

Culture, Communications, Welsh Language, Sport and International Relations Committee – 18 January 2023

Minister for Economy and Deputy Minister for Arts and Sport, and Chief Whip

Memorandum on the Draft Budget proposals for 2023-24

1.0 Introduction

This paper provides information to the Committee regarding our spending plans as the Minister for Economy and the Deputy Minister for Arts and Sport, and Chief Whip in respect of the culture, creative, heritage and sport budgets within our portfolio. The spending plans are set out in the draft Budget for 2023-24, published on 13 December 2022. This paper also provides an update on specific areas of interest to the Committee.

A breakdown of changes to the budget allocations (as relevant to Arts, Culture, Heritage, Creative Industries and Sport) by spending area, Action and BEL for 2023-24 and future years is provided at **Annex A**.

A commentary explaining the changes to each Action relevant to this Committee is also provided at **Annex B**. A transparent narrative explanation has been provided to explain increases and reductions, where not covered in the evidence paper. This only covers the budgets that have been scrutinised as part of this committee. Further details on budget decisions are provided in the updates on areas of interest to the Committee.

1.1 Commentary on Actions and detail of Budget Expenditure Line (BEL) allocations Resource and Capital Budget – Economy MEG

The table below provides an overview of indicative plans for the Economy MEG published in draft Budget 2023-24

Economy MEG – Summary	2022-23 Final Budget March 2022	2023-24 Indicative Final Budget March 2022	2023-24 Changes	2023-24 Draft Budget December 2022	2024-25 Indicative Final Budget March 2022	2024-25 Changes	2024-25 Indicative Final Budget December 2022
Resource	402,421	416,582	30,901	447,483	432,688	30,860	463,548
Capital	82,792	106,187	0	106,187	81,608	0	81,608
Total Resource & Capital	485,213	522,769	30,901	553,670	514,296	30,860	545,156
Resource AME	45,525	45,525	13,000	58,525	45,525	13,000	58,525
Capital AME	0	0	0	0	0	0	0
Total AME	45,525	45,525	13,000	58,525	45,525	13,000	58,525
Total – Economy MEG	530,738	568,294	43,901	612,195	559,821	43,860	603,681

Resource

For resource, the 2022-23 baseline for draft Budget 2023-24 reflects Final Budget. The Resource budget for the Economy MEG has increased by £30.901m in 2023-24 when compared to the 2023-24 indicative final budget baseline, with further increases of £30.860m in 2024-25.

The total additional resource allocations for each financial year are summarised in the table below:

Economy: Resource Budget Allocations	BEL	2023-24 £000	2024-25 £000
Apprenticeship	Apprenticeships	18,000	18,000
<i>Cost of living Inflationary uplift – pay and utilities in ALBs:</i>			
National Library Wales	National Library of Wales	677	828
Amgueddfa Cymru - National Museums of Wales	Amgueddfa Cymru - National Museums of Wales	1,574	1,878
Arts Council of Wales	Arts Council of Wales	133	202
Royal Commission	Royal Commission on the Ancient and Historical Monuments for Wales	60	92
Sport Wales	Sport Wales	242	360
Grant funded staff in ALBs	Support for Local Culture and Sport	43	47
Cadw	Cadw	540	720
Careers Wales	Employability Including Young Persons Guarantee	1,231	1,873
<i>Cost of living inflationary pressures – local heritage, culture and sport:</i>			
Arts Council of Wales	Arts Council of Wales	500	
Sport Wales	Sport Wales	500	
Local Culture	Support for Local Culture and Sport	250	
Cadw and local heritage	Cadw	250	
Total Revenue Allocations from Reserves		24,000	24,000
Communities for work – noncash	Communities for Work	5	-36
Total Non-cash allocations from/to Reserves		5	-36
Less: Economy MEG contribution to the Welsh Government reprioritisation exercise (information on programme areas where funding has been reprioritised for budgets relevant to this committee is outlined at Annex A and B)	Various	-7,166	-7,166
Total Net Revenue from Reserves for the MEG		16,839	16,798
Transfer into the Economy MEG from Finance and Local Government MEG (Children's Commissioner Grant)	Communities for Work	14,062	14,062
Total Allocations to the MEG		30,901	30,860

The total £27m revenue allocation for culture over three years from the Cooperation Agreement has been maintained.

The Welsh Government has undertaken a reprioritisation exercise to release funding from within portfolios for reallocation across Government. The principles underpinning this reprioritisation exercise were to deliver a balanced budget, protect frontline public services and protect the Programme for Government.

As a result of this exercise, draft budget plans reflect a return to central reserves from the Economy MEG of £7.166m in 2023-24, with reductions baselined into 2024-25. These changes for budget lines relevant to this committee are summarised in **Annex A and Annex B**.

Capital

The Economy capital budget stands at £106.2m for financial year 2023-24 and £81.6m for 2024-25. There have been no changes to the allocations as part of the Draft Budget 2023-24.

Annually Managed Expenditure – AME

The AME budget of £58.525m provides cover for charges that are outside the control of the portfolio, such as impairments on the property portfolio, pension valuation fluctuations for National Museum of Wales, the National Library of Wales, Sport Wales and Careers Wales. This budget is agreed with the Treasury each year and is fully funded. The AME draft Budget figures reflects the forecasts submitted to the Office for Budget Responsibility in August 2022.

2022-23 Forecast

As outlined in **Annex A**, the forecast revenue out-turn for 2022-23 is £128.618m, compared to the First Supplementary Budget of £123.505m. **The variance of £5.113m is due to £2.6m Unboxed for Creative Wales, £1.147m pay pressure for Culture and Sport ALBs and £1.3m energy inflation in respect of NMW and NLW.**

The forecast capital out-turn for 2022-23 is £43.982m, compared to the First Supplementary Budget of £42.124m. **The variance is due to £0.5m NLW fire dampers.**

2021-22 Final Outturn

An outturn position of £172.809m was reported against the culture, tourism, and sport resource budgets for financial year 2021-22.

An outturn position of £71.042m was reported against the culture, tourism, and sport capital budgets for financial year 2021-22.

1.2 Budget Changes

Resource

The Resource budget for the budgets relevant to this Committee has increased by £3.618m in 2023-24 when compared to the 2023-24 indicative final budget baseline, with further increases of £2.976m in 2024-25. The increases relate to additional allocations to support pay and inflationary increases within our ALB's but is offset by reductions due to the Welsh Government reprioritisation exercise.

As part of the Economy MEG's contribution towards the reprioritisation exercise, there has been a 1.1% revenue reduction to Creative Wales and all Culture and Sport Arm's Length Bodies (ALB) (the National Library of Wales, Amgueddfa Cymru-National Museum Wales, Arts Council of Wales, Sport Wales and Royal Commission on the Ancient and Historical Monuments of Wales) including a reduction for the National Botanic Gardens of Wales. Overall, the resource allocation to the ALBs in 2023-24 has increased. An additional £12m has been provided in this draft budget for 2023-24 and 2024-25 (£6m/annum) to support with cost-of-living pressures. This will enable all Culture and Sport ALBs and Cadw (which is within the Welsh Government) to make a consolidated pay award to their staff comparable to that made by Welsh Government and to meet pay parity commitments for the lowest paid staff.

This additional funding will also address other inflationary pressures in the culture and sport sectors, especially exceptional utility costs at Amgueddfa Cymru, the National Library of Wales and Cadw, as well as funding to be made available to support local independent and third sector organisations across arts, museums, community libraries, heritage, and sport with additional inflationary costs.

The £8m allocation for culture from the Cooperation Agreement in financial year 2023-24 has been maintained.

Capital

The capital budgets relevant to this Committee stands at £51.939m for financial year 2023-24. There have been no changes to these allocations as part of the Draft Budget 2023-24.

Annually Managed Expenditure – AME

The AME budget for activity relevant to this Committee is £29m and provides cover for charges that are outside the control of the portfolio, such as impairments on the property portfolio, pension valuation fluctuations for National Museum of Wales, the National Library of Wales and Sport Wales. This budget is agreed with the Treasury each year and is fully funded. The AME draft Budget figures reflects the forecasts submitted to the Office for Budget Responsibility in August 2022.

Further detail on funding within Budget expenditure lines (relevant to this Committee) is outlined below.

Investing in our internal agencies, national organisations and local sectors is vital and recognises the importance of the arts, culture, sport and heritage for our wellbeing goals: a Wales of vibrant culture and thriving Welsh language; a healthier Wales and a Wales of cohesive communities. Investment in the long-term sustainability of our national organisations demonstrates our commitment to preserving our culture and

heritage for future generations and our commitments for these organisations to better reflect the diverse communities across Wales. Decarbonisation is a priority for the budget decisions to achieve [Net Zero Wales](#) will enable the organisations to address environmental concerns, particularly CO2 emissions and energy efficiency. During the pandemic the organisations have adapted their offer to the public by making more of their collections available digitally and moved to offering educational and entertainment programmes online so that individuals and families could enjoy culture and heritage at home. The capital budgets will enable further investment in technology for recovery, wider access and preservation of the collections. The additional allocations from the Cooperation Agreement are particularly important in helping to drive forward these initiatives.

