



Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales

# Cofnod y Trafodion The Record of Proceedings

[Y Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu](#)

[The Culture, Welsh Language and  
Communications Committee](#)

04/10/2017

[Agenda'r Cyfarfod](#)  
[Meeting Agenda](#)

## **Cynnwys Contents**

- 4 Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau  
Introductions, Apologies, Substitutions and Declarations of Interest
- 5 Cyllid Celfyddydau nad yw'n Gyhoeddus: Sesiwn Dystiolaeth 1  
Non-public Funding of the Arts: Evidence Session 1
- 25 Yr Adolygiad Annibynnol o Gymorth ar gyfer Cyhoeddi a Llenyddiaeth  
yng Nghymru: Sesiwn Dystiolaeth 3  
The Independent Review of Support for Publishing and Literature in  
Wales: Evidence Session 3
- 32 Cyllid Celfyddydau nad yw'n Gyhoeddus Sesiwn Dystiolaeth 2  
Non-public Funding of the Arts: Evidence Session 2
- 51 Yr Adolygiad Annibynnol o Gymorth ar gyfer Cyhoeddi a Llenyddiaeth  
yng Nghymru: Sesiwn Dystiolaeth 4  
The Independent Review of Support for Publishing and Literature in  
Wales: Evidence Session 4
- 83 Papurau i'w Nodi  
Papers to Note

Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd. Lle y mae cyfranwyr wedi darparu cywiriadau i'w dystiolaeth, nodir y rheini yn y trawsgrifiad.

The proceedings are reported in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included. Where contributors have supplied corrections to their evidence, these are noted in the transcript.

**Aelodau'r pwyllgor yn bresennol**  
**Committee members in attendance**

Hannah Blythyn <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Dawn Bowden <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Suzy Davies <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Ceidwadwyr Cymreig Welsh Conservatives
Neil Hamilton <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	UKIP Cymru UKIP Wales
Bethan Jenkins <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Dai Lloyd <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Plaid Cymru The Party of Wales
Jeremy Miles <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour
Lee Waters <a href="#">Bywgraffiad</a>   <a href="#">Biography</a>	Llafur Labour

**Eraill yn bresennol**  
**Others in attendance**

David Alston	Cyfarwyddwr y Celfyddydau, Cyngor Celfyddydau Cymru Arts Director, Arts Council of Wales
Nick Capaldi	Prif Weithredwr, Cyngor Celfyddydau Cymru Chief Executive, Arts Council of Wales
Yr Athro / Professor Medwin Hughes	Cadeirydd, Adolygiad o Gefnogaeth i Lenyddiaeth Chair, Support for Literature Review

Yr Athro Elin Haf Gruffydd Jones	Is-Gadeirydd, Adolygiad o Gefnogaeth i Lenyddiaeth Vice Chair, Support for Literature Review
Paul Kaynes	Cwmni Dawns Cenedlaethol Cymru National Dance Company Wales
Mathew Milsom	Canolfan Mileniwm Cymru Wales Millennium Centre
Michelle Carwardine-Palmer	National Theatre Wales Wales Millennium Centre
Martin Rolph	Ymgynghorydd, Adolygiad o Gefnogaeth i Lenyddiaeth Consultant, Support for Literature Review
Leonora Thomson	Opera Cenedlaethol Cymru Welsh National Opera

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol**  
**National Assembly for Wales officials in attendance**

Gwyn Griffiths	Cynghorydd Cyfreithiol Legal Adviser
Lowri Harries	Dirprwy Clerc Deputy Clerk
Adam Vaughan	Clerc Clerk
Robin Wilkinson	Y Gwasanaeth Ymchwil Research Service

*Dechreuodd y cyfarfod am 09:21.*  
*The meeting began at 09:21.*

**Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau**  
**Introductions, Apologies, Substitutions and Declarations of Interest**

[1] Bethan Jenkins: Diolch a Bethan Jenkins: Thank you and

chroeso i Bwyllgor Diwylliant, y Gymraeg a Chyfathrebu, ac eitem 1: cyflwyniad, ymddiheuriadau, dirprwyon a datgan buddiannau. Os bydd larwm tân, dylai pawb adael yr ystafell drwy'r allanfeydd tân penodol a dilyn cyfarwyddiadau'r tywyswyr a'r staff, ond ni ddisgwylir prawf heddiw. Can fod y dechnoleg yn yr ystafelloedd pwyllgorau newydd yn wahanol i'r Senedd, rhaid i bawb—. Wel, nid ydym yno, so mae'r briff yn anghywir, felly nid oes rhaid poeni am hynny. Mae Cynulliad Cenedlaethol Cymru yn gweithredu'n ddwyieithog, ac mae clustffonau ar gael i glywed y cyfieithu ar y pryd ac i addasu'r sain ar gyfer bobl sy'n drwm eu clyw. Mae'r cyfieithu ar y pryd ar gael ar sianel 1, a gellir chwyddo'r sain ar sianel 0. Nid oes angen cyffwrdd â'r botymau ar y microffonau gan y gall hyn amharu ar y system, a gofalwch fod y golau coch i'w weld cyn dechrau siarad. A oes gan unrhyw Aelod rhywbeth i'w ddatgan? Na. Grêt, diolch. Nid oes dirprwyon nac ymddiheuriadau heddiw.

