave</i>	12	£172,004	3.2	1.1
<i>People who have undergone or are undergoing gender reassignment</i>	12	£178,947	3.2	1.2

National Lottery Individuals

14% of all individual grants went to Culturally and Ethnically Diverse artists

29% of all individual grants went to Gay, Lesbian or Bisexual artists.

25% of all individual grants went to D/deaf or Disabled artists.

National Lottery - Organisations

Number of awards by diversity of boards of management

	Number of Awards	% of all Awards	Total Grant Amount	Average Grant Amount
Culturally and Ethnically Diverse people	25	9.5	£1,179,508	£47,180
D/deaf or Disabled Led Organisations	27	10.3	£1,583,841	£58,661
GBT Led Organisations	18	6.8	£843,610	£46,867
Older Person Led Organisations	4	1.5	£130,055	£32,514

## Arts Portfolio Wales Organisations

### Employment

	2019/20	2020/21	2021/22	% Change (20/21 - 21/22)	% of overall employees 2019/20	% of overall employees 2020/21	% of overall employees 2021/22
Total number of Employees	2058	1743	<b>1934</b>	<b>11</b>	-	-	-
Total number of D/deaf or disabled employees	103	86	<b>119</b>	<b>38.4</b>	5	4.9	6.2
Total number of Culturally and Ethnically Diverse employees	91	96	<b>139</b>	<b>44.8</b>	4.4	5.5	7.2
Total Lesbian, Gay or Bisexual people	199	194	<b>243</b>	<b>25.3</b>	9.7	11.1	12.6
Total Older People	409	463	<b>473</b>	<b>2.2</b>	19.9	26.6	24.5
Total Young People	345	189	<b>317</b>	<b>67.7</b>	16.8	10.8	16.4
Total People with specific religious beliefs	318	220	<b>248</b>	<b>12.7</b>	15.5	12.6	12.8
Total Women who are pregnant or on maternity leave	43	39	<b>39</b>	<b>0</b>	2.1	2.2	2
Total Transgender people	*	*	<b>24</b>	*	*	*	1.2

## Arts Portfolio Wales Organisations

### Boards of Management

	2019/20	2020/21	2021/22	% Change	% of overall Boards of Management 2019/20	% of overall Boards of Management 2020/21	% of overall Boards of Management 2021/22
Total number on Boards of Management	445	484	456	-5.8	-	-	-
Total number of D/deaf or disabled People on Boards of Management	23	29	37	27.6	5.2	6.0	8.1
Total number of Culturally and Ethnically Diverse People on Boards of Management	38	52	65	25	8.5	10.7	14.3
Total Lesbian, Gay or Bisexual People on Boards of Management	32	57	69	21.1	7.2	11.8	15.1
Total Older People on Boards of Management	236	262	244	-6.9	53.0	54.1	53.5
Total number of People on Boards of Management with specific religious beliefs	82	91	90	-1.1	18.4	18.8	19.7
Total number on Boards of Management who are pregnant or on maternity leave	0	6	9	50	0	1.2	2.0
Total Transgender People on Boards of Management	*	*	*	*	*	*	*
Total Young People on Boards of Management	17	13	14	7.7	3.8	2.7	3.1



### **Culture, Communications, Welsh Language, Sport and International Relations Committee: Inquiry into the creative industries workforce.**

#### **Response from: Screen Alliance Wales**

Question 1: Is there a role for private companies in improving skills and training opportunities? If so, how could they be encouraged to do so?

Based in Wolf Studios Wales in Cardiff and established in 2017, Screen Alliance Wales, is a not-for-profit organisation, funded by the TV industry, for the TV industry to open the doors of the Film and TV Industry to as many people across Wales as possible.

By engaging with the production community, SAW has set up a wide range of interventions that have reached 31,000 individuals of all ages (from 7 to 65) across Wales and they have taken the best practice and constant evaluation and learning back into their next phase – ensuring that the targets of reaching a more diverse audience and increasing awareness are increased year on year. The most recent evaluation shows that the percentage of applications from diverse groups has grown by 5% (last quarter compared to overall figures from 9% to 14%) and continues to grow.

Screen Alliance Wales is constantly evolving and as a private company can move swiftly and efficiently to answer the ever changing needs of the industry by reacting to perceived skills shortages and implement training to address these needs.

Question 2: How good is collaboration between the creative industries and academia? How can this be improved?

Since we launched Screen Alliance Wales 2017, the opportunities to build on the strength and breadth of screen-related education and training across South Wales have grown enormously. These opportunities have built to match the huge growth within the industry but are also testament to the pioneering and innovative work undertaken by partners across the region. Screen Alliance Wales recognised from the



start that the only way to ensure a career pathway and to grow the talent in Wales was to forge a relationship with our local HE provider, University of South Wales.

By innovating our existing provision, connecting with education partners and – most crucially – by working together, we have been able to prove to both government and industry that a new model for screen skills training and development can solve the current skills challenges but also forge new pathways for talent from broad and diverse social, cultural and economic backgrounds to build their creative careers. From primary schools through to apprenticeships and CPD courses, the benefits of nurturing new and tangible pathways for anyone with ambition to build a career in film and television are plain for all to see.

Allison Dowzell

Managing Director

Screen Alliance Wales

15/12/2022

# Agenda Item 3.3

## Culture, Communications, Welsh Language, Sport, and International Relations Committee Equity Submission – Inquiry into the challenges facing the creative industry workforce in Wales

Equity welcomes the opportunity afforded by the committee to respond to further questions to provide additional information to the inquiry.

- **Equality, diversity, and inclusion:**
  - Are there any specific problems regarding equality, diversity and inclusion and how do these differ by sub-sectors of the creative industries?

One of the specific problems is the availability of thorough and accurate data in the creative sector. It is always patchy and due in part to the focus on employees rather than freelancers. This is a remarkable, although sadly common, omission given the critical role of freelance workers across the sector. Additionally, if we are to talk about complete inclusion, we would like to see a greater focus on socioeconomic status despite it not being a protected characteristic. The sector is prone to significant exclusion of those from working class backgrounds, and particularly in managerial roles, due to the informal, network-based nature of the way in which work is allocated. More broadly, the sector is known to have difficulties to gain data on protected characteristics data, given the stigma that can be faced by, for example, those with a disability.

More detail can be found here in the Creative Access report from November 2022

<https://creativeaccess.org.uk/latest/full-report-disability-survey-2022>

- Only a quarter feel they have access to the contacts and networks needed to progress their creative career (vs. 62% of general respondents)
- 88% cite the two biggest barriers as: lack of employer understanding of 'reasonable adjustments', and awareness of disability issues among colleagues
- Many candidates choose not to disclose disability to potential or current employers

There are, however, various industry led initiatives which need amplifying. Equity is lending its support alongside our own project around Contract Fundamentals which will launch shortly.

Access Co-ordinators (ScreenSkills and BFI)

<https://www.screenskills.com/news/new-accessibility-coordinators-to-support-disabled-crew/>

Channel 4 Disability Code of Portrayal

[https://assets-corporate.channel4.com/\\_flysystem/s3/documents/2022-07/Channel4\\_Disability%20Code%20of%20Portrayal\\_July2022.pdf](https://assets-corporate.channel4.com/_flysystem/s3/documents/2022-07/Channel4_Disability%20Code%20of%20Portrayal_July2022.pdf)

ITV Diversity Acceleration Plan

<https://www.itvplc.com/socialpurpose/diversity-and-inclusion>

TV Access Project (BBC and Channel 4)

<https://www.channel4.com/commissioning/4producers/tv-access-project>

Workplaces across the industry can be inimical to the interests of women, and notably older women. Of specific concern to Equity is the discrimination faced by older, women members who experience the perimenopause and/or menopause. Government has a key role to play in reviewing and revising extant statute and accompanying good practice guidance.

# EQUITY

Many women working in the creative industry suffer sex-based discrimination when experiencing the menopause based on their reproductive and biological status. It is not uncommon for Equity members to have their contracts terminated because managers feel incapable or unwilling to confidently manage potential sickness absences, or consider flexible working arrangements.

Whilst there have been significant attempts made in Wales to overcome historical barriers to inclusion, for example by the Arts Council of Wales, it remains the case there remain obstacles to gain work particularly by artists who are Deaf and disabled. Additionally, it is a concern of the union that artists who are Black or minority ethnic are often omitted from opportunities to be seen for work. Equity would welcome any opportunity to tackle these structural issues, as a means to gaining more authentic and accurate data.

Private and Public Organisations can all have a role in improving equality, diversity and inclusion through a standardised approach to capturing and analysing data. The Welsh Government can play an instrumental role here in devising a complete monitoring measure and advocating for its use. There are multiple, authoritative models available which include frameworks to both analyse data captured and create appropriate strategy to overcome any EDI weaknesses identified as a result. A major barrier to EDI is the lack of commitment and enthusiasm to EDI per se, and thus an unwillingness to accurately monitor the industry workforce. There can, and should, be a sea change in the approach. Without this, and a firm commitment across the private and public sectors to adopt strategic monitoring, the industry will remain one that is exclusive and elitist in a number of ways.

The creative industries either wants to change, or needs to be forced to do so. It is highly likely to happen organically, as it would have occurred by now if that were possible. A key barrier to change is that there is no statutory mechanism to enforce quotas, and thus we are left to the goodwill of employers – and it is the lack of goodwill which leads to tokenistic representation. Classically, the answer is greater diversity across leaders and managers in the sector, however, as with the rest of the UK this is occurring at too slow a pace to make significant change. All and any levers should be used including specific contractual standards for EDI within public funding frameworks. Additionally, the Welsh Government should create and promote an achievable standard linked to funding and investment to enable sizeable, authentic representation and this should be embedded from the commissioning phase, and in the case of performing arts, at the stages of development, writing and casting. Left to its own devices the sector is far too slow to change, and so it would be welcome if there was governmental intervention.

- **Skills and training opportunities:**
  - Is there a role for private companies in improving skills and training opportunities? If so, how could they be encouraged to do so?

Equity would like to see the government pursue a policy agenda where public procurement in the creative industries is tied to a relevant skills agenda which will benefit the sector. Whether this is made through a private or public company, organisations in receipt of financial support from Arts Council of Wales, Creative Wales, Ffilm Cymru etc should be obligated to create workplace training and learning opportunities for creatives, including performers. This would then open up alternative routes to higher education and drama schools into the industry. What is vital is that this obligation should be for employees and freelancers, and the benefit should be industry wide and not just beneficial to the private company.

We firmly believe that there needs to be balanced private and public investment in skills and training. The industry led Creative Skills Action Plan funds projects which would probably not be considered by private investors, and the importance of the Wales Union Learning Fund cannot be underestimated.



# EQUITY

- **Support:**

- Does the workforce need further support from public bodies, both in relation to the increased cost of living and more broadly?

In addition to evidence provided in our original submission, flaws in the current social security system are a major barrier for access for many creative professionals. This is undermining the UK Government's stated objective for Universal Credit, which is to encourage more people into work and tackle poverty, alongside the pledge to level up opportunities in the arts.

There is however a profound need for pragmatic changes to the Universal Credit (UC) framework to better support the self-employed in gaining good and fair work. Equity remain concerned that without these changes a significant number of our members will have to give up their self-employment in order to access welfare support.

Equity has long campaigned for the abolition of the minimum income floor and welcomed the UK Government's decision to suspend it during the pandemic period. The effects of applying the MIF are unduly harsh to the self-employed with variable and unpredictable income as is common in the creative industries. The MIF creates artificial cliff edges forcing our members into rent arrears and hardship in periods when they have reduced or nil income. If a basic income scheme cannot be delivered then we would like to see the government establish a fairer system of in-work conditionality for the self-employed, particularly those with variable and unpredictable earnings such as workers in the creative sector.

- Equity raises the idea of a basic income scheme for creatives in its evidence. Would this be an effective use of public money?

Equity is calling on the UK Government to introduce a basic income guarantee for creative workers in every region and nation of the UK. This would offer a simple universal payment to all artists each month akin to the scheme that is being piloted in the Republic of Ireland. <https://www.gov.ie/en/campaigns/09cf6-basic-income-for-the-arts-pilot-scheme/>

The Irish BIA was predicated on the Professional Artists' Jobseeker's Allowance Scheme – a form of jobseekers allowance specifically for creative workers which accepts the status of self-employed artists as professionals, giving them a twelve-month window to focus on building up their work before becoming to subject to labour market activation (which is mandatory for most recipients). A 2019 review of the scheme found that 87% closed their JA claim, signed off within the twelve-month period of the pilot compared to 73% of the overall jobseeker cohort.

A basic income guarantee for creative workers would help deliver employment and job creation across the UK for a broad range of professionals, with a particular focus on increasing opportunities for marginalised demographics.

It would be particularly helpful for our members starting out in their career who have not yet had the opportunity to build a portfolio and establish networks within the industry. This would need to be complimented by a robust collective bargaining framework built on the foundation of social partnership. It is vital that the existence of a basic income guarantee does not encourage employers to lower wages and enable rogue employers to get artists to work for free.

A first practical step towards a basic income scheme in the UK for artists would require a commitment to accept and respect the professional status of self-employed artists.

# EQUITY

- **General:**

- What are viable solutions, both short and long term, to the issues raised during the session regarding the health of the workforce? What can be done by the industry and what should be done by the Welsh Government?

Since we presented our original evidence, and provided oral evidence, the details around the Retained EU Law Bill have been published which would come into effect on the 1<sup>st</sup> January 2024 if it passes. This is a fundamental attack on workers rights, many of which have been secured by the trade union movement. We stand to lose

- Holiday pay
- Agency worker rights
- Data protection rights
- Protections of terms and conditions for workers whose employment is transferred to another employer (known as TUPE)
- Collective consultation with worker representatives when redundancies are proposed
- Protection of pregnant workers, and rights to maternity and parental leave
- Protection of part-time and fixed-term workers
- Rights relating to working time, including rights to daily and weekly rest, maximum weekly working time, paid annual leave and measures to protect night workers
- Protection of workers' rights on the insolvency of their employer
- Rights to a written statement of terms and conditions.

In addition to this, significant health and safety rights, notably the so-called "six pack" set of regulations including the main set of regulations in this area, the Management of Health and Safety at Work Regulations 1999 and others covering the likes of manual handling and the use of protective equipment, would be at risk.

The industry in Wales, supported by Welsh Government and the Trade Union movement through social partnership, should be opposing this move to sweep aside thousands of pieces of legislation and upending decades-worth of case law in deregulating the creative industries at a time when we should be taking steps forward and not retrograde steps backwards.

Simon Curtis

Equity National and Regional Official for Wales and South West England

30<sup>th</sup> December 2022



Llywodraeth Cymru  
Welsh Government

Delyth Jewell MS  
Chair  
Culture, Communication, Welsh Language, Sport  
and International Relations Committee  
Senedd Cymru

7 December 2022

Dear Chair,

I am writing in response to your letter of 4 November which requested further information following my attendance at the Committee's annual scrutiny session of International Relations on 23 June.