Internal agencies:

The Creative Wales brand supports the international strategy in raising Wales' profile to the world, not only as a centre for creative excellence, but as a great place to visit and live. Creative and cultural investment is vital for regeneration across Wales and capital funding of £15m over three years will support productions and initiatives in both Welsh and English.

Significant development and conservation programmes are planned for our heritage sites with a Cadw budget of £30m over three years, including major development work at Caerphilly Castle.

National cultural organisations:

In 2023-24 we will provide £78.216m revenue and £7,650m capital collectively to our four national culture bodies (the National Library of Wales, Amgueddfa Cymru-National Museum Wales, Arts Council of Wales, and Royal Commission on the Ancient and Historical Monuments of Wales) and the National Botanic Gardens of Wales. For capital, we have allocated £5m to Amgueddfa Cymru and £2m to the National Library of Wales to support the maintenance of their historic estates and small allocations to the other three bodies. We have also made awards for specific projects named in the Programme for Government, digitisation, and decarbonisation from the Support for Local and Culture allocations. These will be notified at the first Supplementary Budget.

Culture:

The support for local culture and sport budget of £6.429m revenue and £21.5m capital in 23/24 will support the culture strategy and investment in theatres and museums and the wider culture sectors, including helping with cost-of-living pressures. This funding includes £2.8m revenue from the Cooperation Agreement and £21m capital from the Cooperation Agreement. This represents a significant investment in the local culture sectors. It makes provision for our Programme for Government commitments on racial equality and implementation of the Anti-racist Wales Action Plan, the four major strategic capital investments, provision for investments in developing our national culture bodies, and the development of and our local culture sectors, especially museums and collections. We envisage extending our Capital Transformation Grants scheme to include awards to support decarbonisation, digital initiatives, smaller scale investments to improve access to a wider range of organisations, and focusing on tackling inequalities, especially racial inequalities, and have agreed funding for Arts Council of Wales to support capital developments in theatres, concert halls and performance venues. We have confirmed £11.5m for the redevelopment of Theatr Clwyd in 23/24.

Sport:

The £8m annual capital budget will provide a significant investment in community as well as elite sports facilities to provide modern and sustainable environments for sports participation, to nurture and develop talented athletes. It will also ensure Wales is well positioned to compete internationally and to help host international events, providing opportunities to promote Wales brand on the international stage in the future. £9m (£3m/annum) has been provided by the Cooperation Agreement.

Culture, heritage, the creative industries, the historic environment, and sport are essential components of our national life and an integral part of our individual and collective mental and physical well-being. Museums, archives, libraries, arts and sports clubs, facilities and historic sites are the focal point for many communities throughout Wales. Almost all of our support for these sectors helps people to access and enjoy the best of Wales, enhancing quality of life, as well as our education, history, visitor economy and our place in the world. Culture is one of the Wellbeing of Future Generations Goals, and critical to the delivery of the six other goals, in what it can contribute towards wider life and the economy.

What we will do and how we will do it

Our [Programme for Government 2021 – 2026](#) recognises the crucial role that these sectors deliver. See section 4.0 for more information.

To enable us to protect key areas, we have undertaken a reprioritisation exercise to release funding from within our existing plans and re-focus our limited resources in the areas of greatest need. This ensures every pound invested makes the greatest positive impact. We recognise in doing so, this will have negative impacts for those areas from which funding has been reprioritised.

The principles which originally underpinned the reprioritisation exercise were to deliver a balanced budget, protect frontline public services and protect the Programme for Government.

Using funding released from the reprioritisation exercise, together with positive changes to our overall settlement as a result of the Autumn Statement, we have targeted additional allocations towards protecting frontline public services and delivering our Programme for Government commitments, helping those affected by the cost-of-living crisis and supporting our economy through recessionary times.

The Programme for Government incorporates the Co-operation Agreement on culture. This includes an additional £27m revenue and £60m capital over three years of the agreement. We remain committed to engaging with the arts, culture and heritage sectors to develop a new culture strategy,

a priority explicitly set out in the Programme for Government update in December 2021 to reflect the Cooperation Agreement with Plaid Cymru. This will set the framework for our priorities going forward and how we will sustain and develop the sectors. We also remain committed to our ambitious cultural capital investment programme in the culture sectors, particularly the development of a National Contemporary Art Gallery, Football Museum and investment in Theatr Clwyd. We have appointed an overarching steering group and a lead partner to work with us on taking this work forward.

Investment is primarily delivered through our internal agencies (Cadw and Creative Wales) and five arm's length bodies (the National Library of Wales, Amgueddfa Cymru – National Museum Wales (7 museums), the Arts Council of Wales, Sport Wales and the Royal Commission on the Ancient and Historical Monuments of Wales). Cadw and the National Botanic Garden of Wales investment also deliver our heritage ambitions, alongside capital investment in local museums, archives, and libraries sector via our Capital Transformation Grant programme. Creative Wales leads on, and coordinates, activity and policy for the creative sectors. These organisations deliver on the cross-government priorities to support the delivery of key strategies including [Net Zero Wales](#), the Anti-racist Wales Action Plan and [Cymraeg 2050](#). Each of the arm's length bodies are committed to carbon efficiency providing detailed sustainability reports in their annual accounts. An additional £11.75m is allocated to the five public bodies and Cadw via the Cooperation Agreement with an equitable grant in aid / funding uplift (excluding non-cash) to develop a new culture strategy, reflecting Wales' diversity, a thriving Welsh language, our arts, culture and heritage sectors and our duties under the Wellbeing of Future Generations Act. We will ensure the financial sustainability of national cultural institutions as we implement the strategy, and we will also develop the proposals for a national contemporary art gallery.

Cadw will complete the current major investment at Caernarfon and Caerphilly castles which will enhance the visitor experience and make the monuments more accessible. Further capital investment will also allow Cadw to continue its statutory responsibility to conserve and maintain the monuments in its care, keep them safe for people to visit and reduce the carbon footprint of its visitor centres.

Sport is an intrinsic part of our nation's identity. It brings our communities together and provides people with transferrable skills to enhance their learning and find a job or career. Through the many thousands of activities across Wales, sport also supports the growth of Welsh speaking communities by providing opportunities for people to use it on a daily basis as a living, modern language. We will continue to support our communities, clubs, and facilities to address the impact of the pandemic, to enhance our sense of identity, physical and mental well-being, and to ensure the sector adds value to our health and happiness. The spending plans for sport, maintained investment levels in the three-year capital budget, enabling the Welsh Government to continue to invest, through its delivery partner, Sport Wales, in the people and places to provide inclusive and equal opportunities for people to lead healthy and active lives, and to realise their sporting potential.

The creative industries and culture sectors are well-placed to support the post COVID economic recovery, supporting roles among the most resistant to automation and increasingly in demand across the economy. According to 2021 data on the creative industries sectors aligned to Creative Wales' priorities, 3,423 businesses make up the creative industries sectors in Wales, an increase of 6.4% from 2018. 35,400 people were employed in these sectors, with the industry generating an annual turnover of £1.7billion in 2021, an increase of 14% from 2017.

We have a statutory responsibility to continue to support our national cultural sponsored bodies, as well as the local culture sectors, who all play a key role in delivering government priorities and Programme for Government commitments, resulting in better quality of life for so many of our population. Alongside our regular statutory obligations, we have asked these bodies to all prioritise improving access and tackling inequalities, decarbonisation and digital improvements over the next three years.

Capital investment is provided to the local museums, archives and libraries sector via our Capital Transformation Grant programme, and via the Arts Council of Wales to the arts sector, including theatres. We propose to extend and develop these schemes to address the range of Programme for Government commitments, enabling a greater range and diversity of applications and better alignment with Programme for Government priorities. We are revisiting these schemes to put decarbonisation and digital at the centre, to ensure that investments are sustainable and that they tackle inequalities, particularly race inequalities and disability discrimination.

The rationale for investing in culture, heritage, sport, and creative sectors

The [Economic Resilience and Reconstruction Mission \(Mission\)](#), published in February 2021, established the fundamental recovery principles and direction for the economic policy of the previous administration. The Programme for Government includes a commitment to Progress that Mission and significant cultural commitments, recognising the important role of culture for well-being and providing employment opportunities. As the response to the pandemic testified, culture and heritage are central to what matters to people, what they enjoy doing, their mental wellbeing and physical health.

The culture, creative, sport and heritage sectors play a vital role in supporting the economy of Wales. They create jobs in the creative industries (media, journalism, and publishing), heritage, traditional building construction and repair, and the arts and cultural sectors. Our cultural attractions help sustain 11,500 businesses in the tourism industry and creative industries employ 35,400 people. They demonstrate strong economic benefits in terms of the visitor economy, regeneration and place-making and strong environmental benefits through decarbonisation and support for biodiversity and the natural environment.