welcome to the Culture, Welsh Language and Communications Committee, and item 1: introductions, apologies, substitutions and declarations of interest. If there is a fire alarm, everybody should leave through the specific fire exit and follow the directions of ushers and staff, but we're not expecting a test today. Because the technology is different in the new rooms to the Senedd—. Well, no, we're not there, so the brief is wrong, so don't worry about that. The National Assembly for Wales operates bilingually and headsets are available to hear the simultaneous translation and to amplify the sound. The translation is available on channel 1, and for sound amplification, please use channel 0. There is no need to touch the buttons on the microphones because this could impact on the sound system, and please ensure that the red light is on before you start speaking. Are there any declarations of interest? No. Great, thank you. There are no substitutions or apologies today.

09:22

### **Cyllid Celfyddydau nad yw'n Gyhoeddus: Sesiwn Dystiolaeth 1** **Non-public Funding of the Arts: Evidence Session 1**

[2] **Bethan Jenkins:** Eitem 2, felly: cyllid heblaw cyllid cyhoeddus ar gyfer y celfyddydau—sesiwn dystiolaeth 1. A chroeso i'r tystion, sef Nick Capaldi, prif weithredwr

**Bethan Jenkins:** Item 2, therefore: non-public funding of the arts—evidence session 1. And welcome to the witnesses, namely Nick Capaldi, chief executive of the Arts Council of

Cyngor Celfyddydau Cymru, a David Wales, and David Alston, namely the Alston, sef cyfarwyddwr y arts director for the Arts Council of Celfyddydau ar gyfer Cyngor Wales. A very warm welcome to you Celfyddydau Cymru. Croeso mawr i today. chi yma heddiw.

[3] Gyda'ch caniatâd chi, rydym With your permission, we have wedi sicrhau ein bod yn dechrau'r ensured that we start this session by sesiwn yma gan ofyn cwpwl o asking a couple of questions on the gwestiynau ar y gwaddol national endowment for music, if that cerddoriaeth, os yw hynny'n iawn. is okay. So, I'll start with that and Felly, gwnaf gychwyn gyda hynny ac then we'll go on to other questions wedyn awn ymlaen at gwestiynau from other Members. I wonder if you eraill gan Aelodau eraill. Tybed a could provide us with an update of fedrwch chi roi diweddariad i ni o ble where the developments are on this y mae datblygiadau o ran y gronfa endowment fund, so that Members gwaddol yma, er mwyn i Aelodau can understand clearly what is ddeall yn iawn beth sydd yn digwydd. happening. Thank you. Diolch.

[4] **Mr Capaldi:** Thank you, Chair. They're progressing well. Earlier in the year, in February, we commissioned a technical review of the original research that had been commissioned over the previous 18 months, and I think what that has given us is a clearer sense of the priorities. So, recent work that we've been looking at has focused on the outline objectives for the fund, the legal structure of the endowment, and what form and shape that should take, and also an outline financial strategy. We're hoping that all being well, we'll be in a position, with Welsh Government colleagues, to be making some public announcements in the next months or so.

[5] **Bethan Jenkins:** A allwch chi **Bethan Jenkins:** Could you explain esbonio pam rydym wedi clywed eich why we've heard that you have bod chi wedi sefydlu bwrdd elusennol established an independent annibynnol o fewn y cyngor charitable board within the arts celfyddydau er mwyn creu system ar council in order to create a system gyfer y gwaddol yma? A ydy hynny'n for this endowment fund? Is that iawn ac, os felly, pam ydych chi wedi correct and, if so, why have you penderfynu gwneud hynny? Oni decided to do so? Wouldn't other fyddai, efallai, sefydliadau eraill o organisations, perhaps, within the fewn y byd celfyddydau wedi gallu arts world have been able to do the gwneud yr un math o waith? same sort of work?

[6] **Mr Capaldi:** Yes, that's not correct. Nothing has been established, and it certainly won't, in its final form, be anything established within the arts council. I think this is very important—that it's an external, independent charity. We're providing some technical help to look at different structures—whether a community interest company would be a good idea or a charity limited by guarantee. But it will be external to the arts council and an independent charity that will be able to recruit and establish its own members.

[7] **Bethan Jenkins:** I think that's what I was trying to get at. So, you would be establishing something entirely new. I was trying to ask—perhaps it wasn't translated as I intended it—there may be other companies or other charities out there that could do this: why would you want to set up something new entirely to do it? That's my question.

