

Ken Skates AM  
Cabinet Secretary for Economy and Infrastructure  
Welsh Government  
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Dear Cabinet Secretary

### **Welsh Government Draft Budget 2017–18**

Thank you for attending the Culture, Welsh Language and Communication Committee's meeting on 2 November to discuss the Welsh Government's draft budget proposals 2017–18. You agreed to write to the Committee to provide some further information and there are also one or two areas where the Committee would be grateful for some further clarification.

#### *Cadw – Capital Programme*

You confirmed that there would be no reduction to the planned capital expenditure programme as a result of the cut in the capital budget and that income raised at Cadw sites would be used to secure that capital spending. You indicated that you would write setting out which Cadw sites would benefit from capital funded works over the next four years, confirming that there would be no fall in planned expenditure and, further, what additional work there will be at sites if yet more income is generated and allocated to capital expenditure by Cadw.

#### *Cadw – Income Generation*

It is not entirely clear what the impact will be on Cadw if it fails to meet its income generation target. The Committee would be grateful to know how any shortfall will be met if targets are not reached and for an assurance that any additional income generated by Cadw will be ring-fenced so that it is used to support



Cadw's work. In addition, the Committee would also be grateful for further information on:

- the extent to which additional income generated by Cadw in previous years was ring-fenced for use by Cadw;
- a breakdown of how Cadw's self-generated income was used in the current financial year; and
- the income target for 2017-18 as well as how it is planned this income should be used.

#### *Arts Council of Wales – Income Generation*

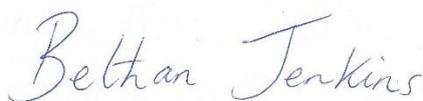
Like Cadw, it is not entirely clear what the impact will be on the Arts Council if it fails to meet its income generation target. The Committee would be grateful to know how any shortfall will be met if targets are not reached.

Committee Members were also somewhat sceptical as to whether the 'three thirds' funding model (i.e. funding is obtained from a third each of public funding, income generation and philanthropic sources) is realistic in the Welsh context because it has historically proved difficult to attract philanthropic funding to the same extent as in more affluent parts of the UK. The Committee would be grateful for your views on this and what plans there are for moving closer to such a model.

#### *Museums Expert Review*

Could you provide further details of progress towards a new museums strategy, and the extent to which budget allocations in this area may change depending on the shape this new strategy takes.

Yours sincerely



**Bethan Jenkins AM , Chair**