#### FIFA World Cup in Qatar

On 15 November, the Minister for Economy gave an oral statement reiterating the Welsh Government's key objectives for the FIFA men's world cup in Qatar:

- to promote Wales;
- to project our values;
- to ensure the safety of Welsh citizens; and,
- to secure a positive legacy from our participation.

These are shared objectives, working in partnership with the FAW and many others, to create a Team Cymru approach to deliver joint activity.

The World Cup is a global event so, in addition to the in-market activity in Qatar, I am pleased that there is a range of activity being hosted, or co-hosted, by our offices overseas as well as a global marketing campaign. Events overseas include business and diaspora events, match screenings and sports diplomacy, Welsh language events and cultural celebrations.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

To ensure that we secure a positive and lasting legacy, we will evaluate all our activities in supporting the World Cup to learn lessons from these interventions for future sports diplomacy opportunities.

### Overseas engagement

As stated during the scrutiny meeting, I will arrange for my officials notify the Committee of the visits which have taken place to show our engagement with other countries and regions. My officials will notify the Committee directly, providing retrospective summary each month from December of all diplomatic visits and ministerial visits overseas.

### International strategy and action plan reporting

Monthly reports are issued to the three Ministers with portfolio responsibility for the International Strategy and its action plans. These are internal reports which also inform the internal Welsh Government reporting mechanism – the Business Information Reporting Tool (BIRT). BIRT tracks progress against the Programme for Government deliverables, which includes activity in the International Strategy.

### Support for Exporters

With regards to Welsh Government support for exporters, I can confirm that there are multiple sources of assistance for Welsh companies to support their export ambitions, depending on the type of support they need. Since November 2019, Business Wales has supported 4,385 businesses, with 485 specifically receiving advice on their growth plans including exports and trade. Of the 485 businesses, 167 have gone on to be supported with bespoke specialised one-to-one advice. 61 of these companies are in the foundational economy sectors.

In addition, a comprehensive range of bespoke export support, as outlined in the Export Action Plan for Wales, is provided by the Welsh Government's Export and Food and Drink teams. Since April 2019, these teams have provided over 1,500 export support interventions to businesses in Wales. The type of export support intervention provided varies depending on business needs, but typically could include:

- assistance to develop an export strategy;
- support for specialist export skills training;
- research and identifying new export markets;
- identifying potential new customers in target markets; and
- support to visit overseas markets (including participation in overseas trade missions, exhibitions and events).

Furthermore, Export Clusters (covering 6 key sectors) have been established and currently include over 250 Welsh businesses focussed on their export development; whilst the online Export Hub, on the Business Wales platform, has around 300 registered users and provides access to a comprehensive source of information on international trade. There is also an ongoing series of webinars provided for Welsh businesses to understand export processes and market opportunities, culminating in the annual export conference – Explore Export Wales – to further promote awareness and the benefits of exporting.

Information is not available on the number of referrals made by Business Wales to the Welsh Government teams. Business Wales measures the effectiveness of its support by measuring the increase to the value of exports in each business supported. In the last three years, the increase in exports as a result of Business Wales support is £302.6m. The Welsh Government's Export and Food and Drink teams use specific metrics to evaluate their support programmes, as set out in the Export Action Plan. Success is measured only where financial support or a funded programme has been provided through, for example, a trade mission or supporting a visit to market. Based on this, since April 2019, in excess of £132m of new export deals have been secured by Welsh companies as a direct result of support via Welsh Government funded export programmes.

### Memoranda of Understanding

A list of Country and Regional level MOUs was published in [Annex A to the International Strategy](#) in January 2020. Since its publication, I have signed two further agreements – the [Joint statement with Ireland](#) signed in March 2021, and an [MOU with Oita Prefecture](#) signed in March 2022.

My officials would be happy to update the Committee when new MOUs are agreed, and I will provide an updated list when I submit the annual report.

Bi-lateral agreements of this nature are not normally published, this is in line with UK Government protocol. However, my officials can set out the parameters of any new agreement, what policy areas will be covered etc. when they update on any new agreements.

### Indigenous languages

On 19 May, I met with the Director for Language Observation and Standardisation and the Chief of Staff from Sprakradet – the Norwegian Language Council in Oslo.

The Language Council gave a presentation which reflected its organisational structure, its work to promote Nynorsk - the standard version of Norwegian - and included a history of the attempt to standardise Norwegian across the country in the 1950s. Council staff reported that one of the current significant challenges is the prevention of language domain loss in universities and digital contexts where English can often be used. The Council publishes a report on the state of the language every four years.

The Norwegian Language Act 2022 is the first of its kind aiming to protect and promote the languages of Norway. It recognises Norwegian and Sami as official languages and that languages have equality. It aims to promote language use in all domains, strengthen the Sami language while recognising minority languages like Kven and sign language. It also sets out that the minority local language in a region/municipality should appear first and serves to protect place names and covers Norwegian, Sami, Kven and Forest Finn.

There was a great deal of synergy between efforts in Norway and Wales in terms of language planning and place-name protection. Following the meeting, officials shared contacts from the Welsh Government's Welsh Language Division and Education Directorate in order that information could be shared.

The news story the Language Council produced to mark the meeting is here: [Berre engelsk i Storbritannia? Niks! \(sprakradet.no\)](#) More information about the Council can be found on its website: [The Language Council of Norway \(sprakradet.no\)](#)

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive, slightly slanted style.

**MARK DRAKEFORD**

# Agenda Item 3.5

Dirprwy Weinidog y Celfyddydau a Chwaraeon, a'r Prif Chwip  
Deputy Minister for Arts and Sport, and Chief Whip



Llywodraeth Cymru  
Welsh Government

Delyth Jewell MS

Chair

Culture, Communication, Welsh Language, Sport, and International Relations Committee

[SeneddCulture@senedd.wales](mailto:SeneddCulture@senedd.wales)

7 December 2022

Dear Delyth,

Thank you for your correspondence of 28 November about Rubicon Dance. My officials have been working closely with officers at Arts Council of Wales (ACW) since the issue came to light at the end of September.

As an existing member of ACW's Arts Portfolio Wales it was awarded £196,743 for the 2022/23 financial year. Rubicon has been successful in negotiations with its other funders and has also secured new funding allowing them to continue with its work.

Following legal advice, and in consideration of Rubicon's success in securing financial support from other key funding partners, ACW agreed to release the remainder of the funds for this year in advance rather than via the usual quarterly instalments. Rubicon has now received the two quarter payments for Oct-Dec and Jan- Apr.

ACW has been, and will remain, in continued and regular discussion with the Trustees regarding the current situation. ACW is considering potential options for how else it might be able to help the organisation to bring in some interim support in leadership and finance to assist it through the coming months and will continue to explore this with Rubicon.

Yours sincerely,

**Dawn Bowden AS/MS**

Dirprwy Weinidog y Celfyddydau a Chwaraeon, a'r Prif Chwip

Deputy Minister for Arts and Sport, and Chief Whip

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Eich cyf/Your ref  
Ein cyf/Our ref

Peredur Owen Griffiths MS  
Chair of the Finance Committee

7 December 2022

Dear Peredur,

### **Scrutiny of the financial implications of Bills**

I am writing in response to your letter of 16 November 2022 regarding the scrutiny of the financial implications of Government Bills.

Your letter highlights concern that the Welsh Government has moved away from practice in the Fifth Senedd where Welsh Ministers provided written responses to Stage 1 reports in advance of the General Principles debate and Financial Resolution.

It is during the Stage 1 debate that Ministers provide an explanation of the Government's response to the recommendations in each Committee report and in most, but not all, circumstances have provided further detail through a formal letter.

While there were occasions during the Fifth Senedd where the Government responses were issued before or on the date of the General Principles debate, this was not routine practice for all Bills. In fact, over half of responses were issued in writing after the debate or provided verbally during the debate.

Ministers endeavour to respond to the Committees as soon as reasonably possible but it is not always practical for Welsh Ministers to do this prior to the Stage 1 debate for every Bill, so in practice these written responses may be provided after the debate has taken place.

There may be circumstances where more time is required to consider the implications of the recommendations or where the detail needed to provide an informed response is not available in advance of the Stage 1 debate. In addition, the legislation may be novel and while we aim to provide best estimates of the likely costs, there are situations where multiple varying factors mean precise costings are not achievable until the provision is

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



tested and assessed. Nonetheless, we will continue to inform the Finance Committee of the financial information relating to each Bill as they go through the various Senedd scrutiny stages.

In addition, Welsh Ministers will continue the practice established during the Fifth Senedd of writing to the subject and Finance Committees in advance of Stage 3 proceedings of a Bill if significant changes have been made to the Regulatory Impact Assessment post Stage 2.

Your letter along with this reply has been copied to all Welsh Ministers. This reply is also issued to the Business Committee and the Chairs of Policy Committees.

A handwritten signature in dark ink, reading "Mark Drakeford". The signature is written in a cursive, flowing style.

**MARK DRAKEFORD**

Mark Drakeford MS  
First Minister

19 December 2022

Dear First Minister

## Scrutiny of the financial implications of Bills



Thank you for your letter of 7 December, in response to the Finance Committee's request for the Welsh Government to revert back to the practice of providing a written response to Committee Stage 1 reports prior to the Stage 1 debate taking place.

It is disappointing that you are not able to give a commitment to this modest request. Your letter suggests that "it is during the Stage 1 debate that Ministers provide an explanation of the Government's response to the recommendations in each Committee report". However, we believe that this should not be considered common practice as it is not always possible for Ministers to provide a full and thorough response to each recommendation given the limited time available during the debate itself. As highlighted in my initial letter, it is standard practice that the Financial Resolution motion is taken immediately after the Stage 1 motion has been agreed. The Senedd therefore has very little time to consider the Government's response, before having to make a decision to commit resources.



You also state that there may be circumstances where more time is required to consider certain recommendations or where the detail needed to provide an informed response is not available in advance of the Stage 1 debate. Given that the timetables for Government Bills are proposed by the Welsh Government, with the Business Committee agreeing the deadlines for Stages 1 and 2, consideration should be given to moving away from the practice of voting on the Financial Resolution motion on the same day as the Stage 1 debate takes place. A similar decision was taken in the Fourth Assembly, reversing the default position to delaying voting on the Stage 4 motion until a week after Stage 3 proceedings had concluded, to allow Members the opportunity to consider the



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final version of a Bill prior to the Senedd being asked to approve it. We believe the same principle should apply to the Financial Resolution motion. This would allow time for Members to reflect on the Welsh Government's response to the Finance Committee's report. We consider this to be particularly important given that there is no further opportunity for the Senedd to formally consider the financial implications of Bills after the motion has been agreed.

Finally, you state that legislation "may be novel" and that there may be "situations where multiple varying factors mean precise costings are not achievable until the provision is tested and assessed". The Committee acknowledges these challenges, however, it is not acceptable for the Welsh Government to simply not attempt to calculate the potential costs of legislation. The Regulatory Impact Assessment (RIA) is a key tool to critically assess a range of methods explored in relation to the development of a legislative proposal and to provide an evidence based approach to policy making-decisions. We recognise that "precise costings" may not always be possible but it is imperative that RIAs contain the best estimate possible for costs and benefits to enable us to fully scrutinise the overall financial implications of a Bill, a point we have made as a Committee on a number of occasions.

We find it regrettable that the RIAs that have accompanied Bills introduced so far this Senedd seem to be more of a "by-product" of the decision-making process, rather than the tool driving it. The latest Bill we considered, the Agricultural (Wales) Bill, is a framework Bill where a significant proportion of costs relate to a future Sustainable Land Management scheme that will not be finalised until next year. In these situations, the Senedd may end up agreeing a Financial Resolution to a Bill based on the information contained in the RIA on introduction that subsequently could escalate significantly. This lack of clarity makes our role as a Finance Committee very challenging and significantly hampers our ability to take a decision on whether or not costs are reasonable.

Should the Welsh Government continue to provide RIAs where information is incomplete or insufficient, it will leave the Committee with little choice but to compel Ministers to reappear before the Committee once the information requested is available to ensure the financial information provided by the Welsh Government stands up to robust scrutiny.

As you are aware, a number of Senedd Committee have raised similar concerns regarding the timeliness of Welsh Government responses ahead of Stage 1 debates. This paints an unfortunate picture and calls into question the spirit in which the Welsh Government engages with the Senedd on legislative matters. I therefore ask you to reflect on the issues above and reconsider the Welsh Government's position of providing a written response to the Finance Committee's reports prior to the Stage 1 debate and to give consideration to tabling the Financial Resolution motion at least a week after Stage 1 has been



agreed. Given the current pressures on public finances it is more important than ever that the Welsh Government provides as much clarity and assurance as possible before Members are required to authorise spending arising from a Bill.

As these issues cut across Committee remits, a copy of this letter has been sent to the Chairs of all Senedd Committees.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peredur Owen Griffiths', with a stylized, flowing script.

Peredur Owen Griffiths MS  
Chair of the Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



# Agenda Item 3.8

## Public Interest Journalism in Wales.

Background.

### About myself.

I have worked in the media for over 30 years, with the last 10 years holding senior positions of responsibility overseeing large-scale media operations.

From 2012 to 2016 I was head of digital at S4C where I was responsible for authoring and implementing the channel's first digital strategy. I established New Media Wales 2019, this led to the launch of [The National Wales](#), a national public interest news service, in March 2021 and [Corgi Cymru](#) a Welsh language equivalent in April 2022. Both were closed down by their publishers Newsquest in August and September 2022.

I am now in the process, with others, of incorporating [Talking Wales](#), a new national news and media cooperative company which will have public interest news and journalism at its core.

### The Co-operation Agreement:

In December 2021 The Welsh Government announced they and Plaid Cymru would work together on 46 different policy commitments from 2021 for 3 years.

Amongst the 46 was the following commitment:

#### *25. Media financial support*

*As an initial intervention, we will provide additional investment to develop existing and new enterprises seeking to improve Welsh journalism and to support Welsh-based media to tackle the information deficit.*

An initial sum of £300,000, £100,000 per annum, was earmarked. The funding is managed by Creative Wales.

In November 2021 Creative Wales established the "Wales Public Interest Journalism Working Group". One of its first actions was to administer a pilot £100k Journalism Fund which launched in June 2022. The fund was distributed by Ping News CIC from Bristol.

I joined the Wales Public Interest Journalism Working Group in early 2022 through my work with New Media Wales which led to the launch of The National Wales in March 2021. Whilst overseeing The National Wales I continued my work with New Media Wales developing [Talking Wales](#) a new audio and video news platform for Wales.

I was removed from the group by the chair at the end of August.