Our culture, heritage, sport and creative industries are central to the Wales brand and promoting Wales in the UK and internationally. These sectors have faced significant challenges both this year and last year as a result of the Coronavirus pandemic. The impact of these challenges will continue into the future as we aim to support our sectors in recovery. The Welsh Government's support measures, such as the Cultural Recovery Fund (CRF), Sport and Leisure Recovery Fund and the Economic Resilience Fund (ERF), clearly enabled our sectors to survive. However, further action is needed now, and over the course of the next few years, to help these vital sectors return to sustainable operation and contribute to Wales' recovery.

3.0 Response to Specific Information Requested by the Committee

3.1 Information on how the delivery of the Arts, Culture and Heritage portfolio and their associated outcomes are monitored and evaluated to demonstrate value for money.

Key priorities for each arm's length bodies are set out in their remit letters, which they use as a basis for their operational plans and key performance indicators. The Deputy Minister meets at least biannually with all bodies, and officials formally monitor progress against these plans at quarterly monitoring meetings and more regularly through close working relationships with the senior executive teams at the arm's length bodies. At the invitation of the bodies, officials also attend Board meetings, allowing Welsh Government to maintain a good overview of potential issues. Monthly grant in

aid claims are also scrutinised to ensure that progress is being achieved against specified lines of expenditure.

Cadw has its own internal agency board with non-executive members. It meets quarterly and part of its role is to scrutinise Cadw's performance against its business plan and financial reporting.

Each major project has governance related to the specific project. Major capital investments are supported by business cases which are scrutinised to ensure they are robust by the Welsh Government Treasury team and officials. Smaller capital and revenue grants and contracts are awarded based on either an open application process or a direct commission, and monitored by officials throughout the project life cycle, with agreed deliverables and check in points.

Major projects and activity are monitored using the Business Information Report Tool (BIRT). An Evidence Plan presents the research, evaluation and data collection projects that the Culture Division is either undertaking or committed to. It is updated yearly, based on discussions with staff and wider stakeholders, to ensure activity is supporting key divisional priorities and Programme for Government commitments.

3.2 Details of specific policies or programmes within the relevant MEGs (relevant to Arts, Culture and Heritage) that are intended to be preventative and how the value for money and cost benefits of such programmes are evaluated.

The Culture Strategy will set out which policies and programmes are intended to be preventative and ensure that the cost benefits of these programmes are considered. All proposals are considered to determine that they represent value for money.

Arts, culture, sport and heritage play an important role in tackling disadvantage and preventing poverty. Participating in cultural activities (such as volunteering at a museum or playing music) can boost skills, self-esteem, learning and aspiration, particularly in areas experiencing economic disadvantage.

Health and wellbeing

The importance of culture on promoting positive wellbeing and physical health has been dramatically underlined by the pandemic, with culture and heritage providing an outlet for many during these difficult and uncertain times to individuals, households and communities. We are working with health colleagues to deliver the framework for Social Prescribing and with education colleagues on pilots about transforming the school day and support for children in responding to the pandemic, for example through the School Holiday Enrichment Programme and the Winter of Wellbeing activities. Funding for these activities is provided by the relevant ministerial budgets. Examples of projects that will be funded directly, include that we have commissioned a Welsh language version of the House of Memories App, which uses museum collections to support people with dementia, and extending the books on prescription offer. HARP - Health Arts Research People is one arts example of interventions to prevent ill-health, a collaboration with the NHS to develop new approaches to health, wellbeing and creativity.

Sport can be the nation's most effective preventative health tool but greater cross-sector prioritisation is needed to create the long-term sustainable shifts in participation. The Healthy and Active Fund and Healthy Weight: Healthy Wales Delivery Plan are two examples of success in this area. We will continue its support in the Healthy and Active Fund, supporting organisations who actively promote and enable healthy activity for population groups with little or no levels of physical activity in their lives. Sport Wales will also continue to invest funding and resource in the Welsh Government's 'Health Weight: Healthy Wales' delivery plan, including the delivery of the 60+ Active Leisure scheme.

The Fusion Programme

The budget makes provision for continued support for the Fusion Programme in 2023-24 and its work in engaging with individuals and communities in areas of deprivation. Despite the difficulties presented during the pandemic, the Fusion programme has proved resourceful in finding new ways of engaging and encouraging cultural activities.

In 2022-23 we have commenced a review of the delivery model of the Fusion programme. In 2023-24 we will take forward the recommendations of this review.

The Fusion programme aims to tackle poverty and wellbeing issues through cultural activity and has continued to drive forward engagement with communities coming up with innovative and bespoke solutions to engage with individuals and communities, by using digital resources and providing packs of cultural information. The programme continues to provide a cultural lifeline for individuals and communities to improve the impacts of poverty, health and well-being.

Employment Opportunities

The Economic Action Plan and the Employability Plan are underpinned by the evidence that well paid work is the best route out of poverty and the greatest protection against poverty for those at risk. By supporting jobs and sustainable growth, particularly with Creative Wales investments and opportunities to work in the wider arts, culture and heritage sectors and taking action to try to alleviate some of the challenges faced by people when accessing jobs, we aim to reduce the likelihood of families experiencing poverty and avoid the long-term costs that poverty bring to society. We continue to create opportunities for individuals and families with initiatives and targeted investment across Wales.

3.3 Information on allocations (and their location) in your portfolio to provide for legislation which has the potential to impact in the financial year 2023-24 as relevant to Arts, Culture and Heritage.

The Historic Environment (Wales) Bill was introduced into the Senedd in July. The Welsh Government has identified Wales' historic environment law as a suitable subject for one of its first projects in an ambitious programme to improve access to Welsh legislation. The Bill consolidates the main pieces of primary legislation for the historic environment. Although the structure and expression of the law may be different after consolidation, its legal effect will remain unchanged. There are no policy changes in the Bill. As a result, the financial implications of the Bill are transitional and minimal and made up of updating guidance, forms, websites and promoting awareness of the new bilingual legislation.

3.4 Implications of the ongoing effect of the COVID-19 pandemic, the UK exit from the EU and the cost-of-living crisis on the Arts, Culture, Heritage, Creative Industries and Sport portfolios and how the Welsh Government will manage ongoing impact.

Cadw, Amgueddfa Cymru, the National Library, the National Botanic Garden of Wales and Arts Portfolio Wales organisations may be adversely affected from less visitors, particularly overseas visitors. This position will continue to be monitored closely. For example, the restrictions due to the pandemic have had a significant impact on the number of visitors and commercial income levels at Cadw sites over the last two years. However, there has been a strong recovery in these figures from the summer of 2021 onwards with a good tourism season in Wales, and we expect this to continue as long as there are no further significant restrictions. The delivery has been protected with additional Covid allocations.

The local arts and culture sectors have benefitted from the Cultural Recovery Fund, and other sources of Covid relief funding including the Economic Resilience Fund and the furlough scheme. It is too early to assess the full impact of the pandemic on the cultural and arts sectors. The sector was amongst the last to re-open and the impact of the pandemic is likely to be felt for some time and until public confidence returns. We have seen reductions in visitors and volunteers.

The portfolio has greatly benefited over the years from EU funding for certain projects. For Cadw only limited European funding has been secured in very recent years; but more generally clarity is awaited from the UK Government about the degree to which baselines will be augmented to replace EU funding, and how arrangements for the Shared Prosperity Fund will work.

The UK Government announced in December 2020 that a replacement for the Creative Europe programme would not benefit from direct funding as part of the comprehensive spending review, the Culture element has not been supported directly however the creative film and screen element has. Opportunities still remain to access a very limited fund via the Shared Prosperity Fund.

The Creative Europe programme has been superseded by the Global Screen Fund (GSF) which ran as a £7m pilot in 2021-22 under the Internal Market Act. While a small number of Welsh businesses have benefited from this programme, officials have consistently provided feedback to DCMS about the need for devolved nations to be more involved in the programme set up and delivery. Within the recent Spending Review a further £42m has been allocated to the creative industries over the next 3 years which includes the continuation of the GSF. Officials are continuing to liaise on the set up and delivery of this to ensure it has maximum impact for Wales. There has been no direct replacement to date for the Creative Europe cultural sub-programme and that the Welsh Government continues to engage with DCMS and other devolved nations to raise issues and identify options for support for the sector.

Sectors across the creative industries continue to be affected by increasing costs. This includes broadcasters and Film and TV productions concerned that increased costs and inflationary issues are adding to existing budget challenges and wider impacts on trainees on screen productions who are struggling with the cost of living. The music sector and publishing sectors are also being affected by increasing costs related to energy prices and the cost of materials

3.5 Information on allocations in your portfolio to deliver a new Culture Strategy for Wales

£5m has been allocated over three years to support the development of a new Culture Strategy, including £1.2m in 22/23. This is in addition to the additional £11.75m to the five arm's length bodies and Cadw to support the strategy (£11.75m over three years).