Since the beginning of September 2022 I have dedicated my time to Talking Wales and we are currently in the process of incorporating it as a Community Benefit Society, a form of cooperative that reinvests any profits into the community it serves.

As I no longer have input into the group and the options being proposed I felt it is important that Welsh Government receives a viewpoint from that business perspective.

## **The Future of Public Interest Journalism in Wales.**

A recent [report](#) published by the Institute for Welsh Affairs confirmed that Welsh citizens felt that public interest journalism, from a Welsh perspective, was important.

A key recommendation from the report states:

*We endorse the commitment in the Welsh Government and Plaid Cymru Co-operation Agreement to ‘fund existing and new enterprises to improve Welsh-based journalism to tackle the information deficit’ and recommend that further funding be allocated to support new career entrants from a wide range of backgrounds in localities across Wales to access journalistic training, with a specific focus on improving the media coverage of Welsh matters, Welsh-language provision and addressing under-represented groups*

The issue with delivering improved Welsh-based journalism to tackle the information deficit are the business models currently employed by existing Welsh providers, the dominance of UK-focused news media in Wales, and the BBC’s dominance in the Welsh space.

## **The current news media landscape in Wales**

Wales has suffered historically from a lack of national news services beyond the BBC. There are no national newspapers and the number, quality, and reach, of national digital news services, are limited due to, mainly, a lack of fiscal resources.

The situation in Scotland is different with four national newspapers and accompanying digital news sites. As a result, most English newspapers publish Scottish editions.

Reach plc publish the tabloid The Daily Record and its Sunday edition “The Sunday Mail”, as a result the Daily Mirror isn’t distributed widely in Scotland as both titles share resources and are competing for the same audience.

There are around 35 newspapers published in Wales, published either daily or weekly, few have circulations over 5,000.

In Wales Reach plc are the dominant news publisher, but it is perhaps the fact that they focus on two historic regional newspapers that Wales doesn’t have Welsh editions of the English dailies.

No strong indigenous national papers = Why bother publishing localised editions for Wales?

The Western Mails distribution is limited to the south. Its circulation has fallen dramatically in the last 15 years, it has an average circulation of 7,000 copies a day, down from 40,000 in 2007. In the north, The Daily Post serves that community, its print circulation, whilst still in decline, has fared somewhat better than its southern cousin, the latest published circulation figures show it sold 12,500 copies day. Unlike the Daily Record in Scotland, both compete with the Daily Mirror for audiences in Wales.

Reach plc has two digital services in Wales, Wales Online which is the digital version of The Western Mail does share some content produced in the north, but it is in the main very south centred with its output focused on the M4 corridor.

In the north, Reach has [dailypost.co.uk](http://dailypost.co.uk), under the brand North Wales Live, as its digital offering. The focus is very much on the north with the occasional “Wales” story being published.

Reach publishes several other notable local titles in Wales. The South Wales Echo which predominantly serves Cardiff has a circulation of just under 7,000. The South Wales Evening Post which has Swansea as its focus sells just under 9,000 copies a day. The Carmarthen Journal sells around 4,000 copies a day.

Newsquest, whilst having a large geographic footprint and around 14 titles, has a far smaller reach in Wales. They have no titles in Cardiff and Swansea the two most populous conurbations in Wales.

They have two large local titles, The Leader in the north which serves Wrexham and its environs up to Deeside and the South Wales Argus which serves the area in and around Newport. The Leader has a circulation of just under 4,000 whilst The Argus sells around 5,000 copies a day.

Tindle is the third news publisher that operates at scale in Wales. Their 6 Welsh titles have a collective circulation of around 20,000 and are focussed on mid-Wales and the south-east. The

Digitally Wales Online dwarfs the other Welsh titles, ones with print arms and without. According to SimilarWeb they receive around 25 million visits a month, and North Wales Live trails by some distance with around 3.8 million.

Wales's two digital-only news platforms Nation.Cymru and Herald.Wales have significantly smaller reaches with 925,000 and 20,000 visitors a month respectively.

Within the UK Wales Online doesn't perform that well against its sister titles. The Manchester Evening News has 55 million monthly users, and the Liverpool Echo 38 million. Granted both titles represent large cities with strong footballing ties but they still outperform both of Reach's Welsh digital titles combined.

The National Wales, which ceased publication at the end of August, still attracts 180,000 visitors a month whilst having not published any new content since the end of August.

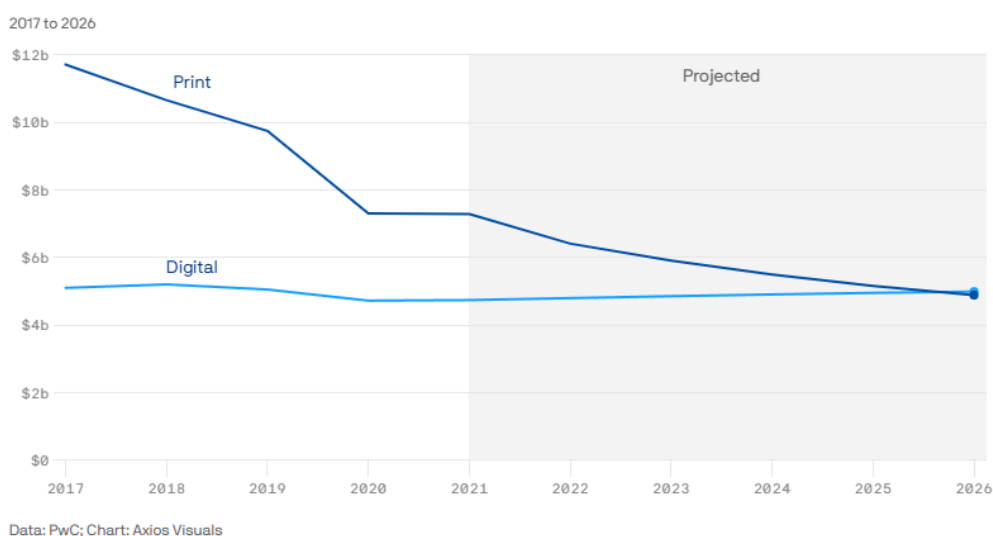
#### Business models

Print publications still provide the majority of news companies' revenues. As the excerpt below from Reach Plc's interim half-yearly report from July this year lays bare.

- Print revenue £223.4m down 3.9% - circulation and advertising down 5.1% and 9.9% respectively, printing and other revenue up 19.0%
- Additional cover price increases strengthen circulation revenue with minimal adverse impact on print volumes
- Digital revenue £72.5m (H121: £68.8m) up 5.4% (Q2: 0.3%) against strong prior year comparatives
- Lower digital growth in Q2 with less brand-safe advertising space, resulting from the war in Ukraine and a market driven reduction in advertiser demand, reflected in lower yields for open market programmatic revenues
- Strategy delivering improvement in digital mix with significant growth in higher-yielding, data-driven revenues which were around one third of total digital in the period

Print delivers 75% of their revenues.

## Annual newspaper ad revenue



Online advertising revenues are expected to overtake those from derived from print in 2026, not because of the increase in online advertising revenues but due to the continued decline in print advertising revenues. Digital ad revenues has remained, largely, at the same level for the past 5 years. The current economic downturn is likely to squeeze this numbers further.

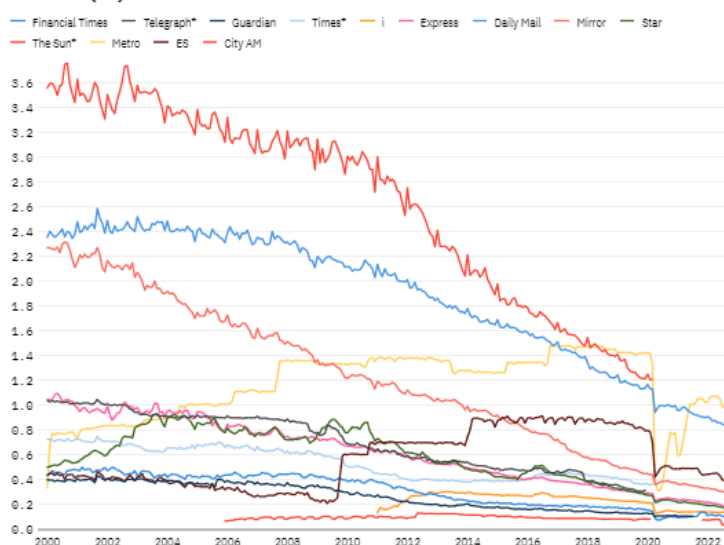
In Wales, these margins are tighter, and their contributions to their “UK” pots are smaller than their counterparts in England and Scotland.

Wales is a far more challenging market commercially. I have first-hand experience with this from my time with Newsquest and The National Wales.

Whilst large companies generate what appear to be substantial profits, you can be assured that their Wales operations contribute little to the overall picture.

Newspaper sales are in terminal decline. The only newspaper to see an increase in circulation is the Metro, which is distributed daily for free.

## UK daily newspaper average circulation per issue by month, 2000 - 2020 (m)





Much is made of the fact that The Daily Mail and The Sun are the two most widely read newspapers in Wales, but as the graph above demonstrates those statistics are quickly becoming irrelevant.

Where circulation numbers will have a real impact will be on smaller local titles. Several of these in Wales are barely breaking even. Around a third of the 35 odd Welsh newspapers have circulations of a thousand or less, which is clearly unsustainable.

Only 5. The Western Mail, The Daily Post, The South Wales Evening Post, South Wales Echo and Cambrian News have circulations of over 5,000.

With these low circulations, and circulations that continue to fall, the pressure to generate revenues from their digital platforms increase.

In order to generate revenues from digital the number of page views delivered is critical as is ensuring relevant adverts appear to the user, the greater the page views combined with the relevance the greater the likelihood of click-throughs on those adverts.

To give an idea of the numbers required, Taboola one of the biggest native advertising platforms, require a minimum of 1,000,000 monthly page views in order for website owners to use their services.

What the larger news providers have are access to audiences and developing the ability to place relevant advertising in front of those audiences has been critical as publishers try to pivot from print to digital. With the news that Google are to phase out tracking cookies in 2023, delayed from 2020, publishers have been investing heavily in being able to offer advertisers the best deals. Reach has developed Plus+, which uses AI to match adverts with users based on their online reading habits.

When a user browses an article on how to minimise food bills for example, the tool can not only recognise the category of the article (cost of living), but also the concept of the article (budgeting specifically around food bills) which has attracted that user. The widget can then serve up genuinely helpful and relevant content that resonates with detail, like features on how to feed a family for £5, or food hacks and recipes, with a much more closely aligned sentiment than generic finance content.

Therefore getting audiences to register with publishers has been critical. Reach has, apparently, over 10,000,000 registered users in the UK. OnTheMarket were the first company to make use of the technology. So if you're wondering why news providers feature so many articles about houses that are for sale, the answer is here.

OnTheMarket is the first company to tap into the full suite of Reach Plus customer value products which will enhance the portal's digital presence and footprint. The objective is to increase leads for its estate agents and new homes customers. The strategy will engage consumers across the entire Reach digital inventory, including contextual advertising, sponsored newsletters and digital content on a national, regional and local level.

Reach has a big advantage over other publishers in Wales in that they have a sufficient audience across the UK to attract advertising from national and international brands. Wales having a far more local/regional news landscape is more reliant on local advertising.

Unfortunately, one of the first things SMEs cut during an economic downturn and recession is their advertising spend.

Smaller local titles are likely to see both their circulations fall along with ad revenues.

### **Public Interest Journalism**

There is no doubt that editors and journalists in newsrooms across Wales care passionately about public interest journalism, it is the reason many entered the industry. The content editors and journalists want to write and what delivers traffic in the numbers required to generate revenues to cover their wages AND profits for owners and shareholders don't necessarily match up.

I was very fortunate to be able to see how stories performed on The National Wales and other titles within the Newsquest estate.

Bare statistics can often be misleading, it isn't until you drill down and study the granularity of a title's output that you can understand how they try and generate revenues from their output online.

On some titles, not all, journalists are given daily/weekly/monthly targets regarding the number of articles they are expected to publish and the page views they are expected to reach. Surpassing page view targets can generate rewards/bonuses.

This target-based culture prioritises quantity over quality, inconsequential popular content is prioritised over news that is of public interest.

Some titles have found success through developing subscription models. This was the model The National Wales was built on, unfortunately, it wasn't given sufficient time to build the required subscription base. A subscription-based title wouldn't be expected to become profitable until its third year of operation. This is the norm with most start-ups, very few become profitable overnight.

The National in Scotland has built a substantial subscriber base since its launch in 2015, however even established, successful, subscription-based services will see a decline in subscriber numbers as a result of the current cost of living crisis.

The fact that Wales, as part of the UK, is in recession, a recession likely to last longer and cut deeper than anywhere else in the world, will pose a genuine threat to the titles that currently operate in Wales.

The focus of many titles' outputs will shift towards popular content as a result. Paid-for content will become more prevalent as organisations and charities will be expected to pay to get their news in front of audiences' eyes.

At a time when the need for public interest journalism has never been greater in Wales, we are likely to see less.

Companies are consolidating and centralising in order to cut costs, Newsquest have relocated management responsibilities out of Wales incorporating them to create larger regions with bases in England.

Generic content designed to generate traffic through SEO will become more prevalent. Local Welsh voices will diminish, and Welsh citizens will be less informed in 2023/24 than they are now.

### **The BBC**

The BBC is a huge factor in the news landscape of Wales. They have the resource and manpower that allows them to dominate that landscape, on TV, radio and online. Their contribution to local news and democracy in Wales through the Local Democracy Reporting is incredibly valuable. But in

Wales their influence is disproportionate. They have a huge impact on the talent pool available and what rates are paid.

The biggest problem is that many people think or feel that the news provision they deliver is free. It isn't, they are funded by the licence fee and they spend £310,000,000 of that income on news and current affairs. They also generate revenues from their global news output.

A portion of the licence fee now pays S4C's running costs which are spent on their in-house digital Welsh language news provision.

### **Changing Audiences**

Audience fragmentation and the explosion of platforms available to audiences have changed the dynamics of news distribution and consumption.

The fact that news companies have, in the main, failed to transition from print to digital should be a lesson to us all. Simply moving public interest news onto websites will not suffice.

There is still and always be an audience for news in print, be it a diminishing one. Audiences will still read public interest news articles online, but not in huge numbers.

Audiences are accessing news digitally via social media, podcasts and video in increasing numbers. A more holistic approach to delivering news is required.

Understanding how and where audiences are, and are not, accessing public interest news is critical.

### **Research findings and options for the future of public interest journalism**

The recent findings from the IWA/Open University [research](#) show that audiences in Wales are interested in learning about news and information that enables them to better understand the Wales they live in.

The "Wales Public Interest Journalism Working Group" is currently looking at 5 options in relation to the £100,000 per annum currently allocated, this follows on from the £100,000 administered by Creative Wales through Ping News CIC.

#### **Option 1**

Option 1 would propose allocating portions of the £100k during financial year 22/23 to specific projects that present themselves to both the Working Group and Creative Wales.

#### **Option 2**

Expansion of the current £100k Journalism Pilot Fund which is aimed at supporting sustainability in the independent community news sector, supporting organisations committed to delivering locally relevant public interest news and promoting growth in the Welsh community news sector.

#### **Option 3**

#### **Hybrid of Options 1 & 2**

The current availability of assistance through the £100k Journalism Fund will provide an increase in the number of news stories across Wales on topics that have not previously been covered due to a lack of financial resources.

#### **Option 4**

Dedicated Support for “News Deserts”. Output from large print media has, understandably, a remit to focus on regions rather than specific cities, towns and villages. This approach, in turn, sees communities starved of news that is relevant to their needs.

#### Option 5

Under option 5 a “Skills Framework” will be produced, working closely with the Wales Public Interest Journalism Working Group, JOMEC and the Creative Wales Skills Team, highlighting areas for intervention and solutions for change.

Their favoured option is 1.

How many projects of any worth or value could be achieved with £100,000 is open to question. Based on my knowledge and experience I would say very little.

As stated previously, any financial assistance to the sector is welcome, however, one has to question the value of delivering such a small amount. And with this being public money a rigorous evaluation of any funding impact is required. This would also require funding.

None of the options seems to take into account the changing nature of news consumption.

The fact that only one hyperlocal, based in the south, has input to the group and none of the independent and community radio stations that exist in Wales, who do deliver Welsh public interest and local news, have a presence, in my view, call into question the validity of the proposals.

Creative Wales has previously delivered financial support to specific sectors of the creative industries. The Welsh Government, via the Welsh Books Council, has previously delivered grant funding in relation to news.

If £100,000 is the sum available annually it would be better delivered as grants adjudged by an independent panel.

#### The Alternatives

The IWA report makes 2 relevant recommendations.

1 We endorse the commitment in the Welsh Government and Plaid Cymru Co-operation Agreement to ‘fund existing and new enterprises to improve Welsh-based journalism to tackle the information deficit’ and recommend that further funding be allocated to support new career entrants from a wide range of backgrounds in localities across Wales to access journalistic training, with a specific focus on improving the media coverage of Welsh matters, Welsh-language provision and addressing under-represented groups.

2 We recommend that the Welsh Government should create a Task and Finish Group to deliver a range of high-quality Democracy and Citizenship education resources for both school pupils and adults; these should be co-produced with citizens, disseminated through a wide range of community settings and digital channels, and backed by a well-funded public information campaign aimed at a diverse range of groups.

Both of these recommendations could benefit from the £100,000 currently available.

Prior to the setting up of the Welsh Public Interest Journalism group, The Llywydd created a “Digital Task Force” back in 2016 under the stewardship of Leighton Andrews, the former education

minister. Its purpose was to suggest ideas for making news about the activities of the then Assembly more accessible in a digital age.

The report, which is no longer available online, recommended the Assembly employ journalists in-house to create reports on its activities.

I requested a copy of the report be shared with the Welsh Public Interest Journalism Group on more than one occasion. It hadn't been shared prior to my removal from the group. The same suggestion, of employing in-house journalists at the Senedd, was discussed in one group meeting and was dismissed, quite rightly in my opinion, out of hand.

## **Practical Suggestions**

### **In the short term**

PA Media do not currently have a Welsh Senedd correspondent. The Senedd could approach them with a view of offering funding for them to appoint a Senedd/Welsh Politics correspondent. This would immediately create Welsh Public Interest News that could be used by the UK and Welsh media. Part of any deal would make the content generated by PA available to smaller Welsh news providers who do not currently have access to PA (due to cost).

This would also make news about political activity in Wales accessible to global audiences.

This should be achievable for a figure of around £50,000.

### **Awareness**

This was a critical issue for The National Wales and became apparent during the IWA/OU sessions I attended as an observer.

People simply aren't aware of the news services that currently exist in Wales or don't see the public-interest journalism that is produced.

Smaller services simply do not have the financial resource and in many cases the capacity and skills internally to market their services and output.

Making money available specifically for the purpose of raising awareness amongst the public of the services that do exist and more specifically the public interest journalism that is produced.

The £100,000 would be better spent on achieving this aim and should, if the marketing is done properly, lead to greater exposure for news brands in Wales and as a result boost their commercial earning potential.

### **In the longer term**

The Welsh Public Interest Journalism Group will conclude its work in the new year and present its recommendations. Lessons need to be learnt from how the group was established and managed during its period of operation.

The Scottish Government has shown how this type of short-life group can and should operate. With a clear focus from the outset, it has already delivered a [detailed report and set of recommendations](#). And were involved in the outset in supporting its Welsh equivalent.

This should have been the goal at the outset, with a research-based set of recommendations that frame the actual needs in relation to Public Interest Journalism in Wales which can then be costed and prioritised.

The IWA/OU report which was prepared in a much shorter time frame is a good starting point.

As well as the Welsh Public Interest Journalism Group the Welsh Government announced, back in June this year, the creation of an expert panel on the devolution of broadcasting which will provide recommendations and options to help strengthen Wales' media, and support the development of plans for an effective and fit for purpose regulatory framework for Wales.

The work of this panel has a great deal of relevance to the subject of public interest journalism, particularly when changing audience habits for accessing news are taken into consideration. Away from traditional TV news for many, towards new media spaces, many of which are currently unregulated.

Creative Wales also has a Non-Executive Board with representatives of the news and media industry.

There is clearly a lot of discussion taking place now. What is needed is action.

I have made it clear in this document that the current business models for many news providers will lead to less public-interest journalism and reporting. Whilst still delivering news their need to generate revenues through page views and paid partnerships will see it become diluted.

Public interest journalism can be published on a website, but that doesn't mean people will read it. New methods of delivering news and information are required. Contextualisation is key, people need to understand what they're reading or interacting with.

We don't necessarily need more news we just need it to be available on more platforms in formats the audience can consume easily.

### **Investment and sustainability.**

There are sufficient audiences in Wales for the development of sustainable news businesses.

Some companies won't survive on a commercial basis because their output isn't good enough or valued enough by the audience.

The National Wales was developed on a sound commercial basis. There were things that could and should have been done better, but as with any new venture it needed time to grow an audience and following. Sadly, Newsquest was not willing to give it that time.

Welsh Government should provide investment to enable new and existing ventures to grow and become viable.

With the economic situation looking challenging for the next couple of years Wales will likely see an acceleration in the reduction of public interest journalism generated and distributed.

A repayable investment fund, of say £5,000,000, administered by the Development Bank of Wales, could allow for the creation of new providers and allow existing ventures to expand their operations to fill the gap.

Huw Marshall

[www.talking.wales](http://www.talking.wales)

12 December 2022

Delyth Jewell MS  
Chair  
Culture, Communication, Welsh Language,  
Sport, and International Relations Committee

Cc: Dawn Bowden MS  
Deputy Minister for Arts and Sport, and Chief Whip, Welsh Government  
Jack Sargeant MS  
Chair, Petitions Committee, Senedd

Dear Delyth

## Re: Future of St David's Hall

Thank you for your letter of the 5<sup>th</sup> December in which you raise a number of questions regarding the proposals for St David's Hall.

There have been a number of discussions regarding this matter which have included representatives of Welsh Government. Since the receipt of your letter, further information regarding the proposals for its future, including a statement from Cardiff City Council, have been published. Therefore, I have responded to each of your questions within this context.

### 1. What discussions have you had with Cardiff Council regarding the future of St David's Hall?

We have had 2 meetings with Cardiff City Council, on the 1<sup>st</sup> December and 9<sup>th</sup> Dec. Both meetings were attended by representatives of Arts Council of Wales, Royal Welsh College of Music and Drama, Cardiff Singer of the World, BBC NOW and Cardiff City Council. Academy Music Group (AMG) and the independent classical music programmer also attended the meeting on the 9<sup>th</sup> December.

### 2. Can you provide an update on the meeting that was scheduled to take place on 1 December 2022 between the Arts Council and Cardiff Council?

This information is included in the recent [public statement](#) issued by Cardiff City Council. The Council has also published a series of [Questions and Answers](#) on their own website, providing additional detail.

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#### Swyddfeydd Lleol/Local Offices:

Caerdydd/Cardiff, Bae Colwyn/Colwyn Bay, Caerfyrddin/Carmarthen  
Rhif Elusen Gofrestredig/Registered Charity Number: 1034245

Rydym yn croesawu gohebiaeth yn y Gymraeg a'r Saesneg a ni dd gohebu drwy gyfrwng y Gymraeg yn arwain at oedi.  
We welcome correspondences in Welsh and English, corresponding in Welsh will not lead to a delay.

3. Have Cardiff Council asked you for any further support in ensuring St David's Hall will be run by a public or non-profit organisation?

No, we have not received such a request from Cardiff City Council.

4. Have you explored possible different models of funding for the future of St David's Hall with, or without, Cardiff Council?

No, as St David's Hall is not a current Portfolio member, we do not have the required information to consider different funding model options.

5. Have you made any assessment of how much it would cost to support St David's Hall as a standalone organisation i.e. how much grant funding it would need? If yes, how much would it cost? If no, are you able to provide such an assessment?

We do not have detailed information on the costs of the capital requirements for St David's Hall. We understand the proposed deal will offer significant capital investment over the period of the lease to upgrade existing facilities. We also understand that AMG will be taking over all liabilities in this respect, along with the revenue contribution of Cardiff City Council in the context of the hall currently operating at a loss of £1m per annum. Without detailed sight of the current business plan it would not be prudent for us to speculate on projected running costs.

6. What assessment has the Arts Council made of the provision of world class classical music facilities in Wales? If St David's Hall were not able to fulfil a function as the "National Concert Hall", what alternative provision would Wales have?

The provision of classical music is an important part of the arts infrastructure in Wales, both within our current Lottery Funding programmes and our Arts Portfolio Wales. St David's Hall is the largest capacity concert hall or theatre in the whole of Wales. Only Wales Millennium Centre and Venue Cymru are comparable in terms of numbers of seats. It's one of only 2 '+1500 seater' venues in Wales, Wales Millennium Centre being the other.

Swansea Grand Theatre	Swansea	1026
The New Theatre	Cardiff	1144
William Aston Hall	Wrexham	1200
Venue Cymru	Llandudno	1450
Wales Millennium Centre	Cardiff	1800
St David's Hall	Cardiff	1977

7. How will the Arts Council's investment review be considering the provision of world-class classical music?

As part of the Investment Review assessment process it will be considered alongside other music and artforms, particularly when we reflect on the balancing factors which will play a key part in our Investment Review assessment process in terms of ensuring fairness of funding distribution across geography and artforms.



The full details for Investment Review applications will be published on 12 December 2022.

**8. What financial support has the Arts Council given to St David's Hall in the last five financial years, and is any support planned in this financial year?**

Since 2014, St David's Hall has received nearly £2million in funding from the Arts Council of Wales. This is detailed below:

Project Title	Grant Scheme	Grant Amount	Approval date
	Organisations - Programme support for venues and galleries	94300	21/03/2014
	Organisations - Programme support for venues and galleries	98750	20/03/2015
	Organisations - Programme support for venues and galleries	97000	18/03/2016
	Organisations - Programme support for venues and galleries	98000	17/03/2017
	Organisations - Programme support for venues and galleries	98500	16/03/2018
Classical Music at St David's Hall (2019/20)	Pre Oct 2019 / Cyn Hydref 2019	89294	28/03/2019
St David's Hall Orchestral Music Programme	Large	99738	07/02/2020
COVID-19: Support for Arts Organisations (Revenue)	COVID-19 Cultural Recovery Fund (Revenue)	1208710	16/10/2020
COVID-19: Support for Arts Organisations (Capital)	COVID-19 Cultural Recovery Fund (Capital)	29227	29/09/2020
St Davids Hall Orchestral and Community Music Programme	Create	62219	21/10/2022

In 2022, their most recent application was submitted after the classical concert series had already been advertised - tickets were on sale for various events before we received their application. Therefore, as we are unable to support costs already incurred prior to the application assessment and decision, we agreed to support them, but with a reduced amount to cover the costs of the engagement activity with the classical concert series.

Prior to 2014, St David's Hall received on average around £82k per annum as a Revenue Funded Organisation.

In addition to the above funding awarded to St David's Hall, since 2018 we have also provided in excess of £800k in grant funding support to Arts Active, a registered charity that supports education, community audience engagement projects in the Cardiff and South Wales region. The Arts Active Trust is based and closely allied to St David's Hall and the New Theatre in Cardiff.

We understand the proposals seek to protect Arts Active and safeguard its staff under the employment of Cardiff City Council whereas other Council staff of St David's Hall will TUPE across to AMG on the same terms they currently have with the Council.

We wish to note we have not received any written correspondence to confirm the proposals other than that which is already in the public domain and referenced in this letter. However, we understand that the current programme of activity in classical music and community is to be protected, in particular with the 60 days guarantee from Sept – May.

AMG is open to continuing discussions with the Classical Music Stakeholders Group on an ongoing basis.

With regards to acoustic considerations for St David's Hall, the original company Sandy Brown is advising and are providing assurances that any proposed new seating arrangement in the Hall will not impact negatively on the existing acoustics and the proposed changes are to the lower stalls only.

Ongoing maintenance and refurbishment will be scheduled to ensure the programme of events will not be affected.

Accessibility and access issues have been raised and AMG have a relationship with Attitude is Everything who will advise on signage and access requirements. We are still awaiting clarity on whether our own Hynt scheme could play a part in supporting access requirements.

The Box office function will be supported by Ticketmaster, and we have asked for clarity on the provision of a Welsh language service.

The current situation is still developing as conversations on the proposals for the future of St David's Hall are still ongoing and options are being explored and tested, particularly within the context of the current financial climate and budgetary pressures.

The Economy & Culture Scrutiny Committee will examine the cabinet report at a public meeting at 5.00pm, Monday December 12<sup>th</sup> in Committee Room 4, County Hall. Elected Members will test proposals to understand their rationale and evidence base, the Council's requirements and anticipated outcomes, and the next steps. The meeting can also be viewed on a live stream here [Home - Cardiff Council Webcasting \(public-i.tv\)](#) All scrutiny published papers are available

to view here [Agenda for Economy & Culture Scrutiny Committee on Monday, 12th December, 2022, 5.00 pm : Cardiff Council \(moderngov.co.uk\)](#)

An extraordinary meeting of Cardiff Council has been called for 4.30pm on Friday, December 9, to debate a motion on St David's Hall. You can view the agenda here [Agenda for Council on Friday, 9th December, 2022, 4.30 pm : Cardiff Council \(moderngov.co.uk\)](#) and the motion and any amendments to that motion (which may be published closer to the date of the meeting). You will also be able to view a livestream of the meeting on the day via the same link.