Development of the new strategy is under way with delivery expected during 2023. The scope of the new culture strategy includes the arts, culture (museums, archives and libraries), and heritage, including the historic environment and intangible heritage. An Overarching Steering Group will monitor and challenge the development of the strategy. This is made up of nine external partners, representing some of the sectors in scope and some cross-cutting themes through their lived and professional experiences. The Means Ltd, with Arad Consulting and BOP Consulting, has also appointed as the lead external partner to work with Welsh Government on engagement and the development of the strategy.

For 2023/24 and 2024/25, the revenue allocations will be used to support the implementation of the recommendations within the new strategy, engagement and evaluation. These will be determined when the priorities of the Strategy are determined.

Specific areas:

Cadw

3.6 Allocations and commentary in respect of Cadw including revenue generation targets, and recent annual income generation figures.

The commercial income figure for 2019-20, immediately prior to the pandemic, was £8m – a record for Cadw. Income has recovered strongly since restrictions were eased, to an actual figure for 2021-22 of £6.5m, and a forecast figure for this year of £9.2m.

Cadw is currently completing major work at Caernarfon castle, and major work is planned to start at Caerphilly castle aimed at increasing the number of visitors and therefore commercial income figures in the future. The capital budget of £10m per annum going forward will enable the completion of this work; together with significant investment and conservation work at other Cadw sites.

The additional revenue funding allocation will enable Cadw to meet inflationary pressures on pay and other costs, particularly utilities costs and the costs of maintain sites. There are some concerns about the impact which the cost-of-living crisis may have on visitor numbers and retail spend.

More broadly, Cadw is working for an accessible and well-protected historic environment for Wales. It looks after, and provides access for the public to, 130 monuments across Wales. Of these, 29 are staffed sites and the remainder are free open-access sites. Capital expenditure on the conservation of monuments also remains an important priority.

3.7 Allocations towards funding for owners of historic assets

There are more than 30,000 listed buildings and 4,200 scheduled monuments in Wales, and the majority are in private ownership. Most of those owners conscientiously care for their properties, which constitute a precious legacy for present and future generations.

Cadw has published an extensive range of guidance and signposting to available grant funding which can be downloaded without charge from the Cadw website. My Cadw officials are always happy to provide advice on general queries relating to historic assets, but specific enquires relating to the management of listed buildings are the responsibility of the local planning authority. However, if proposed works or other matters raise difficult questions, my officials are happy to offer advice in pre-application discussions involving all parties.

The listing of a building or the scheduling of a monument brings no entitlement to grant assistance. As with any building, the maintenance liability is a matter for the owner. However, Cadw does have grant schemes which are underpinned by the core objectives of our national strategy - *Prosperity for All*. Value for money judgements are made on the submission of costed estimates by the applicant, assessed by Cadw's Inspectors.

Cadw has the following capital grant schemes:

Historic Buildings Capital Grants - for the repair of listed buildings at risk or in a vulnerable condition; to safeguard their significance, enhance condition and support beneficial use. Priority is given to listed buildings in the heart of communities which have the ability to provide access to heritage for a wide range of people and to deliver public benefits such as community use, enhance visual amenity, contribute to economic viability or stimulate regeneration opportunities.

Historic Buildings Maintenance and Repair Grants – for small scale maintenance and repairs necessary to keep historic community assets, such as village and community halls, institutes, libraries, war memorials and places of worship that are listed for their special architectural or historic interest and open for wider community use, in good order.

Urgent Works for Buildings at Risk – Grants for Local Authorities to meet the costs of preparing and serving Urgent Works Notices to secure the condition of at risk and vulnerable listed buildings.

Ancient Monument Grants - Ancient monuments can range from Neolithic burial chambers to Buildings of the industrial revolution. Many are vulnerable and we recognise that repair works may be costly or may not always be in the financial interests of the owner of the monument.

Historic Parks and Gardens Grants – to support the preparation and implementation of conservation management plans for registered historic parks and gardens in public or community ownership or which provide full public access and support wider community benefits.

3.8 Allocations and commentary in respect of the National Museum of Wales and the National Library of Wales, including any revenue generation targets.

The National Library of Wales and Amgueddfa Cymru are both important and high-profile cultural organisations. They are pro-active in delivering Government priorities and engaging the people of Wales in cultural activities as well as important facilitators for projecting Welsh culture internationally.

All our arm's length bodies are experiencing increased costs for utilities and capital projects. This is particularly acute for those with the historic estates (Amgueddfa Cymru and the National Library) who have seen particularly large increases in costs. All bodies, including the Museum and the Library, are also receiving significant pressure for inflation plus pay rises. We have therefore made additional funding available for pay and inflationary pressures to support with cost-of-living inflationary pressures.

Both bodies will see an increase in their 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 each of the Arms-Length Bodies 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 organisations in 2023-24 and 2024-25.

The Library does well in attracting charitable donations and bequests but finds the commercial income generation target challenging, with less on-site options for generating revenue when compared to the Museum with its shops and cafes across seven sites. The National Museum does not charge - free entry to the National Museum of Wales sites remains a Government commitment. This is an important policy in terms of removing barriers to participation in cultural activities for people from disadvantaged backgrounds and/or those on low incomes. It encourages repeat visits and community use of our National Museum of Wales sites and facilities. The Museum is considering how best to fund its activities especially in light of cost-of-living pressures.

The National Library will receive £2m capital in 2023/24 for critical maintenance, a slight reduction on this year given previous commitments. Further additional funding from the Support for Local Culture and Sport BEL 6170 will enable digitisation and decarbonisation projects.

The National Museum will receive £5m capital in 2023/24 for maintenance, help address the challenges of operating in historic buildings, the need to keep our national collections safe, and the requirement to provide continued and safe public access whilst maintenance work is ongoing, plus a further allocation from the Local Culture and Sport BEL to enable decarbonisation. Information will be available at the First Supplementary Budget.

Royal Commission for Ancient and Historic Monuments of Wales

The Commission has a leading national role in developing an appreciation of Wales' archaeological, built, and maritime environment. The Commission cares for a vast and unique collection of photographs, maps, images, publications, and reports supported by a team of expert staff and provides high quality digital content, services and resources which is easily accessible to national and international audiences. In 2023/24 the Royal

Commission will have increased revenue of £60k to reflect an additional allocation for cost-of-living pressures. In 2023/24, we have reconfirmed our capital allocation of £0.05m plus a further award from the Support for Local Culture and Sport BEL 6170.

3.9 Allocations and commentary in respect of the Libraries, Archives and Museums Strategies.

The Draft Budget total allocations for Support for Local Culture and Sport are revenue £6.429m and capital £21.5m capital, excluding support for the ALBs and the National Botanic Gardens of Wales specified in the respective BEL lines. In 23/24 this includes additional funding for local independent sector museums and community libraries to support with cost-of-living pressures.

We have provided an update above in relation to the Culture Strategy. This will be central to investment in our local culture sectors going forward.

We intend to extend our Capital Transformation Grants programme to fund a greater range and value of projects, including digital projects, to support decarbonisation and those to promote equalities. Funding for this is included within the Local Culture and Sport budget.

3.10 Funding allocated to take forward recommendations in the Review of Local Museums

Consideration of the recommendations from the Expert Review of Local Museum Provision in Wales-2015 will be included within the culture strategy. This will take on board the fact that the environment in which local museums now work has changed significantly since the Review's publication.

The viability of the Review's key recommendations hinged on implementation of the creation of three regional bodies. This remains a decision for local authorities across Wales. The Welsh Government explored the recommendation further via the feasibility study 'To Create and Run a Regional Museum Structure', completed in summer 2019. Both the original Review and this feasibility study recognised that the recommendations had significant cost implications and since 2015 the creation of regional bodies was not deemed a priority by local authorities.

3.11 Allocations and commentary in respect of the Arts Council of Wales

The Arts Council of Wales is an important and high-profile cultural organisation. Under the arm's length funding principle, our primary investment in the arts in Wales is channelled through the Arts Council of Wales.

In 2023/24 additional time-limited and ring-fenced funding has been allocated to support cost of living pressures and Cooperation Agreement commitments. The cost of living increase of £6m enables support with a pay award for staff plus a contribution to funded organisations. We have made an allocation towards capital maintenance in theatres, concert halls and performance venues from BEL 6170 as well as for the National Contemporary Art Gallery. Funding to support the redevelopment of Theatr Clwyd will also be made through ACW.

3.12 Allocations and commentary in respect of funding to promote access to the arts

Working with the Arts Council of Wales we will continue to support and promote the vital contribution that the arts make to Wales, to foster an environment in which the arts are able to flourish – an environment which identifies and nurtures creative talent, wherever it is found in Wales, to its full potential. Specific priorities for the year include promoting equalities as the foundation of a clear commitment to reach more widely and deeply into all communities across Wales and strengthening the capability and resilience of the sector, enabling creative talent to thrive.

Increasing and diversifying levels of access and participation in the arts continues to be a priority in the Government's Remit letter to the Arts Council of Wales. The Arts Council of Wales uses the majority of its grant-in-aid to core fund strategic arts organisations, and we expect them to continue to prioritise access and engagement work. The Arts Council of Wales have set out 'equity, diversity and inclusion' as a key priority for the ongoing Investment Review, which following a consultation process this year, opens for applications in January 2023.