Cardiff Council Cabinet will take the report on St David's Hall at its public meeting in County Hall from 2pm on Thursday, December 15th. The meeting's agenda, reports and papers will be available to view closer to the date here [Agenda for Cabinet on Thursday, 15th December, 2022, 2.00 pm : Cardiff Council \(moderngov.co.uk\)](#) where you will also be able to view a live stream of the meeting on the day.

We acknowledge and share your wish to see the safeguarding the activities of St David's Hall and the environs, and will continue to contribute to the ongoing discussions and development of proposals to help ensure this is achieved.

In the meantime, I hope you find this update useful.

Yours sincerely



Dafydd Rhys  
Chief Executive  
Arts Council of Wales

**SWYDDFA'R ARWEINYDD  
OFFICE OF THE LEADER**

Fy Nghyf / My Ref: CM48774

Dyddiad / Date: 14 December 2022

Via email: [SeneddCulture@senedd.wales](mailto:SeneddCulture@senedd.wales)

Delyth Jewell MS  
Chair of the Culture, Communication, Welsh Language, Sport and  
International Relations Committee  
Welsh Parliament

Annwyl/Dear Delyth,

Thank you for your letter and for the interest of the Committee in the future of St David's Hall.

In advance of a meeting of Cardiff Council's Cabinet on 15 December 2022, the Council has published a report ([Agenda for Cabinet on Thursday, 15th December, 2022, 2.00 pm : Cardiff Council \(moderngov.co.uk\)](#)) containing all of the information that we are able to put into the public domain at this time covering the issues relating to the condition of the building, the offer from Academy Music Group (AMG) and the process we intend to utilise moving forward. A draft of this report was considered by the Council's Economy and Culture Scrutiny Committee on 12 December 2022 and the Scrutiny Committee's assessment of the Cabinet's initial proposal will be published prior to the Cabinet meeting on 15 December 2022.

As you are aware, the decision on the future of St David's Hall is a matter for Cardiff Council to consider as the owner of the building and the sole funder and operator of the venue. I was puzzled therefore to read the assertions in your letter referencing Welsh Government and Arts Council of Wales (ACW) funding for the Hall. To my knowledge, Welsh Government has never provided revenue or capital funding for the Hall, whilst, with the exception of a small National Lottery Fund grant towards the work of the Arts Active Trust, no revenue support has been provided by ACW since 2014 when the venue's Revenue Funded Organisation status was withdrawn, and the Council currently pays to keep St David's Hall open.

It is important that public commentary on the proposals is informed by facts rather than conjecture. Consequently, the Council is also concerned about the thread that the Committee recently issued on social media, which again contains erroneous assertions about the process that is currently being undertaken. To my mind, such commentary could be seen to seriously jeopardise the objectivity and political neutrality of your committee.

It is wrong to state that the process is rushed and lacks transparency. The deterioration of the building has been flagged intermittently over the last decade by the Council to Welsh Government and ACW. The Council has also persistently drawn attention to the financial risk of the National Concert Hall of Wales being borne exclusively by the taxpayers of Cardiff. A consistent theme in these discussions is that the scale of investment required in St David's Hall could not be accommodated within ACW's affordability envelope. The Council has consistently highlighted in the public domain the need to address the asset maintenance backlog at St David's Hall; with the Cabinet authorising officers to explore alternative solutions in 2019 before the pandemic, and again in 2021.

**GWEITHIO DROS GAERDYDD, GWEITHIO DROSOCH CHI**

Mae'r Cyngor yn croesawu gohebiaeth yn Gymraeg, Saesneg neu'n ddwyieithog. Byddwn yn cyfathrebu â chi yn ôl eich dewis, dim ond i chi roi gwybod i ni pa un sydd well gennych. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

**WORKING FOR CARDIFF, WORKING FOR YOU**

The Council welcomes correspondence in Welsh, English or bilingually. We will ensure that we communicate with you in the language of your choice, as long as you let us know which you prefer. Corresponding in Welsh will not lead to delay.



**Neuadd y Sir**  
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**Agenda Item 3.10**

As has been stated publicly, a detailed competitive dialogue process – though attracting much interest from bidders – concluded unsuccessfully with no company prepared to take on the maintenance liability for the building. With regard to the First Minister's comments about multiple companies involved, I can only surmise it was a reference to this procurement process. Until AMG's proposal, no solution came anywhere near to remedying the poor state of the Hall.

Nor is it correct to assert that the Council has failed to engage with partners over AMG's proposal. In the context of strained public finances, the company's proposition gives far greater certainty to the Hall's primary users, including BBC NOW, WNO orchestra, Royal Welsh College of Music and Drama, Cardiff University, Cardiff Philharmonic, the Welsh Proms and the BBC Cardiff Singer of the World competition, and these organisations have been working closely and constructively with us and the company to ensure that their needs are accommodated within the new arrangements. The Council has also engaged constructively with the Cardiff Music Board about the proposals and will continue to do so as the proposal develops over coming months.

Suffice to say, the Council is confident that the Academy model will represent a significant enhancement of Cardiff's music offer, with contractual safeguards offered around the continuation of the classical programme, continued access for community organisations, and protection for the Hall's unique acoustics. We believe the new programme, providing a blend of rock, pop and classical concerts, will be welcomed by the wider public of South Wales and beyond. In this respect, it is worth underlining the extent to which AMG's proposal arises from the unique circumstances surrounding its long-term commitment to Cardiff and the £200million investment in the establishment of a new indoor arena at Atlantic Wharf.

The final decision will likely be taken by my Cabinet in March 2023 following a public consultation exercise on the Council's budget savings proposals and the issuing of a VEAT Notice that will enable the market to review the detailed proposal and challenge the proposed approach. I would recommend that this process needs to be concluded before the Committee rushes to draw conclusions about the proposals that are currently being considered by the Council.

In the interests of transparency and reassurance, I am prepared to offer a confidential briefing to you, as Chair of the Senedd's Culture Committee, on the proviso that the information disclosed is not shared more widely.

Yn gywir,  
Yours sincerely,



**CYNGHORYDD / COUNCILLOR HUW THOMAS**  
**ARWEINYDD / LEADER**  
**CYNGOR CAERDYDD / CARDIFF COUNCIL**

Eich cyf/Your ref  
Ein cyf/Our ref

Llywodraeth Cymru  
Welsh Government

Paul Davies MS  
Chair of the Economy, Trade and Rural Affairs Committee  
Welsh Parliament  
Cardiff Bay,  
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12 December 2022

Dear Paul,

Thank you for your letter of 21 November in relation to how Welsh Government is supporting and promoting cyber security and the wider industry. As you reference in your letter, cyber is a fast-paced area with constant new developments and innovation. I recognise the importance of cyber security and that it spans many areas, making up an 'eco-system' which provides opportunity to bring advantages to our citizens, public services and economy. For this reason, as outlined in our [Digital Strategy for Wales](#) we are developing a Cyber Action Plan for Wales which will bring together a coherent statement of ambition and activity on cyber in Wales.

Cyber is already a great strength for Wales. We have one of the biggest cyber ecosystems in the UK, and one of the strongest in Europe thanks to our partnerships between industry, academia and government. As noted in the Legislation, Justice and Constitution Committee's report, the Welsh Government's International Strategy identifies cyber as one of three of Wales' centres of excellence. Following the publication of the International Strategy the '*Priority Regional Relationships and Networks 2020-2025 Action Plan*', also outlines how we will use cyber to strengthen our relations with regions that have synergies with our work.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



With regards to the Second Additional Protocol to the Council of Europe Convention on Cybercrime, we note the Committee's report and agreed actions. As you highlight, prevention, detection and investigation of crime are reserved matters. My responsibilities as First Minister do include national security, including counter terrorism and cyber security and we are taking essential steps to reduce the cyber risks to Wales. As I announced at CYBERUK22, work is underway to procure and set up a Cyber Security Operations Centre (CymruSOC) for 18 Welsh Local Authorities and 3 Fire & Rescue Services. CymruSOC will bring together these services with Government, the National Cyber Security Centre (NCSC), and a technical expert, enabling a level of information and resource-sharing that will allow for a strong 'Defend as One' posture.

You asked what work we have undertaken to upskill our workforce around real risk, governance and policy cyber security skills. Our Digital Strategy for Wales outlines our aim to create a workforce that has the digital skills, capability and confidence to excel in the workplace and in everyday life. We see cyber skills as an important part of delivering this aim and in developing the Cyber Action Plan, we are looking at how to leverage the benefits of our multiple existing interventions, to attract and develop the cyber skills we need as a nation by cultivating cyber talent from school age through to the workforce.

From the perspective of government and public services, we work closely with the NCSC to provide leadership to organisations across Wales, particularly in the public sector, to use and apply the NCSC's advice and guidance. This will help keep our citizens safe and protected online and, crucially, ensure our public services are secure and trusted. We are working with our public services to encourage an organisational culture where cyber is everyone's business from leadership to front line. We have been working with executive boards across the public sector, via our unique outward loan post to the NCSC, to inform them of their cyber security and resilience responsibilities. In addition to this work, we are providing a facilitated version of the NCSC Exercise in a Box model to Welsh public sector bodies and we are undertaking a pilot scheme to foster greater observance of the NCSC's Cyber Assessment Framework (CAF).

We are providing NCSC Cyber Essentials/Essentials+ certification to over 20% of Welsh law firms and this model will be watched closely to ascertain potential viability for other sectors in Wales.

At school age, you may be aware of the wider CyberFirst programme which is designed to identify and nurture a diverse range of talented young people into a cyber security career. We work closely with the NCSC to raise awareness of the cyber opportunities for learners and schools in Wales. In 2020, we supported the NCSC to pilot the CyberFirst Schools/colleges scheme. Schools and colleges from across Wales have achieved CyberFirst recognition at Gold, Silver and Bronze levels. Through our work with the NCSC we have now secured funding to support the delivery of the CyberFirst Wales for schools programme on a national basis following strong delivery in pathfinder areas of Wales. This will be implemented by the National Digital Exploitation Centre (NDEC) in collaboration with the University of South Wales. This digital / coding initiative looking at enhancing the cyber security IT skills for learners will launch in 2023 and be delivered in schools collaboratively with Technocamps.

Wales has a strong higher education offering with partnerships between universities and industry to develop students on the pathway towards a career in cyber. Offering accredited,

world class initiatives and partnering with industry makes Wales an attractive place for students to study and follow a pathway into a career in cyber.

This is also supported by Cyber Security apprenticeships in Wales which respond to regional and national skills shortages and help drive awareness and interest in the sector. We have extensive IT and digital apprenticeship provision in Wales with nine sub-degree programmes (levels 2, 3, 4 and 5) and three degree level apprenticeship frameworks including a Cyber Security Degree Apprenticeship. For upskilling adults, our ReAct+ adult employability programme offers individualised support to unemployed adults 18+ which could include college and university leavers who have studied cyber security. This can help boost the employability of people in the cyber security industry post qualification.

Additionally, the Cyber Innovation Hub is supported by our £3million investment made by Welsh Government over 2 years, with £3 million of co-funding from Cardiff Capital Region and £3.5 million of in-kind match funding from consortium partners. This will strongly support both the cyber skill and employability agenda for Wales with its aims to train more than 1,500 cyber-skilled individuals and grow the cyber security sector in Wales more than 50% by 2030. The Hub brings industry, government, defence and academic partners together to grow the Welsh cybersecurity sector, enabling Wales to take advantage of the anticipated growth of the sector in the UK, and globally, by investing in a coordinated approach to skills, innovation and new enterprise creation. This initiative will support us to ensure that we have a pool of talent ready to meet the demand of a growing sector and provide people with opportunities to develop skills for a sector which could provide a lifelong career. The Hub's approach of addressing market-led innovation challenges and driving rapid development of new, innovative solutions will help support and provide opportunities in cyber and this is just one part of a strong and growing cyber ecosystem in Wales.

You also asked whether Welsh Government is taking any action to encourage more women into the cyber sector. We're aware that a critical thread through the cyber career pipeline is diversity and the importance of developing a diverse workforce, reflective of our society in Wales. We support, through engagement with our communication channels with schools, the NCSC's annual CyberFirst Girls Competition. Schools can enter teams of Year 8 girls to compete in cyber-themed challenges designed to inspire interest in technology careers and increase uptake of Computing GCSE subjects by female students. Wales also has one of the most active 'Women in Cyber Clusters' which regularly engages with UK and European conferences to discuss the subject and its work in Wales. We recognise that more can be done around the diversity of the cyber workforce and encouraging women into the sector, and this is being considered as part of the development of the Cyber Action Plan.

Finally, your letter asks about the sale of Nexperia BV's share in Nexperia Newport Limited. Our immediate priority now is to safeguard the future of the hundreds of highly skilled jobs in Newport. We remain fully committed to ensuring the continued development of our compound semiconductor cluster in South East Wales and the role it plays on a wider UK scale. In light of the UK Government's decision, UK ministers now clearly view the compound semiconductor sector in Wales as a strategic national asset as well as being internationally recognised. We therefore call on the UK Government to invest in the sector to safeguard its future. We don't have national security responsibilities, nor do we have any insight into the reasons why the UK government came to the conclusion that it did. What I think has become much clearer in the aftermath of the decision is that the sale of the company is not going to happen quickly. The investment that will be needed to move Nexperia - or the successor to Nexperia - from a fab manufacturing chips for Nexperia's



customers to one making other semi-conductor products for a new owner is also likely to take many hundreds of millions of pounds. This is a very, very consequential decision that has been made and it will be BEIS that will now have to help deal with the consequences of that decision. The issue of Nexperia and how its transition to new ownership is to be supported I think is a matter for the UK government given that they made the decision in the first place.

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive, slightly slanted style.

**MARK DRAKEFORD**

Ein cyf/Our ref MA/VG/3715/22

Delyth Jewell MS  
Chair of Culture, Communications, Welsh Language,  
Sport, and International Relations Committee  
[SeneddCulture@senedd.wales](mailto:SeneddCulture@senedd.wales)

15 December 2022

Dear Delyth,

I would like to thank you and the Culture, Communications, Welsh Language, Sport, and International Relations Committee for your consideration of the supplementary Legislative Consent Memorandum (SLCM), (Memorandum No.2), laid before the Senedd on 28 September 2022 in respect of the UK Government's Online Safety Bill.

I welcome the report published by the Committee on 5 December, noting that the Members agreed that consent is required for clauses 156-158 (clauses 151-152 as introduced) and clause 162 Communications offences (clause 155 as introduced).

I also note the recommendation made by the Committee that in their view consent is required for clause 165 (clause 159 as introduced) and Schedule 14. Further legal analysis by my officials confirms that consent is required and as such a further SLCM (Memorandum No.4) will be tabled.

I would like to also to bring to your attention that the 'harmful communications offence' set out in clause 151 was omitted from the Bill at Report Stage on 5 December, this will be noted in the SLCM (Memorandum No.4).

Yours sincerely,



**Vaughan Gething AS/MS**  
Gweinidog yr Economi  
Minister for Economy

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
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[Correspondence.Vaughan.Gething@gov.wales](mailto:Correspondence.Vaughan.Gething@gov.wales)

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



Llywodraeth Cymru  
Welsh Government

Delyth Jewell MS  
Chair  
Culture, Communication, Welsh Language, Sport and International  
Relations Committee

22 December 2022

Dear Delyth,

## Closure of Corgi Cymru

Thank you for your letter of 28 November in which you raise a number of questions regarding the closure of Corgi Cymru. My responses to these questions are set out below.

*To date, how much of the grant was spent by Newsquest on Corgi Cymru?*

The funding set aside to fund a Welsh language digital news service through the Books Council of Wales is managed as a procurement contract and is not awarded as a grant.

While £400,000 over four years was awarded to Corgi Cymru through the Welsh language digital news service contract, the funding through the contract is paid in arrears based on spend. £60,000 was paid to Corgi Cymru from April to October 2022 to deliver the Welsh language digital news service during that period.

*How much of the grant has been recovered?*

The £60,000 will not be recovered. This was paid in monthly instalments to Corgi Cymru for services provided, and covered salary costs paid to staff and freelancers for delivery of the service during its period of operation.

The £340,000 which remains unspent from the initial £400,000 contract will be used to procure a new Welsh language digital news service contract for the remainder of the tender period through an open and competitive tender exercise.

*If any portion of the grant has not been recovered, could you please outline why?*

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

As noted above, the £60,000 was paid to Corgi Cymru to pay staff and freelancers delivering the service. The Books Council of Wales has not asked for salaries to be repaid.

*What level of due diligence is undertaken by the Welsh Books Council with regards to the financial stability of grant recipients and their ability to deliver on commitments they make as part of a grant application?*

Standard procurement financial due diligence processes were undertaken by the Books Council of Wales before issuing franchise contracts in November 2021 to both Corgi Cymru and Golwg360. This assessment was made in the context of the economic environment and circumstances at that time.

*What review has been undertaken by either the Welsh Government or the Welsh Books Council following this issue with Corgi Cymru and what lessons have been learned? We would be grateful to see a copy of this review if it has been undertaken. If it hasn't taken place, we would be grateful if you could please outline why this has not happened.*

Discussions have been held with the Books Council of Wales regarding the process by which the Welsh language digital news service contract was awarded. This was through a competitive open tender exercise, with contracts awarded following interviews and assessment by an independent expert panel in line with the criteria set out in the tender guidelines. The Welsh Government is satisfied that the procurement process undertaken by the Books Council was robust, open and fair and that the reasons for cessation of service are due to external factors and changing circumstances outside of both the Books Council of Wales and Newsquest's control. As such, no formal review is planned.

The Welsh Government recognises the importance of media plurality. We are committed to helping to facilitate a strong news environment and are taking forward a range of actions to support the ongoing sustainability of the journalism sector in Wales. This work considers the importance of media impartiality from government and journalistic integrity and the need to consider a balance of direct intervention and arms-length support, as appropriate.

The focus of this work is both local and national, across different delivery platforms and different types of media, and on sustaining the existing sector alongside developing options to improve pathways for entrants from a diverse range of backgrounds. We recognise the need for expert input into this work and continue to collaborate closely with sector representatives. This includes through the Wales Public Interest Journalism Working Group where we are working with a cross section of representatives from industry, academia, trade union and hyper-local organisations to support the long-term sustainability of Welsh and English language public interest journalism in Wales. The Working Group has highlighted and provided comment on challenges facing the sector and direction on possible areas of activity. It has inputted into the delivery of the pilot Journalism Fund which has provided support to existing local and hyper local journalism as well as assisting new entrants into the market. The Working Group has also provided advice and guidance on use of the media budget set out in the Welsh Government's Co-operation Agreement with Plaid Cymru and, through discussions, has instigated closer working relationships on public sector communications to help ensure hyper-locals involved in the distribution of local authority and public notices. The Working Group will provide recommendations on future action to support the sector in Wales by the end of the financial year.

The Welsh language digital news service is an important part of media plurality in Wales and expressions of interest have been invited by the Books Council for a new service following the closure of Corgi Cymru.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Dawn Bowden'.

**Dawn Bowden AS/MS**

Dirprwy Weinidog y Celfyddydau a Chwaraeon, a'r Prif Chwip  
Deputy Minister for Arts and Sport, and Chief Whip

Delyth Jewell MS

Chair, Culture, Communications, Welsh Language,  
Sport, and International Relations Committee

21 December 2022

Dear Delyth,

## The second meeting of the UK-EU Parliamentary Partnership Assembly

The UK-EU Trade and Cooperation Agreement (TCA) provides for the establishment of a UK-EU Parliamentary Partnership Assembly (PPA) as part of its governance structures. The PPA plays an important role in overseeing the implementation of the TCA and any future UK-EU agreements.

It is the only body that can hold to account the Partnership Council, the body with overall responsibility for the TCA. It is made up of European Commission representatives and UK Government Ministers.

We represented the Senedd at the second meeting of the UK-EU PPA on 7-8 November. During this meeting the issue of the impact of Brexit on touring artists was discussed and we were able to highlight the important work your Committee has done on this issue. We therefore wanted to draw your attention to our [short report](#) on the outcome of the proceedings and in particular the conclusions reached on touring artists.

Our report also made a number of recommendations on how the Senedd could make the most of the engagement opportunities presented by the PPA. These include:

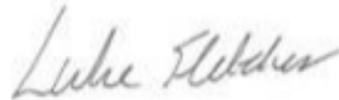
- providing reports of matters of interest to other Senedd committees such as the Culture, Communications, Welsh Language, Sport and International Relations Committee; and
- working with Senedd committees to develop informal relationships with members of the UK and EU delegations to the PPA.

We hope to take this work forward in the new year in advance of the next meeting of the PPA in May 2023 and hope this report is of interest to your Committee in the meantime.

Yours sincerely,



Huw Irranca-Davies  
Chair  
Legislation, Justice and Constitution Committee



Luke Fletcher  
Member  
Economy, Trade and Rural Affairs Committee



Department for  
Digital, Culture,  
Media & Sport

# Agenda Item 3.15

Julia Lopez MP  
Minister of State for Media, Data  
and Digital Infrastructure  
1st Floor  
100 Parliament Street  
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Delyth Jewell MS  
Chair  
Culture, Communications, Welsh Language, Sport  
and International Relations Committee

20 December 2022

INT2022/16431/DC

[SeneddCulture@senedd.wales](mailto:SeneddCulture@senedd.wales)

Dear Delyth,

Thank you for your letter of 22 November setting out the importance of the Media Bill. The Secretary of State for Culture has asked me to respond on her behalf.

I agree that the measures proposed for the Media Bill will be critical to the Welsh broadcasting and creative economy, ensuring it can thrive in the face of rapid technological change. The Bill will reform decades-old laws to turbocharge the growth potential of our world-leading public service broadcasters (PSBs), which develop talent and skills, drive growth in the creative industries across the UK and deliver distinctive, diverse British content. I look forward to continuing engagement with ITV, S4C and our other PSBs to deliver these measures.

I want to reassure you that I recognise the urgency of the legislation, including to the Welsh broadcasting industry. The Government is committed to the future of Welsh language broadcasting and supports the Welsh Government's ambition to reach the target of one million people in Wales being able to speak Welsh by 2050. We remain committed to supporting Welsh institutions such as S4C to achieve this ambition and are proud of the valuable cultural, societal and economic service S4C provides, across Wales and beyond, to Welsh-speaking audiences and viewers interested in the Welsh language and culture. I recently saw this first hand when I visited Cardiff in November and met Siân Doyle, Chief Executive at S4C, and Rhodri Williams, S4C Chair, to watch a rehearsal of CiC Byw, created by Boom production for S4C. In the context of changes to the broadcasting ecosystem there is a need to update legislation to enable S4C to adapt to rapid technological and market change, to maximise the social benefits to Welsh audiences, and to deliver increased value for money.

We received Ofcom's report on the C3 and C5 licence renewals earlier in the Summer. Officials continue to review the report and are engaging with licence holders. The Secretary of State will be responding to Ofcom's report in due course and we recognise the interaction between the licence renewal process and the progress of the Media Bill.



Channel 4 is a great UK success story and, in a rapidly changing media landscape, the Government wants it to thrive in the long-term while maintaining its distinctiveness. The Secretary of State is reviewing the business case for the privatisation of Channel 4 and will set out more detail in due course.

Thank you for your invitation to attend a meeting of the Committee. Unfortunately, both myself and the Secretary of State are unable to accept the invitation at this time due to exceptionally busy diaries. We do, however, look forward to a continued dialogue as we progress this important legislation.

With best wishes,

A handwritten signature in black ink, appearing to read 'Julia', with a large, stylized initial 'J'.

Julia Lopez MP  
**Minister of State**  
**Minister for Media, Data and Digital Infrastructure**

Chair, Children, Young People, and Education Committee

Chair, Climate Change, Environment, and Infrastructure Committee

Chair, Culture, Communications, Welsh Language, Sport, and International

Relations Committee

Chair, Economy, Trade, and Rural Affairs Committee

Chair, Equality and Social Justice Committee

Chair, Health and Social Care Committee

Chair, Legislation, Justice and Constitution Committee

Chair, Local Government and Housing Committee

12 December 2022

Dear Committee Chairs,

### Draft Budget 2023-24

I wrote to you prior to the summer recess in relation to the Finance Committee's pre-Budget engagement work and the Committee's Plenary debate on the Welsh Government's Spending Priorities for the forthcoming Budget. I am now writing to provide a further update on the Draft Budget scrutiny.

### Consultation

At the start of the autumn term, the Finance Committee undertook a consultation seeking information on the Draft Budget on behalf of all Committees. We received 29 responses which are available on the Finance Committee webpage.

### Timetable

As you will be aware the publication of the Welsh Government's Draft Budget has been delayed again this year due to the UK Autumn Statement that was announced on 17 November. The Minister for Finance and Local Government (the Minister) has confirmed that she will publish the outline and detailed Draft Budget together on 13 December. The Minister will appear before the Finance Committee on 14 December for an initial evidence session on the Draft Budget.

## Budget focus

The focus of this year's budget is likely to centre on the cost of living crisis, rising energy costs and high inflation. In addition, the Finance Committee has identified a number of areas which we would like to see the focus of scrutiny, these are:

- what impact are inflationary pressures having on revenue and capital budgets and how has this changed affordability of previous plans;
- how resources should be targeted to support economic recovery and what sectors in particular need to be prioritised;
- to what extent alleviating climate change should be prioritised in supporting economic recovery;
- how budget allocations support aspirations of the Net Zero Wales plan;
- Welsh Government policies to reduce poverty and the impact of cost of living crisis and gender inequality;
- approach to preventative spending and how is this represented in resource allocations (preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early);
- sustainability of public services, innovation and service transformation;
- how evidence is driving Welsh Government priority setting and budget allocations;
- how the Welsh Government should use taxation powers and borrowing;
- support for businesses, economic growth and agriculture post-EU transition;
- what are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act).

In addition, the following areas were identified as priorities during the Committee's stakeholder and engagement events during the summer term:

- tackling inequality and poverty – what are the priorities and how suitable is the current support given the proportion of people living in relative income poverty in Wales?

- NHS waiting lists – is there evidence of a robust plan, supported by adequate resources, to address the record number of people in Wales on waiting lists for planned or non-urgent NHS treatment, is it clear this is a priority for the Welsh Government?
- children and young people – is sufficient funding being provided and appropriately directed to support children and young people whose education, development, mental health and well-being have been affected by the pandemic?
- issues for long term sustainability of NHS, social care, further and higher education, local government and other public services, including how they can make efficiencies and transform how they deliver services.
- economy and infrastructure – are the right schemes being prioritised to support Welsh businesses and the economy, how does the Welsh Government enable Wales to prosper post COVID-19 and Brexit?
- how should the Budget address the needs of people living in rural communities and develop rural economies?
- creating a greener Wales – are Welsh Government’s plans to move to a greener economy clear and is sufficient investment being made to tackle climate change and its impacts? Do these plans need to be revised to reflect the increased urgency to reduce reliance on gas and oil given the war in Ukraine?
- third sector and volunteering – how can the Welsh Government support third sector organisations as they deal with financial challenges and increased demand for some services as a result of the cost of living crisis and pandemic.
- taxation – How should the Welsh Government use its tax raising and borrowing powers and do you feel these powers should be expanded, kept the same or reduced?

We hope that the consultation and engagement work will complement and inform the work of policy Committees and I would encourage you to use some of the areas outlined above as the focus for your budget scrutiny.

### Budget Process Protocol

As mentioned, the publication of the Welsh Government Draft Budget has been delayed again this year. This is the fourth consecutive year there has been a delay, which has resulted in curtailed scrutiny periods for the Senedd. The Finance Committee therefore believes the time is right to review the Budget Process Protocol that was introduced in 2017. Whilst the protocol has many benefits, we believe it requires updating to reflect established practices and recent experiences, particularly the trend in recent years for the publication of the Welsh Government’s Draft Budget to be delayed in

light of the timing of UK fiscal events. I have recently written to the Minister proposing changes in the following areas:

- formalising the Committee's pre-budget engagement and scrutiny work; and
- providing greater certainty in relation to the timing of the Draft Budget.

The Minister has previously expressed a willingness to engage with the Finance Committee on this issue, and we hope that she will consider these changes to be proportionate. I will update Committee Chairs on this issue once I have received the Minister's response. The Finance Committee hopes that these changes can be addressed and implemented ahead of the 2024-25 budget round.

If you have any questions about any aspect of the Draft Budget process, please feel free to contact me or the Clerk to the Finance Committee, Owain Roberts, 0300 200 6388, [seneddfinance@senedd.wales](mailto:seneddfinance@senedd.wales).

Yours sincerely,



Peredur Owen Griffiths  
Chair, Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

Jayne Bryant MS  
Chair  
Children, Young People, and Education  
Committee

09 December 2022

Coordinating draft budget scrutiny on Welsh-medium education

Dear Jayne,

This week's census results were bitterly disappointing. As you will know, the data suggests that the drop in the number of Welsh speakers was driven mainly by a reduction in the number of children 3-15 years old who are able to speak Welsh. Given this, I would like to suggest that our Committees seek to work together during the forthcoming draft budget process in relation to the census figures and Welsh-medium education.

If this is agreeable to you, I will ask our officials to coordinate this work with your Committee's officials.