Our investment in major culture capital projects, especially Theatr Clwyd and the National Contemporary Art Gallery is designed to tackle inequalities and provide better access, including particularly in North and Mid Wales.

3.13 Allocations and commentary in respect of funding aimed at using arts and culture to tackle poverty.

The Arts Council of Wales is a key strategic partner in the Fusion programme, supporting organisations to participate by providing practical advice and brokering introductions between Fusion partners and artists/arts organisations in their areas.

Subject to the outcome of the independent review of Fusion, we are proposing an uplift to enable an extension of the programme to all local authorities who wish to participate.

3.14 Allocations and commentary in respect of funding aimed at encouraging/enabling arts organisations to generate more of their own income.

The Arts Council of Wales offer the opportunity for any organisation to apply for business development funding via the Create programme which is open year-round. These types of applications often focus on how an organisation operates and connected to that, how its financial model works and can be improved.

All our grant applications ask for a budget, and this is reviewed as part of the process. Nearly all applications require the organisation to raise a proportion of its own funding, and this also forms part of the decision-making process.

In addition, the Welsh Government will continue to support Arts and Business Cymru, as it provides a vital link between business and the arts, generating funds to support artists. Support for the programme will be reviewed once The Arts Council of Wales investment review has completed.

Creative Wales - Media and broadcasting

3.15 Allocations and commentary in respect of Creative Wales (including funding to be distributed by Creative Wales).

The Draft Budget total allocations over three years for Creative Wales are revenue £21.364m and capital £15m (including the Books Council of Wales). In 2022-23 Creative Wales total budget allocation is - £7,038m revenue & £5m capital (£12,038m).

The focus of our investment is on the priority sectors of screen (Film & TV), music, digital and publishing alongside the broadcasting and journalism commitments set out in the Co-operation Agreement.

We launched our new production funding model in May this year. The aim of the scheme is to support the growth of Wales as a destination for the production of world class content. The funding supports Wales-based production and games development companies who are looking to develop productions intended for international audiences and also for those productions from outside of Wales that are seeking to film in Wales. The new scheme has many similarities to the previous funding provided under the 'Wales Screen Fund' but as well as supporting TV and Film production, it also now supports computer games.

With the growth in productions looking to film in Wales we also have a strategic priority to invest in our studio infrastructure. Creative Wales has recently invested in Aria Studios in Anglesey. The new facility, run by the team behind Rondo Media, has two acoustic stages totalling 20,000sqft and is the only facility of its type in the region. One of the studios is home to the long running S4C drama series Rownd a Rownd. This facility, whilst smaller than the high-profile studios in South Wales, is perfectly equipped and will provide an excellent base for productions wishing to film across North Wales. The studio is due to open within the coming weeks.

We continue to provide funding to support the commercial music sector, with £524,203 in capital funding to support venues, recording studios and rehearsal rooms. We have also provided £149k in revenue funding to support music labels and music management businesses.

The additional funding for broadcasting and media will support action to strengthen the media in Wales and explore the creation of a shadow Broadcasting and Communications Authority, as set out in the Co-operation Agreement with Plaid Cymru. Further work is required to agree the how additional funding will be spent, but its aim will be to support a plurality of media and access to effective, accurate and relevant content for Welsh citizens across media platforms in the Welsh and English language. We will seek input on our use of the additional investment from the Wales Public Interest Journalism Working Group and use learning from the pilot fund delivered in 2022-23 to provide recommendations to Ministers on how additional funding should be allocated.

Support for skills and talent development in the creative industries is a *Programme for Government* commitment and Creative Wales is committed to supporting and nurturing both the current and future workforce

An industry led Creative Skills Advisory Panel advised upon a three-year Creative Skills Action Plan for the music, digital content and screen sectors in Wales and identified 10 priorities:

- Business and leadership Training
- Talent Support
- Improve Diverse and Inclusive Recruitment
- Entry Level Placements and Opportunities
- Upskilling Placements and Opportunities
- Education and the New Curriculum
- Careers Awareness
- Innovation
- Bridging the Gap Between FE/HE and Industry
- Wellbeing of the Workforce and Support for Freelancers

An £800,000 Creative Skills Fund was launched alongside the Plan on 21 September 2022 with the aim of supporting projects which deliver against the 10 skills priorities highlighted with the Action Plan. Both the Fund and the Action Plan deliver against the Programme for Government commitment to establish a Creative Skills Body. The Creative Skills Fund Call for Funding closed on 7 November 2022 with 45 applications submitted. These are currently being appraised.

Diversity and inclusivity is embedded in activity and the Creative Wales Non-Executive Board have set this as their number one priority. Creative Wales' ambitions for a more diverse and inclusive creative industries sector in Wales clearly align to the Programme for Government's commitments to maximise fairness for all, eliminate equality and to celebrate diversity. We will support delivery of the vision set out in the Anti-Racism Wales Action Plan. We want more equal outcomes for protected characteristic groups, including Black, Asian and minority ethnic people. Creative Wales will deliver against a number of the goals and actions set out in the document.

When Creative Wales provides Welsh Government funding for productions, events and awards, we ensure that the companies and organisations promote the Welsh Government and Creative Wales in their marketing and communications activities.

3.16 An update on plans to provide further support to English-language journalism “similar to the Welsh language model”.

In 2021/22 independent community journalism was supported through a £100,000 award to PING! News to deliver the Wales Public Interest Journalism Fund. This has delivered into 2022/23 and, to date, the fund has supported seven publications from across Wales to increase the provision of locally relevant public interest news and promote growth in the Welsh community news sector.

Decisions on the journalism budget will be taken in response to learning from funding delivered in 2022/23, and in considering the recommendations of the Wales Public Interest Journalism Working Group which will be received early in 2023.

3.17 Allocations and commentary in respect of any funding for the media and broadcasting.

In 2022-23 a total of £3,960m was awarded to the Books Council of Wales to support the publishing sector in Wales. This included revenue funding for the Digital Welsh-language News Service and in addition a further £135,000 through the Co-operation Agreement budget to support Welsh language magazines. In 2023-24 an annual budget of £3,960m has been set aside for the continued funding of Books Council of Wales initiatives, including

the Digital Welsh-language News Service. We will continue to use the Memorandums of Understanding with the BBC and S4C to guide co-commissions and support increased partnership working on broadcasting issues and funding opportunities for Welsh organisations. Additional allocations include the funding for media and broadcasting made available from the Co-operation Agreement. The ongoing work of the Wales Public Interest Journalism Working Group will provide an important mechanism for identifying further opportunities to support the sector through this funding.

3.18 Details of spend from the Independent Community Journalism Fund, including how these funding decisions were made, and what outcome they are intended to achieve.

The Independent Community Journalism Fund has closed, and no funding has been provided in the financial year 2022-23. The Fund was open to applications between April 2019 and March 2020, and emergency COVID-19 funding was provided to cover the period April 2020 to October 2020.

3.19 Allocations and commentary in respect of broadcasting and communications actions in the Cooperation Agreement, and what they are intended to achieve.

In 2022-23 a total of £1.035m has been committed to support delivery of the broadcasting and journalism commitments in the Co-operation Agreement, as follows:

Activity	Funding
Expert panel research programme	£50,000
Support for the development of the AM platform	£170,000
Additional support for the Wales Public Interest Journalism Fund and targeted journalism projects	£200,000
Additional support for Welsh language magazines through the Books Council of Wales	£135,000
Funding for Welsh language film development through Ffilm Cymru	£180,000
Funding to deliver a Young Audiences Content (YAC) fund for Wales	£300,000

In 2023-24 an annual budget of £1m for broadcasting and £100,000 for journalism has been set aside, as set out in the Co-operation Agreement budget. The broadcasting budget will support the ongoing activity of the Expert Panel on the Establishment of a Shadow Broadcasting and Communications Authority for Wales, including ongoing research activity and spend aligned to its recommendations which will be received in 2023. Decisions on the journalism budget will be taken in response to learning from funding delivered in 2022/23, and in considering the recommendations of Wales Public Interest Journalism Working Group which will be received early in 2023. Funding is intended to support the development of recommendations to support improvements in the broadcasting and communications framework in Wales, to close the information deficit and develop existing and new enterprises to improve Welsh journalism and support Welsh-based media.

Support for film and television production

3.20 The latest revenue and projected revenue figures, and occupancy rates for Pinewood Studios/Seren Stiwdios since the commencement of the Management Services Agreement in November 2017.

The Great Point lease for Seren Stiwdios commenced 1st October 2020, and to date we have received:

01.10.20 – 30.09.21 -	£319,000
01.10.21 – 30.09.22 -	£478,000
01.10-22 to present	£638,000

The tenant is liable for all expenditure on site. The studio has hosted 2 major productions to date, HAVOC for Netflix and Black Cake for Hulu (which is still currently filming).

3.21 The latest figures for the Media Investment Budget, including total investment, return on investment and Welsh spend (broken down by project).