Yours sincerely,



Delyth Jewell MS

Chair of the Culture, Communication, Welsh Language, Sport, and International Relations Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

To: Delyth Jewell MS  
Chair, Culture, Communications, Welsh Language, Sport, and International Relations Committee  
[Delyth.Jewell@senedd.wales](mailto:Delyth.Jewell@senedd.wales)  
Welsh Parliament, Cardiff Bay  
Cardiff  
CF99 1SN

23 December 2022

Dear Delyth Jewell MS

I am writing to you to make you aware of the news that Cardiff City Council is planning to launch a consultation on a proposal to close the Museum of Cardiff.

Cardiff City Council's consultation asks residents to choose between an option to take the Museum out of the Old Library and make it a mobile attraction to save £266,000 per year, or an option to keep the museum and find savings elsewhere. The Museums Association (MA) firmly opposes the proposal to close the museum and to make it a mobile attraction.

The MA is a UK-wide professional body representing everyone who work in and with museums. I am bringing the matter to your attention as we are extremely concerned by this proposal and the impact the potential closure will have on Cardiff residents, local businesses, tourism, staff members and the museum collection.

The Museum of Cardiff is an award-winning and internationally recognised museum which plays a vital role in the city's cultural life. The museum provides a range of social benefits for the local community and beyond, and actively contributes to Cardiff City Council's principal well-being objectives, which seek to create safe, confident and empowered communities in Wales. The 'People of Butetown' exhibition, which documented the history of Cardiff's ethnically diverse communities, is testament to the ways in which Cardiff Museum has actively served to empower the voices of the city's racialised communities, who have been frequently marginalised within the Welsh cultural mainstream. The closure of the Museum of Cardiff would be a significant loss to the cultural vibrancy of the city.

The museum has received investment from the National Lottery Heritage Fund and other local and national funders such as the Esmée Fairbairn Collections Fund. Closing the museum so soon after this investment would jeopardise any future sources of funding.

The proposal to convert the museum into a mobile or pop-up museum is also of concern. Mobile museums can be effective in reaching out to communities, but this would take substantial investment. We are also concerned about the future of the current collections as no provision is made in the proposal for the care and storage of the collections. Once the decant and storage costs are taken into consideration, it is probable that such costs would outweigh projected short-term savings.

The Museum of Cardiff has long pioneered community engagement; closing the museum would mean losing a thriving cultural asset that is consistently delivering against local and national priorities.

We recognise that local authorities are in a tough financial situation and are having to make difficult decisions. However, closing a much-loved local museum will not solve the problem. The museum makes an important economic contribution to the city. Spotlight data from 2020 shows that Welsh museums contribute £134m annually to the Welsh economy, therefore, this proposed closure is a short-term saving with a long-term cost. The museum is also a tourist attraction which brings visitors to the city who will subsequently spend money in shops and restaurants, further contributing to the local economy.

The Museums Association is working with the Federation of Museums and Art Galleries of Wales to make the strongest possible case for the retention of the museum for the people of Wales. We would be grateful for your support in raising awareness of the potential closure of the Museum of Cardiff and in finding a solution which will not result in the loss of such a valuable cultural institution.

Yours sincerely,



Sharon Heal

Director,  
Museums Association  
Email: [Sharon@museumsassociation.org](mailto:Sharon@museumsassociation.org)





Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref MA/DB/563/22

Delyth Jewell MS  
Chair of Culture, Communications, Welsh Language,  
Sport, and International Relations Committee  
[SeneddCulture@senedd.wales](mailto:SeneddCulture@senedd.wales)

04 January 2023

Dear Delyth,

I am writing to you in relation to the Culture, Communications, Welsh Language, Sport & International Relations Committee Report - Increasing Costs - Impact on Culture & Sport

I would like to thank members of the Committee for their consideration of the topic and for the publication of the report.

Please find attached a written response from the Welsh Government to this report. This contains responses to each of the 10 recommendations that the Committee has made.

Yours sincerely

**Dawn Bowden AS/MS**

Dirprwy Weinidog y Celfyddydau a Chwaraeon, a'r Prif Chwip  
Deputy Minister for Arts and Sport, and Chief Whip

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

## **Culture, Communications, Welsh Language, Sport & International Relations Committee Report - Increasing Costs - Impact on Culture & Sport**

The impact of rising costs is particularly high across Culture and Sport areas within my portfolio, highlighting organisations and sectors struggling to recover financially from the pandemic, where falls in attendance numbers mean a reduced ability to generate income.

Large increases in energy prices are adding significant pressures on budgets. Increased living costs are also impacting on the recruitment and retention of staff and volunteers, as people struggle to afford travel costs and child-care, or opt for better paid work. In some instances, the combined result of these challenges is reduced programmes of activity across Wales. Less disposable income means people are also having to tighten belts and spend less on leisure activities. Significant increases in supply chain costs, particularly in relation to materials and labour, are also impacting on capital projects and maintenance work.

I would like to thank the members of the Culture, Communications, Welsh Language, Sport & International Relations Committee for their report on 'Increasing Costs – Impact on Culture & Sport'. I have set out my responses to the report's individual recommendations below.

**Recommendation 1:** The Welsh Government should urgently work with the National Library to resolve its concerns about the “very serious risk to the collections”.

**Response:** Accept

The Welsh Government is working with colleagues at the National Library and providing additional support where possible considering the impact of rising costs seen in recent months. An additional £650,000 was awarded in 2022-23 to help address the increased costs of utilities and cost of living pressures and a further £500,000 to pay for a new fire system to ensure the safety of their collections.

The National Library will see an increase in its revenue grant in aid. For the next two financial years, we have made available additional time-limited and ring-fenced funding to support additional pressures relating to pay, the cost of living and utilities. Further additional funding will be provided to support the Co-Operation Agreement priorities, including financial sustainability. Whilst further pressures relating to inflation remains a concern during this period, this additional funding will help support the National Library in 2023-24 and 2024-25.

Financial Implications: outlined above

**Recommendation 2:** The UK Government should provide sports and cultural venues with support with energy costs beyond the six months of the initial scheme.

This support should be confirmed sooner rather than later to provide medium and long term assurance to these venues.

**Response:** Accept

The Energy Bill Relief Scheme (EBRS) is a UK Government initiative. The Minister for Economy has responded to the UK Government on the scheme and officials are engaging with the EBRS team within BEIS. We agree that certainty is needed urgently as to the future of the scheme, and that the criteria for support should be made public so that the decision-making process is transparent.

Financial Implications: none

**Recommendation 3:** The Welsh Government should ensure that leisure trusts are eligible for support with greening their energy consumption, such as that available from the Welsh Government's Energy Service.

**Response:** Accept

Local Authorities and other public sector organisations can access technical and financial support from the Welsh Government's Energy Service, to improve the energy efficiency of their swimming pools and leisure centres (including those managed by leisure trusts), helping to reduce carbon emissions. The financial support comprises of zero interest loans from the Wales Funding Programme. The zero interest loans are available for improvements as part of large retrofit programmes of work, or smaller energy efficiency projects. These include measures to reduce heating costs by making buildings more heat efficient, LED lighting upgrades, and renewable projects such as installing rooftop solar panels.

Financial Implications: No new implications

**Recommendation 4:** The Welsh Government should provide capital funding to the sports and cultural sector to green their energy consumption

**Response:** Accept

Organisations should be considering their own energy costs and resilience as part of their usual capital estate planning.

The unhypothecated capital funding provided to Local Authorities may be used to support sports and social facilities by Local Authorities in this way if Authorities consider it is appropriate to do so. Specific capital funds are also provided by Welsh Government for replacement and extensive refurbishment and remodelling of schools and colleges, for example through the Sustainable Communities for Learning programme. Such projects are now required to deliver net zero carbon and often include sports facilities. Funding is also provided through the Local Authority buildings capital grant introduced from 2023-2024 which may also benefit sports or cultural buildings within the Local Authority estate.

For local museums, libraries and archives, such projects would be eligible to apply for support from the Transformation Capital Grant programme. The funding we provide to Sport Wales also supports the sector to meet our expectations in the All Wales Net Zero Plan and build resilience to the impacts of climate change, ensuring we can continue to deliver our key public services.

Financial Implications: outlined above

**Recommendation 5:** The Welsh Government should provide additional targeted funding to the sports and culture sectors to help venues and organisations that face closure but have a sustainable future beyond the immediate crisis.

**Response:** Accept

The Welsh Government recognises the exceptional inflationary pressures to utility costs and costs of living pressures at the arm's length bodies and also local sector organisations. To assist with these pressures, Welsh Ministers have agreed to provide £3,750,000 during the 2022-23 financial year to the National Library of Wales; Amgueddfa Cymru - National Museum Wales; the arts sector via the Arts Council of Wales, the sports sector via Sport Wales; the independent museums and community libraries in Wales; the Books Council of Wales; and the independent creative industries in Wales.

Local museums, libraries, and archives would be eligible to apply to the existing Transformation Capital Grant programme for support to undertake capital works that support organisations' sustainability.

Sport Wales provides funding for those who wish to make their clubs more sustainable. This can be through making improvements to facilities, and in creating long-term sustainability through upskilling volunteers and in measures to reach people currently under-represented in sport and physical activity, for example.

Financial Implications: as outlined above.

**Recommendation 6:** The Welsh Government should initiate emergency discussions with the UK Government's Department of Digital, Culture, Media and Sport and the Department for Business, Energy, and Industrial Strategy to call for a UK-wide support package to support the culture and sport sectors in response to cost of living pressures.

**Response:** Decline

This is wholly a matter for UK Government. The impact of the increased cost of living and the failure of the UK Government's promises to replace EU funding in full has created significant challenges. As a Welsh Government, we will continue to work to prioritise our budgets to shield the most vulnerable and maintain our commitment to create a stronger, fairer and greener Wales.

Financial Implications: as outlined

**Recommendation 7:** The Welsh Government should encourage sporting and cultural activities in Warm Hubs and fund the providers accordingly.

**Response:** Accept

Many organisations including Local Authorities, local libraries and museums, community councils, faith groups, sports clubs, community centres are already setting up, or looking to set up, Warm Hubs within the local communities. Warm Hubs are intended as places in local communities where people can find a safe and warm environment during the day to help reduce the cost of heating their own homes and to help people facing extreme fuel poverty this winter. Early discussions with stakeholders have indicated a clear ambition for Warm Hubs to deliver more than just a warm space to sit and to include or be developed around interest groups or activities.

The Welsh Government has provided an initial amount of £1m to support the development / expansion of Warm Hubs across Wales. Funding has been provided to local government through the WLGA. Local Authorities will be expected to ensure that arrangements are in place at a local level to ensure that the Welsh Government Funding is made available to those who are delivering the Warm Hubs (i.e. through local grants or similar). This will include working with the local County Voluntary Councils (CVCs). Guidance was issued to Local Authorities to accompany the Welsh Government Funding.

Warm Hubs should be open and inclusive and available for all in the community to use. The focus should be on identifying and delivering to local need and delivering a Warm Hub response which delivers to that need. Warm Hubs might include:

- basic refreshments and snacks (as a minimum) but may extend to provision of a more substantive meal where possible.
- the provision of advice and support services to those who attend, this can be for example advice and support on financial matters, health and well-being or digital accessibility.
- further enrichment activity such as exercise, arts and cultural activity (subject to location and availability).

The delivery of Warm Hubs should be driven by local needs. Whilst some of the Warm Hubs may be in local authority owned / managed buildings they may equally be established by / through local community, faith or third sector organisations or sports clubs using their own community assets or indeed through / by other public sector bodies. The private sector may also be able to play a role in the delivery of Warm Hubs and opportunities should be explored through local business groups and possibly through working with the Federation of Small Business and the CBI.

In addition, some national services / stakeholders may be able to provide support for Warm Hubs, particularly around extra advice, guidance and support for possible enrichment activities. This may include for example the Citizens Advice, Arts Council for Wales, Sport Wales and National Museums and Galleries in Wales.

Financial Implications: £1m – funding already provided to local government

**Recommendation 8:** The Welsh Government should provide leadership to the culture and sport sectors during the cost of living crisis. The Welsh Government should explain how it is providing distinct support to the culture and sport sectors to mitigate the impacts of the increased cost of living.

**Response:** Accept

As outlined at Recommendation 5, Welsh Government has committed £3,750,000 during the 2022-23 financial year to the National Library of Wales; Amgueddfa Cymru - National Museum Wales; the arts sector via the Arts Council of Wales, the sports sector via Sport Wales; the independent museums and community libraries in Wales; the Books Council of Wales; and the independent creative industries in Wales. As part of the Cooperation Agreement, we have agreed by 2024-25 to double our investment in Fusion, our programme to help address poverty by cultural access, participation, and inclusion.

Financial Implications: As outlined

**Recommendation 9:** The Welsh Government should explain how it is tackling the inequalities in participation in sport, which grew during the pandemic and are being exacerbated by current circumstances.

**Response:** Accept

Providing equal access to sporting opportunities is a key commitment in our Programme for Government. Improving access and participation and addressing inequality in all its forms are priorities in the Sport Wales term of government remit letter.

The Welsh Government provides an annual budget to Sport Wales - £21.6m revenue and £8m capital in 2022-23 – to deliver on the priorities set out in the remit letter. Sport Wales has recently recruited a senior EDI manager to work with Sport Wales staff on an inclusion training programme, with a key component on understanding racism and anti-racist action. Sport Wales is also funding Community Champions who will support community organisations in accessing Sport Wales funding and services, particularly those from underserved communities.

Alongside this core funding, we also make additional project funding available to support wider Programme for Government commitments around improving access and inclusion. One example is the Anti-Racist Wales Action Plan grant scheme, which seeks to improve participation and inclusion of Black, Asian and Minority Ethnic communities.

Regarding participation, we are working on the recommendations in the Committee's "Levelling the Playing Field" report. We recently co-hosted a Sport Summit with Sport Wales, which was the start of a process to understand and confront the issues creating an inequality of access to sport. Many challenges, such as the pandemic and the cost-of-living crisis, have compounded this issue in many communities. We will work with Sport Wales and other partners to bring about the necessary challenge

and change to build a system that allows everyone to have a lifetime enjoyment of sport.

Financial Implications: No new implications.

**Recommendation 10:** The Welsh Government should improve its engagement with the culture sector to help develop its response to the increased cost of living.

**Response:** Decline

We have an exemplar record in terms of engagement with our sectors. We work closely and collaboratively with both sector bodies and individual organisations to monitor and understand the impact of the cost of living crisis.

Financial Implications: none

Document is Restricted



Mark Drakeford MS

First Minister

Welsh Government

08 November 2022

## Welsh Government Draft Budget 2023-2024

Dear Mark,

You will be aware that Senedd committees will be undertaking scrutiny of the Welsh Government's draft budget 2023-24 during the autumn.

### Written evidence

To inform the Culture, Communications, Welsh Language, Sport and International Relations Committee's scrutiny, we would welcome written information from you on the areas detailed in the Annex to this letter. We would be grateful to receive this information by 14 December 2022.

### Oral evidence

Members would also be grateful if you could attend an oral evidence session on 11 January 2023 between 09.30 and 10.30.

### Approach

The Committee will seek to follow the Finance Committee's lead, basing our approach on the four principles of financial scrutiny: affordability, prioritisation, value for money and budget processes. We will also seek evidence from the Minister for Education and the Welsh Language, the Minister for Economy, and the Deputy Minister for Arts and Sport and the Chief Whip, given the relevance of their work to our remit.

Following the session the Committee will write to you with any additional requests for information or clarification and publish a report of our findings in the Senedd.

Yours sincerely



Delyth Jewell AS

Chair of the Culture, Communication, Welsh Language, Sport and International Relations Committee



The Committee requests the following information:

Commentary on Actions and detail of Budget Expenditure Line (BEL) allocations

A breakdown of the 2023-24 draft budget allocations for international relations and international development by MEG, Spending Programme area, Action and Budget Expenditure Line (BEL).

Final out-turns for 2021-22 and forecast out-turns for 2022-2023.

Commentary on the Actions within the MEG in relation to International Relations and International Development, including an analysis and explanation of changes between the First Supplementary Budget 2022- 23 and the Draft Budget 2023-24.

Other information

An outline of the draft budget allocations to deliver the actions included in each of the international action plans for the Welsh Government's International Strategy.

Implications of the ongoing effect of the COVID-19 pandemic and UK exit from the EU on international relations spending plans.

Specific areas

International strategy

Allocations and commentary in respect of:

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- resources for external diaspora organisations.
  - resources for each individual delivery partner tasked with supporting the delivery of the strategy
  - resources for external arts and sports organisations to support the delivery of the strategy.
  - resources aimed at promoting the Well-being of Future Generations Act internationally.
  - resources for engagement with priority regions and countries outlined in the International Strategy.
- 

Wales and Africa Programme

Allocations and commentary in respect of:

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- resource provided to the projects and organisations supported by the Wales and Africa programme.
  - funding to support the development of pan-African Tree Planting projects, including the existing Mbale Tree Planting Programme.
  - funding to support Wales as a Fair Trade Nation, and details of what outcomes will be delivered and how delivery of these outcomes will be measured.
- 

International offices

Allocations and commentary in relation to:

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- the work of the International Offices, and details of what outcomes will be delivered and how delivery of these outcomes will be measured.
  - all planned Welsh Government engagement with major and International events, including how the cost benefit of engaging with these events are evaluated.
  - the draft budget allocations for different International offices, and on what basis were decisions on these specific allocations made.
- 

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

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Mark Drakeford MS

First Minister

Welsh Government

30 November 2022

**Providing oral evidence for Welsh Government's Draft Budget 2023-24**

Dear First Minister,

The Committee was informed last week by officials that you would not be giving oral evidence relating to the Welsh Government's Draft Budget 2023-24. We were told that this is because you have previously agreed to attend one Committee meeting per year, which will coincide with the publication of the annual report on international relations.

The Committee was disappointed to learn of this response, and we would note that Ministers would usually attend scrutiny separate scrutiny sessions relating to policy, legislation and budgets. We note that the international relations policy areas for which you have responsibility have specified funding, and that external organisations and delivery partners are in receipt of funding from this budget area. As a Committee, we are acutely aware that the cost of living crisis will place yet more pressure on governmental departments to take difficult decisions relating to spending, and we would wish to be able to scrutinise how these decisions will affect the budget areas for which you hold responsibility.

As you will not be available to provide oral evidence, the Committee would be grateful to receive a detailed response to the points outlined to you in the letter dated 8 November 2022, and we would be grateful to receive this by 14 December 2022. The Committee would also request that you respond to any follow-up letter requesting further information after the Committee has had time to consider the evidence provided in your initial written evidence. We would ask that a response be provided as a matter of urgency in order to inform our report ahead of the deadline on 6 February 2023.

Yours sincerely,



Delyth Jewell MS

Chair of the Culture, Communication, Welsh Language, Sport, and International Relations Committee



Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.





Delyth Jewell MS  
Chair  
Culture, Communication, Welsh Language, Sport  
and International Relations Committee  
Senedd Cymru

15 December 2022

Dear Chair,

I am writing in response to your letter of 8 November on the Welsh Government Draft Budget 2023-2024.

#### International Relations

The table below provides a breakdown of the indicative **2023-24** Draft Budget allocation for International Relations.

- Budget Expenditure Line	2023-24 Indicative Draft Budget December 2021	MEG to MEG Transfers	2023-24 Indicative Final Budget March 2022
	£000s	£000s	£000s
International Relations	8,904	(350)	8,554
<b>Action: International</b>	<b>8,904</b>	<b>(350)</b>	<b>8,554</b>
<b>SPA: International</b>	<b>8,904</b>	<b>(350)</b>	<b>8,554</b>

The budget reduction of £350,000 to £8.554m is the result of an agreed MEG to MEG transfer from International Relations to International Development to help deliver Wales and Africa aspects of the International Strategy. The transfer took place in 2022-23 and it will also be actioned in 2023-24 and 2024-25 extending the transfers of £350,000 to the end of

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

the International Strategy. The above table is taken from the published 2022-23 to 2024-25 Final Budget BEL tables.

There has since been a further budget reduction of 2% to the International Relations budget as part of the Welsh Government autumn budget reprioritisations and budget reductions within the MEG. Therefore, the International Relations budgets for 23-24 has decreased from £8.554m to £8.383m (£0.171m reduction).

It has been agreed that as part of the first supplementary budget process for 2023-24, an additional £100,000 will be transferred from the International Relations BEL within the Central Service and Administration MEG to the International Development BEL within the Social Justice MEG to cover inflationary pressures for the Mbale Tree Planting project. This transfer is for the year 2023-24 only. That means that the revised budget for International Relations in 2023-24 will be £8.283m.

The **2021-22** final out-turn for International Relations was £5.861m against a budget of £8.554m - an underspend of £2.692m. This variance is due to delays in the planned reinforcement of the overseas offices and reduced engagement activities throughout the year. Both factors are effects of the Covid pandemic which continues to impact regions around the world at different times.

The International Relations budget for **2022-23** was initially £8.554m. The First Supplementary Budget 2022-23 for International Relations Budget then reduced that budget from £8.554m to £8.537m due to the return to reserves of £17,000 for IAS17 leases. International Relations also agreed to transfer £100,000 to the Economy MEG to support the World Cup marketing campaign, with a focus on values, and a second £20,000 transfer to the Economy MEG to support Welsh artists representing Wales at the Lorient Festival. International Relations will also receive a one off funding allocation from the FCDO of £7,000 to support country based staff pay awards. Resulting in a £8.424m budget for International Relations in 2022-23.

International relations are forecasting a 2022-23 outturn of around £7.9m and therefore an underspend for this year in the region of around £524,000 TBC. It should be noted that there are several variables around this forecast and we will keep it under review. The Covid pandemic has continued to impact our network and engagement this year – although to a lesser extent than in 2021-22.

### International Development

The International Development Draft Budget for 2023-24 is £1.275m which is made up of £925,000 from a different MEG under the responsibility of the Minister for Social Justice, plus the above-mentioned MEG to MEG transfer of £350,000 from International Relations to deliver aspects of the International Strategy (Mbale Tree Planting project and women's empowerment projects). As stated above, this transfer will also be actioned in 2024-2025 until the end of the International Strategy.

As part of the supplementary budget process for 2023-24, an additional £100,000 will be transferred from the International Relations BEL within the Central Service and Administration MEG to the International Development BEL within the Social Justice MEG to cover inflationary pressures for the Mbale Tree Planting project. This transfer is for the year 2023-24 only

The International Development budget for 2021-22 was £1.275m, of which only £350,000 was under the responsibility of the First Minister. The final out-turn for the year was



£6.775m with the agreed overspend of £5.5m in 2021-2022 due to the £4m DEC donation to Ukraine and a further £1.5m spent on Covid-related grants of which £0.633m was incurred as capital spend.

The International Development budget for 2022-23 is £1.275m and the forecast out-turn is £1.375m which includes a forecast pressure of £100,000 for the DEC Pakistan floods appeal. This overspend is to be met by underspends in the Social Justice MEG.

The First Supplementary Budget 2022-23 for International Development is £1.275m.

### **Other information**

The International Relations budget for 2023-24 is £8.283m, after the £350,000 MEG to MEG transfer of £350,000 from International Relations to deliver aspects of the International Strategy (Mbale Tree Planting project and women's empowerment projects) and an additional £100,000 MEG to MEG transfer of £100,000 to cover inflationary pressures for the Mbale Tree Planting project is taken into account.

Of this £8.283m 2023-24 International Relations budget, £4.684m has been allocated to the overseas offices running cost budget, £0.75m to the overseas offices activity budget and then £2.849m is allocated to the International Engagement budget.

Within this International Engagement budget of £2.849m, £150,000 has been allocated to the Priority Regional Relationships and Networks Action Plan, £1.3million for Public Diplomacy and Soft Power Action Plan and £190,000 has been allocated to the Diaspora Engagement Action Plan. The remaining budget of £1.21m will be used to fund cross-cutting activity which supports our overarching International Relations objectives and the International Strategy rather than be associated with a particular Action Plan.

The pandemic has had a significant impact on our work given the varied response to the situation across the globe. This has impacted our ability to plan and deliver events, with a number of activities moving online. However, the pandemic has also raised awareness of Wales on the global stage, and there has been interest in Wales' response to COVID-19. Activity is now returning to normal in many parts of the world, with China remaining a notable exception.

### **Specific areas**

#### **International Strategy**

Engaging our global diaspora, priority regions and countries, arts and sports organisations and promoting the Well-being of Future Generations partners will continue to be a significant focus for us and we will continue to allocate funding from our international engagement budget in 2023-24 to support this.

We will continue to work closely with our strategic partners to prepare delivery plans for 2023-24 as well as seeking opportunities for cross-collaboration to bolster our delivery of the Strategy.

We expect our strategic partners to submit their engagement and delivery plans in the first quarter of next year and we will consider their request for resources accordingly. We will also continue to work with strategic partners that we do not directly fund but contribute to the delivery of the Strategy.

## Wales and Africa Programme

The 2023-24 Wales and Africa budget is £1.375m – with the MEG to MEG transfers of £350,000 and £100,000. The Wales and Africa programme is part of the portfolio of the Minister for Social Justice with £450,000 (via transfers) from the International Relations budget contributing to the Wales and Africa Action Plan.

The £450,00 International Relations funding contributes to a grant of £550,000 to Size of Wales, primarily to deliver the Mbale Tree Planting Programme, with some funding allocated to the Bore Community Forest project in Kenya.

Other commitments within the Minister for Social Justice Wales and Africa budget include a grant of £349,000 for Hub Cymru Africa who themselves determine funding allocation of that grant. The Fair Trade Nation Campaign is resourced from within this grant. It also includes a contract of £286,000 to WCVA to deliver and award the Wales and Africa Small Grants Scheme – grants of between £5,000 and £25,000, a grant of £20,000 to DEC Cymru to assist with their fundraising and co-ordination and £100,000 to deliver the International Learning Opportunities Programme – sending people on 8 week placements to Uganda, Namibia and Lesotho.

## International offices

The budget for the International Offices is £5,434,000. This is split into an annual overseas offices running cost budget of £4,684,000 and an annual combined activity budget of £750,000. The overseas offices running cost budget includes office rent, FCDO platform charges and staff salaries and on- costs. The activity budget supports network-wide activity for the overseas offices. We do not set programme running cost budgets for each office as these are managed centrally. The overseas offices are also able to bid into the International Engagement budget to deliver against the action plans and cross cutting activity.

The International Offices deliver against the stated aims of the International Strategy and associated Action Plans, as well as the published remits of the individual offices.

In terms of our engagement with major/international events, we started an 18-month programme of sports diplomacy in August 2022 - looking to capitalise on the opportunities of Wales' qualification at a number of major tournaments across a range of sports including hockey, netball, rugby and football. This began with an event at the Commonwealth Games which saw a focus on women and girls' participation in sport bringing together an international audience to hear from past and present athletes. As part of the FIFA Mens Football World Cup, we have arranged a series of events across the globe aimed at raising awareness and the profile of Wales. Over the next year we will look to maximise sporting opportunities starting with the Hockey World Cup in India in January through to the Rugby World Cup in the Autumn in France. We will also look to prioritise opportunities within Wales including the European Wheelchair Rugby Championships in Cardiff in May 2023. We are also planning engagement at a range of other international events both within Wales and beyond including the Hillary Clinton Global Challenges Summit in Swansea. Soft power, by the very nature of its activity, is difficult to measure but is nevertheless a valuable tool in our international engagement.

If you require further clarification regarding the above, please do not hesitate to contact me.  
I look forward to further exchanges with the Committee.

Yours sincerely

A handwritten signature in dark ink, reading "Mark Drakeford". The signature is written in a cursive, slightly slanted style. The first letter "M" is large and prominent, followed by "ark", then "Drakeford".

**MARK DRAKEFORD**

7 December 2022

Dear Chair

## Public Accounts and Public Administration Committee Inquiry into Public Appointments

The Public Accounts and Public Administration Committee is undertaking an Inquiry into Public Appointments. Evidence received from the Committee's consultation on the scrutiny of public administration in autumn 2021 recommended that an inquiry be conducted in this area. It was considered to be an issue that had been 'under-examined' since the establishment of the Senedd.

Our agreed Terms of the Reference for the inquiry are detailed in Annex A. However, we are aware that concerns regarding the public appointments process may extend beyond those terms of reference. We therefore welcome the views and experiences of your committees on the matters listed and any other issues that you feel are relevant to our work.

I look forward to hearing from you and kindly ask for responses by Friday 27 January 2023.

Thank You.

Kind Regards,



Mark Isherwood MS  
Committee Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.  
We welcome correspondence in Welsh or English.

## Annex A

The Committee is undertaking an inquiry into the Welsh Government's approach to the public appointments process, including where this could be improved to increase the diversity of candidates for public appointments made by Welsh Ministers. Issues to be considered include the following:

- The role of the Public Bodies Unit and the effectiveness of its relationship with Public Bodies' Boards in terms of ensuring good governance and effective public appointment arrangements. This includes any ongoing support for board members.
- The views of those corporate bodies that receive public appointments on the public appointments process;
- The role the Commissioner for Public Appointments.
- What are the main barriers to increasing the diversity of candidates for public appointments in Wales? How do these vary by factors including:
  - Age
  - Sex
  - Ethnicity
  - Disability
- How effective are current approaches being taken by the Welsh Government to encourage and increase the diversity of candidates?
- How can the public appointments process be improved to achieve this?
- How can the Welsh Government create a more transparent and open public appointments process?
- Are there examples of best practice elsewhere in the UK and internationally that Wales should learn from?