To confirm, the total recouped in 2022/2023 is £981,471.70 via the Media Investment Budget which was a commercial investment fund for TV and film. The fund is now closed and has been for several years.

Welsh Government is continuing with discussions regarding legal action in order to recoup investment made to Trampires.

A summary of the Media Investment Budget is included at **Annex C**

3.22 The latest figures for the Wales Screen Fund including total investment and Welsh spend (broken down by project).

Since Creative Wales was established in January 2020, £14.5m of production funding has been successfully awarded to 24 projects generating over £158.8m of production spend into the Welsh Economy.

There have been 231 paid trainee placements on Welsh Government funded productions since January 2020.

A list of the projects is provided at **Annex D**.

3.23 The latest figures regarding the Welsh Government's loan to Bad Wolf Studios including total repayments and Welsh spend (benchmarked against Welsh Government targets).

The total investment value in Bad Wolf is £20.447m (with £2.1m yet to be drawn down). At November 2021 actual Welsh spend is £133.496m against original target of £133m. Total interest due on the loan arrangement is £1.064m with repayments commencing in 2020-21. **Bad wolf have repaid £463,327 of the interest loan and have a balance of £600,610**

The latest financial detail is provided at **Annex E**.

3.24 A description of the strategy and targets for investments in screen productions made by Creative Wales, and how these differ from investments made from the Media Investment Budget and Wales Screen Fund.

We launched our new production funding model in May this year. The aim of the scheme is to support the growth of Wales as a destination for the production of world class content. The funding supports Wales-based production and games development companies who are looking to develop productions intended for international audiences and also for those productions from outside of Wales that are seeking to film in Wales. The new scheme has many similarities to the previous funding provided under the 'Wales Screen Fund' but as well as supporting TV and Film production, it also now supports Games. Whilst one of the main outputs continues to be the impact on the Welsh economy through spend on crew, facilities, locations etc, the fund also seeks to maximise the amount of training and skills development opportunities available on funded productions. The fund prioritises content that shows the best of Wales in culture, language and geography, but also prioritises the development of a sector that provides equal and diverse opportunities for a long term, skilled employment base and one that looks after the wellbeing of existing staff. All investment provided under the production fund is grant. Maximum investment is up to £750,000 and further details can be found on the Creative Wales website.

Also, in July this year, Welsh Government entered into an agreement with Ffilm Cymru to administer the grant funding for feature films on our behalf. Up to £1m per annum is available over an initial two year period for independent feature film with Welsh talent at its heart. This new arrangement creates a more beneficial and streamlined funding model for film producers where a single application process provides access to Arts Council of Wales Lottery funding and Welsh Government funding in one place. A maximum of £600k is available per film (£400k from Creative Wales and £200k from Lottery Funds), subject to Welsh spend, talent and sectoral development benefits.

The Media Investment Budget was a commercial investment fund for TV and Film. The fund is now closed and has been for several years.

The Wales Screen Fund was the name of the state aid notification under which investments in TV and Film productions were made. The investment operated on a similar basis to the new production funding model, but the main driver was the economic benefit of the production, measured in the amount of spend on Wales based good and services.

4.0 Programme for Government commitments

4.1 Ensuring that Black, Asian, and Minority Ethnic histories are properly reflected throughout our cultural and heritage sectors including in National Museums [and Ensure the history and culture of our Black, Asian, and Minority Ethnic communities are properly represented by investing further in our cultural sector and museum network”];

The Culture, Heritage and Sport commitments in the [Anti-Racist Wales Action Plan](#), and associated specific Programme for Government commitments aim to make a measurable difference to the lives of Black, Asian and Minority Ethnic people by tackling systematic and institutional racism. To achieve this, we have committed capital and revenue funding of a total of just over £5m over three years to support our national, local, regional and grassroots cultural, heritage and sport organisations, including £2.5m in 23/24. Included in

the total allocation is a contribution of just over £1.2 million from the Cooperation agreement budget to support this work.

The Culture, Heritage and Sport commitments in the [Anti-Racist Wales Action Plan](#), and associated specific Programme for Government commitments aim to make a measurable difference to the lives of Black, Asian and Minority Ethnic people by tackling systematic and institutional racism.

4.2 Creating a Creative Industry Research and Development Fund

Creative Wales have not specifically designed a new R&D fund. R&D was included as a key priority area as part of the development funding programme. 2021/22 Development funds have been fully allocated for delivery throughout 2021/22 and 22/23 to the value of £1.1m to 51 creative companies.

The £50m media.cymru programme is funded through £22m from UK Research and Innovation's (UKRI) flagship Strength in Places Fund, £3m from Cardiff Capital Region, £0.5m from Welsh Government, through Creative Wales, and £23m match funding from industry and university partners. The Media Cymru programme, supported by Creative Wales, includes a work package to deliver a Wales wide R&D fund for the Creative Industries. This will be delivered between 2022 and 2026 and £100,000 profiled for 22/23 FY.

A pioneering sustainable research project for the screen industry run by the BFI and BAFTA Albert has been secured to Wales, following a successful bid from Creative Wales with delivery partners Ffilm Cymru and Clwstwr

4.3 Establishing a National Music Service

The Minister for Education and the Welsh Language is investing from the current financial year up to 2024-25, an extra £3m per annum to support the Programme for Government commitment to establish a national music service. This additional investment takes the funding support to establish the Service to £4.5m per annum, from the Education and Welsh Language MEG.

The National Music Service links directly with the Curriculum for Wales, with the aim of ensuring that learners can access and engage in enhanced opportunities for music tuition and experiences. Key features for the Service are to support delivery of music education for learners in schools and settings, through such programme strands as 'First Experiences' and 'Music'.

4.4 Investing in Theatr Clwyd

Investments in our major culture capital projects is subject to consideration of full business cases. Indicative funding is included within the Support for local culture and sport budget.

The redevelopment of Theatr Clwyd is a programme for government commitment. We have agreed subject to consideration of the Full Business Case, a total of £26.5m (2021/22-24/25), including £23.5m from the Cooperation Agreement towards this project, which will be administered by the Arts Council of Wales, and including £11.5m in 2023/24. This

reflects the inflationary cost pressures associated with the development and a change to the profile of spend to more accurately reflect the development timetable.

4.5 Establishing a Football Museum for Wales

We have awarded £0.604m with £0.313m in the 2022/23 financial year. Funding in 2023/24 is subject to an updated version of the Outline Business Case, which is currently being considered, with more detail on the proposals and costings for the project.

4.6 Establishing a National Contemporary Art Gallery

The establishment of a National Contemporary Art Gallery is a priority within the Cooperation Agreement. The feasibility study carried out by the Rural Office for Architecture in partnership with the Arts Council of Wales and Amgueddfa Cymru suggested that a dispersed model with 8-10 sites offering local access to bespoke or touring collections would be the preferred delivery model for the dispersed model of the National Contemporary Art Gallery.

In total we have committed £1.939m since 2019-20 including digitisation costs. Funding for 23/24 is subject to the outline business case which is currently being considered.

Progress continues on developing a number of elements within the model. Work to digitise the collection held by Amgueddfa Cymru is progressing well with the digitisation process to be completed in 2022/23. These digital assets have been used in a number of innovative ways during the pandemic to increase access to the collection, for example online articles and a participatory website where people can curate their own 'top 100' collections and NHS staff selecting items to be reproduced in large formats for display in field hospitals and vaccination centres. A new website is being developed to allow participating sites to create their own collections.

The dispersed model will allow greater access to the national collection and contemporary art by communities across Wales in a far more equitable way. Discussions have been taking place with a number of galleries to potentially be involved in the dispersed model. However, further assessment work will need to be undertaken with any such potential galleries to fully understand costs and constraints before the final list of participating galleries is agreed.

We are exploring possibilities for an anchor site. A request for candidate sites was issued to public sector estate managers. Shortlisted venues have recently been notified and asked to develop their proposals.

Annex A - Overview of Culture and Heritage Finances

ECONOMY										
RESOURCE										
Budget Expenditure Line	2021-22 Final Outturn	2022-23 1st Supp Budget	2022-23 Forecast outturn Period 7	2022-23 Final Budget Mar-22	2023-24 Indicative Final Budget Mar-22	Change	2023-24 Draft Budget Dec-22	2024-25 Indicative Final Budget Mar- 22	Change	2024-25 Indicative Draft Budget Dec-22
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Arts Council of Wales	44,230	32285	32,353	32,408	33,023	282	33,305	34,139	-149	33,990
Arts Council of Wales - Non cash	54	260	260	119	119	0	119	119	0	119
Amgueddfa Cymru - National Museums of Wales	25,131	25,086	26,973	25,086	25,573	1,302	26,875	26,543	1,606	28,149
Amgueddfa Cymru - National Museums of Wales - Non cash	2,361	2400	2,400	2,400	2,400	0	2,400	2,400	0	2,400
National Library of Wales	11,592	11060	11,927	11,060	11,270	549	11,819	11,651	700	12,351
National Library of Wales - Non cash	1,575	1250	1,250	1,250	1,250	0	1,250	1,250	0	1,250
Support for Local Culture and Sport	31,935	5217	4,717	5,217	6,167	262	6,429	8,567	16	8,583
Creative Wales	12,489	7038	9,338	7,038	7,138	-19	7,119	7,188	-19	7,169
Action: Support for Culture and the Arts	129,367	84,596	89,218	84,578	86,940	2,376	89,316	91,857	2,154	94,011
Cadw	10,135	8299	8,579	8,301	8,503	703	9,206	8,880	633	9,513
Cadw - Non cash	3,953	5482	5,482	5,480	5,480	0	5,480	5,480	0	5,480
National Botanic Garden of Wales	545	594	594	594	594	-7	587	594	-7	587
Royal Commission on the Ancient and Historical Monuments for Wales	1,605	1559	1,589	1,654	1,685	42	1,727	1,741	74	1,815
Royal Commission on the Ancient and Historical Monuments for Wales - Non cash	33	229	229	134	134	0	134	134	0	134
Action: Support the Historic Environment	16,271	16,163	16,473	16,163	16,396	738	17,134	16,829	700	17,529

Sport Wales	26,564	21,963	22,144	21,967	22,533	504	23,037	23,289	122	23,411
Sport Wales - Non Cash	607	783	783	779	779	0	779	779	0	779
Action: Sports and Physical Activity	27,171	22,746	22,927	22,746	23,312	504	23,816	24,068	122	24,190
Total Culture, Arts and Sports Budgets	172,809	123,505	128,618	123,487	126,648	3,618	130,266	132,754	2,976	135,730

ECONOMY

CAPITAL

Budget Expenditure Line	2021-22 Final Outturn	2022-23 1st Supp Budget	2022-23 Forecast outturn as at Period 7	2022-23 Final Budget Mar-22	2023-24 Indicative Final Budget Mar-22	Change	2023-24 Draft Budget Dec-22	2024-25 Indicative Final Budget Mar-22	Change	2024-25 Indicative Draft Budget Dec-22
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Arts Council of Wales	1583	400	400	400	400	0	400	400	0	400
Amgueddfa Cymru - National Museums of Wales	6,274	4,500	4,500	4,500	5,000	0	5,000	5,000	0	5,000
National Library of Wales	4,101	2,500	3,000	2,500	2,000	0	2,000	2,000	0	2,000
Support for Local Culture and Sport	2,011	11,700	9,600	11,700	21,500	0	21,500	24,700	0	24,700
Creative Wales	16,048	5,000	5,458	5,000	5,000	0	5,000	5,000	0	5,000
Action: Support for Culture and the Arts	30,017	24,100	22,958	24,100	33,900	0	33,900	37,100	0	37,100
Cadw	8,745	10,000	11,000	10,000	10,000	0	10,000	10,000	0	10,000
National Botanic Garden of Wales	1725	1200	1200	1,200	200	0	200	200	0	200
Royal Commission on the Ancient and Historical Monuments for Wales	7	50	50	50	50	0	50	50	0	50
Action: Support the Historic Environment	10,477	11,250	12,250	11,250	10,250	0	10,250	10,250	0	10,250
Sport Wales	12,786	8,001	10,001	8,001	8,016	0	8,016	8,016	0	8,016
Sports Capital Loans Scheme	17,762	-1227	-1227	-227	-227	0	-227	-231	0	-231
Action: Sports and Physical Activity	30,548	6,774	8,774	7,774	7,789	0	7,789	7,785	0	7,785
Total Culture Arts and Sports Budgets	71,042	42,124	43,982	43,124	51,939	0	51,939	55,135	0	55,135

Total Resource and Capital	243,851	165,629	172,600	166,611	178,587	3,618	182,205	187,889	2,976	190,865
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ECONOMY							
AME - RESOURCE							
Budget Expenditure Line for Sponsored Bodies Pensions	2022-23 Final Budget March 2022	2023-24 Indicative Final Budget March 2022	Changes	2023-24 Draft Budget December 2022	2024-25 Indicative Final Budget March 2022	Changes	2024-25 Indicative Draft Budget December 2022
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Amgueddfa Cymru - National Museums of Wales Pension Provision – AME	9,000	9,000	6,000	15,000	9,000	6,000	15,000
National Library of Wales Pension Provision - AME	5,000	5,000	4,000	9,000	5,000	4,000	9,000
Action:	Museums and Libraries Pensions	14,000	14,000	10,000	24,000	14,000	24,000
Sport Wales Pension Provision – AME	2,000	2,000	3,000	5,000	2,000	3,000	5,000
Action:	Sports and Physical Activity	2,000	2,000	3,000	5,000	3,000	5,000
Total	Culture, Arts and Sports Budgets	16,000	16,000	13,000	29,000	13,000	29,000

ANNEX B - Action level commentary

Resource

Support for Culture and the Arts Action

- There has been a net increase to the Action of £2.376m from the indicative final budget 2023-24. The total funding per annum is at £89.316m in 2023-24 and £94.011m in 2024-25. The net increase relates to additional allocation to our sponsored bodies to support pay and inflationary costs as a result of the increased costs associated with the cost of living crisis.

Support for the Historic Environment Action

- There has been a net increase to the Action of £0.738m from the indicative final budget 2023-24. The total funding per annum is at £17.134m in 2023-24 and £17.529m in 2024-25. The net increase relates to additional allocation to our sponsored bodies to support pay and inflationary costs as a result of the increased costs associated with the cost of living crisis.

Sports and physical activity Action

- There has been a net increase to the Action of £0.504m from the indicative final budget 2023-24. The total funding per annum is at £23.816m in 2023-24 and £24.190m in 2024-25. The net increase relates to additional allocation to our sponsored bodies to support pay and inflationary costs as a result of the increased costs associated with the cost of living crisis.

Commented [PL(1)]: Nicky - do we want to be upfront about the reduction or just leave it out as the Action is showing a net increase?

Capital

Support for Culture and the Arts Action

- There has been no change to the Action from the indicative final budget 2023-24. The total funding per annum is maintained at £33.9m in 2023-24 and £37.1m in 2024-25.

Support the Historic Environment Action

- There has been no change to the Action from the indicative final budget 2023-24. The total funding per annum is maintained at £10.25m in 2023-24 and £10.25m in 2024-25.

Sports and Physical Activity Action

- There has been no change to the Action from the indicative final budget 2023-24. The total funding per annum is maintained at £7.789m in 2023-24 and £7.785m in 2024-25.

Annex C - PROJECTS FUNDED BY THE MEDIA INVESTMENT BUDGET (28 November 2022)

Project	Investment Value £m	Nov 22 Amount recouped	Net Gain/ Loss to date Nov 22	Targeted Welsh spend £m	Welsh spend to date £m
Under Pinewood Management					
Take Down	3.144	£1.120	-£2.024	1	1.089
Their Finest	2	£2.050	£0.050	1.3	1.618
The Collection	1.75	£0.559	-£1.191	5.5	5.187
Show Dogs	1.566	0	-£1.566	4.737	4.338
Journey's End	0.85	0.631	-£0.219	1.5	0.903
Don't Knock Twice ^[3]	0.63	£0.656	£0.026	0.63	0.641
Minotaur	0.026	0	-£0.026		N/A ^[4]
Lionel the First	0.025	0	-£0.025	N/A	N/A ^[5]
Total	9.991	£5.016	-£4.974	14.667	13.776
Under Welsh Government Management					
Trampires ^[6]	2	0	-2	1.6	1.621
Eternal Beauty	1.05	£0.880	-0.170	1.214	1.255
Bang	0.35	0	-0.350	1.5	2.562
Tiny Rebel	0.318	0.03	-0.288	0.25	0.26
Goose Green	0.025	0	-0.025	N/A	N/A ^[7]
Almost Never (formerly True Believers)	0.622	0	-0.622	2.118	2.118
Six Minutes To Midnight	0.75	£0.638	-0.112	3.88	3.52
Total	5.115	1.547	-3.568	10.562	11.336
Overall Total	15.106	£6.564	-£8.542	25.229	25.112

Annex D - WELSH SCREEN FUND INVESTMENT (11 November 2020)

Financial Year of Offer	Name of Production Company (SPV)	Production Title (Wales Screen Fund)	Value of Offer £m	Anticipated Spend £m
2012/13	Tonto Films and Television Ltd	Da Vinci's Demons Series 1	0.495	3.823
2012/13	Urban Myth Films	Atlantis Series 1	0.25	4.026
2012/13	Pesky Productions Ltd (Boj & Buddies)	Boj & Buddies	0.2	1.003
2012/13	Fiction Factory (Hinterland Films Ltd)	Hinterland Series 1	0.215	3.691
2012/13	Tonto Films and Television Ltd (DVDS2)	Da Vinci's Demons Series 2	0.99	15
2013/14	Avanti Media Group	Wonder World	*0.127	0.763
2013/14	Urban Myth Films	Atlantis Series 2	0.25	4.026
2013/14	Lime Pictures Limited	Rocket's Island	*0.143	0.966
2013/14	Mirror Productions	Petroleum Spirit	0.051	0.358
2013/14	Modern Television	A Poet In New York	0.053	0.855
2013/14	Adastra Creative and Shrinking Cap Productions Ltd	Grandpa in my pocket	0.129	1.612
2013/14	Three Stones Media (The Rastamouse company)	Rastamouse Series 4	0.145	0.885
2013/14	Pure Grass Films Ltd (Drake Equation Ltd)	The Drake Equation	*0.74	5.208
2014/15	Lime Pictures Limited	Rocket's Island Series 4	0.07	0.7

2013/14	Lupus Films	Toot the Tiny Tugboat / Ethel & Ernest	0.55	3.034
2013/14	Green Bay Media Ltd	Castle Builders	0.045	0.32
2013/14	YJB Films (From a Jack to a King Ltd)	From a Jack to a King	0.1	1.229
2013/14	Hartwood Television Ltd	Lady Chatterleys Lover	0.125	0.813
2014/15	Gritty Realism Productions Ltd	Heart of Darkness	0.15	1.794
2014/15	TCFTV UK Productions	The Bastard Executioner	2.5	10
2014/15	Cwmni Da Cyf	Country Fair	0.125	1.019
2014/15	Animortal Studio (Trampires Ltd)	Trampires	0.674	6.738
2014/15	Tiger Aspect Productions (Tiger Aspect (D&F) Ltd)	Decline and Fall	0.1	1.8
2014/15	RF Movie Productions Ltd	Robin Friday - The Movie	*0.2	1.95
2014/15	Touchpaper Television Ltd	Coming up	0.08	0.809
2014/15	Fiction Factory Films Ltd (Hinterland Films 2 Ltd)	Hinterland 2	0.304	5.3
2014/15	Fiction Factory Films Ltd (Hinterland Films 3 Ltd)	Hinterland 3	0.25	4.21
2015/16	Bad Wolf Ltd	Bad Wolf Productions	9	133
2015/16	Hartwood Films (Sherlock TV Ltd)	Sherlock Season 4	0.24	2.409
2015/16	Heel Stone Pictures Ltd	Crossing the Border	0.202	2.519
2015/16	Ninth Floor UK Productions Limited	Will Season 1	1.5	18.761

2015/16	Lookout Point Ltd (Pinewood Films 14)	The Collection	0.6	5.5
2015/16	Red & Black Films (Don't Knock Twice Ltd)	Don't Knock Twice	0.075	0.63
2015/16	Vertigo Television Ltd	Britannia VFX	1.1	11.149
2016/17	Beakus Ltd	Toggle Top	0.076	0.944
2016/17	Cloth Cat Animation Ltd (Clothcat LBB Ltd)	Luo Bao Bai	0.225	3.183
2016/17	Riverstone Pictures (Showdogs Ltd)	Showdogs	0.362	4.737
2016/17	Vox Pictures (Keeping Faith Ltd)	Keeping Faith	0.328	4.25
2016/17	Green Bay Media	Mountains and Life	0.03	0.54
2016/17	New Pictures (Requiem Productions Ltd)	Requiem	0.4	5.016
2016/17	Severn Screen Ltd (Apostle Films Ltd)	Apostle	0.385	5.767
2017/18	World Productions (BTK 2016 Ltd)	Born to Kill	0.2	2.5
2017/18	The Forge Entertainment Ltd	Kiri	0.2	2.382
2017/18	Coracle Pictures Limited (Denmark)	Denmark	0.085	1.383
2017/18	Rondo Media Cyf	The Wall	0.045	0.363
2017/18	Touchpaper Television Ltd	4Stories	*0.04	0.631
2017/18	Illuminated Productions Ltd	The Rubbish World of Dave Spud	0.09	0.906
2018/19	Eleven Film Ltd	Schooled	0.485	3.879
2018/19	Boom Cymru	15 days	0.089	1.074

2018/19	Dream Horse Films Limited, Popara Films Ltd and Popara Films (DH) Limited	Dream Horse	0.35	4.384
2018/19	JJ Productions Ltd (Short Form Film)	Jamie Johnson Series 4	0.156	1.927
2018/19	Mad as Birds Ltd and Reliance Entertainment Productions Six Ltd	Six Minutes To Midnight	0.4	3.879
2018/19	Keeping Faith (Series 2) Productions Ltd (Vox Pictures)	Keeping Faith Series 2	0.3	4.654
2018/19	Hat Trick Productions	Warren	0.109	1.304
2018/19	Monterey Productions Ltd (HBO)	Brooklyn	0.22	2.412
2018/19	GOL Production Ltd (Pulse Films)	Gangs of London	0.35	4.209
2018/19	Iele Productions	Merched Parchus	0.041	0.444
2018/19	Blacklight TV	4Stories series 2	0.102	1.574
2019/20	All That Limit	Brave New World	2	20
2019/20	Joio	Bang Series 2	0.19	2.3
2019/20	JJ Productions Ltd (Short Form Film)	Jamie Johnson Series 5	0.06	1.827
2019/20	Vox Pictures (Keeping Faith Series 3)	Keeping Faith Series 3	0.24	3.965
2019/20	WP Productions Ltd (World Productions)	The Pembrokeshire Murder	0.2	2.135
2020/21	Hartwood TV Ltd	Roald & Beatrix: The Case Of The Curious Mouse	0.225	2.247
2020/21	Illuminated Productions Ltd	The Rubbish World of Dave Spud Series 2	0.14	1.407

2020/21	Joio Cyf (Joio (Bang 2) Ltd)	Bang Series 2	0.19	2.302
2020/21	Lupus Films (Kensukes Kingdom Ltd)	Kensukes Kingdom	0.1	0.841
2020/21	Little Door Productions Ltd (Little Door (The Pact) Ltd)	The Pact	0.595	5.953
2020/21	One Tribe TV Limited	Wonders of the Celtic Deep	0.077	0.618
2020/21	Eleven Films (Starco TV 3 Ltd)	Sex Education Series 3	0.432	5.186
2020/21	WOTW2 Ltd- Urban Myth films	War of the Worlds Series 2	0.75	7.344
2020/21	Barking Lion Productions	The Trapper Keeper	4	40.159
2020/21	Bad Wolf (HDM3) Ltd	His Dark Materials Season 3	2	21.075
2020/21	Havoc Film Ltd	Havoc	2.15	25.004
2020/21	Short Form Film (JJ Productions) Ltd.	Jamie Johnson Series 6 & 7	0.335	4.651
2021/22	REP Productions SF Limited	The Almond and the Seahorse	0.1	0.935
2021/22	Cwmni Da Cyf	Rain Stories	0.042	0.337
2021/22	The Light Ltd/Y Golau Cyf	The Light/ Y Golau	0.528	5.289
2022/2023	Sex Education S4	Eleven Film	£0.45	6.169
2022/2023	Wolf	Hartswood	£0.50	6.004
2022/2023	The Pact S2	Little Door	£0.33	5.502
2022/2023	The Truth About My Murder	Yeti	£0.25	0.342
2022/2023	American Doomsday / Super Volcano	Wildflame	£0.07	0.416
2022/2023	Black Cake	CBS UK Productions/Kapital Ent.	£0.75	10.000
2022/2023	4 Stories: On the Edge S4	Blacklight TV	£0.07	0.882
2022/2023	Un Nos ola o Leuda/One Moonlit Night	Afanti Media	£0.12	0.959
2022/2023	Steel Town Murders (aka Kappen)	Severn Screen	£0.40	5.200
TOTAL (excluding withdrawn offers*)			42.884931	507.291

Annex E – BAD WOLF STUDIOS INVESTMENT (November 2021)

Investment	Investment Value (£)	Drawn down to date (£)	To be drawn down in future years (£)	Accrued interest @ 7.52% to date (£)	Paid interest @ 7.52% to date (£)	Bad Wolf match funding (£)	Expected Welsh Spend (£)	Achieved Welsh Spend (£)
Repayable Advance	4,500,000	4,500,000	-	1,063,937	51,481	-	54,000,000	54,000,000
Further Grant	4,500,000	4,500,000	-	N/A	N/A	-	79,000,000	79,496,087
Purchase of Buildings 1 and 2, Trident Park	6,000,000	6,000,000	-	N/A	N/A	-	N/A	N/A
Acquisition fees	30,000	30,000	-	N/A	N/A	-	N/A	N/A
Studio Fit out Works	2,650,000	2,650,000	-	N/A	N/A	2,800,000	N/A	N/A
Pinewood Studio Wales Fit out Works	667,588	667,588	-	N/A	N/A	692,412	N/A	N/A
SAWS	80,000	40,000	-	N/A	N/A	-	N/A	N/A
Deposit	N/A	N/A	N/A	N/A	N/A	250,000	N/A	N/A
Youth Drama Network	20,000	20,000	-	-	N/A	-	N/A	N/A
His Dark Materials Season 3	2,000,000	2,000,000	-	-	-	-	-	-
Total	20,447,588	20,407,588	0	1,063,937	51,481	3,742,412	154,074,843	133,496,087