[8] **Mr Capaldi:** I think our feeling is that this is new territory and that setting up an endowment requires a very particular set of skills. There is no precedent for it in Wales in terms of an endowment of this sort. We feel that it would be better to try and start from scratch. If, during the process of the public announcements and the conversations that we hope to have over the coming months, some other structure emerges or another organisation puts themselves forward that argues a persuasive case that it can fulfil this function, then, clearly, we would be wrong to ignore that and we'd have to consider it. But, at the moment, we feel that the right structure is a new independent organisation.

[9] **Bethan Jenkins:** Lee Waters.

[10] **Lee Waters:** I just wonder if you're concerned, as there's going to be a separate body being set up to try and find funding for the national ensembles, and we're also going to be going after other moneys to try and fund that, and we're going to be discussing later the challenges there already are in achieving funding, are you concerned that there are going to be two bodies set up chasing a pot of money that is already too small?

[11] **Mr Capaldi:** Yes, I think it is a legitimate concern, but we've been talking very closely with National Youth Arts Wales and we believe that there is a clear difference in terms of the types and sources of money that the organisations will be looking for. We've also been talking to the professional body for music services. Inevitably, I can't say that there wouldn't be any

competition. Fundraising, as I'm sure we'll get on to, is a very competitive marketplace in Wales, but I think we feel that the type of fundraising and donations and sponsorship that the endowment is likely to attract will be different from National Youth Arts Wales.

[12] **Lee Waters:** How so?

[13] **Mr Capaldi:** I think that it will appeal more to the individual philanthropist and donor. I think that there will be sponsors who want to take a long-term view of helping this important area. I think that, because National Youth Arts Wales has, to some extent, the security of funding provided by ourselves and the local authorities, the scale and type of fundraising that it will be looking for will be different in scale and type.

[14] **Lee Waters:** You don't think there's merit in pooling resources.

[15] **Mr Capaldi:** We've discussed that with National Youth Arts Wales and I think their feeling is that, no, they would like to retain their own particular focus. This doesn't mean, once the endowment for music is up and running, that it wouldn't provide support and finance to individual musicians who might then be part of National Youth Arts Wales's activity, but that's more in the delivery than in the set-up phase.

[16] **Lee Waters:** I'm confused already, but perhaps we'll come back to this again.

[17] **Mr Alston:** Can I also add something there? It's very important, I think, when going out to raise money that you have some very clear objectives that can net in those institutions or individuals to a particular idea. Our discussion with National Youth Arts Wales can see that they will have a very particular offer around the ensembles and around what they do on an annual basis, and they will have a particular product, if you want to say, to sell to sponsors et cetera. The endowment is about a big idea and it means that the endowment probably needs to get into a very concerted set of campaigns around quite large-scale targets that wouldn't normally be the targets for arts organisations.

[18] There are areas where there are overlaps. If you look at legacy giving, for example, legacy giving is increasing currently. The arts' share of it is not particularly increasing, but that may be because there isn't a concerted campaign around the arts and causes in the arts that can facilitate legacy



giving. With the endowment being an idea, but needing a campaign with legal firms et cetera to put that idea out there, we feel there is a mechanism where the idea of legacy giving towards the endowment is probably stronger from people who might be drawn to it. The type of legacy giving that goes to an organisation is because of that person's involvement with that organisation. So, National Youth Arts Wales will turn to its alumni, those people who've passed through the orchestra et cetera, to mobilise toward its long-term future. So, I think there's a distinction in strategies that is clearly possible when you have different entities going, but we need to keep the lines of communication really strong and open.

09:30

[19] **Lee Waters:** Okay. Thank you.

[20] **Bethan Jenkins:** Suzy.

[21] **Suzy Davies:** I wonder if I could just ask you about the £250,000 ceiling on set-up costs. To be honest, I haven't got a sense of scale on this at all, but it is a quarter of the original £1 million. Can you talk us through whether you think it's going to cost anything like £250,000 to set this up and what your views are on the on-costs? You've just explained there's going to need to be campaigns and fundraising. Somebody's got to do that and a board of volunteers isn't going to be able to do that. What about the revenue costs of this endowment fund as you look forward? How's that going to be covered?

[22] **Mr Capaldi:** The set-up costs and the £250,000 that has been allocated we feel should be more than sufficient. It's certainly running well within that budget envelope at the moment. I think one of our objectives, which is why we're trying to do as much of the legal and technical administration with our own resources, is to ensure that as much of that £250,000 actually goes into capitalising the fund rather than being used on the set-up costs. In terms of the revenue, there's been some modelling done.

[23] **Mr Alston:** Yes, there's some modelling. Clearly, there will be an overhead to the organisation, but that overhead needs to be really contained. We think that you will need to capitalise the fund in such a way that it can cover off administration costs as well, going forward, or attract other ways of funding its administration. But it's clearly doable. It's not like setting up a huge bureaucracy around delivery.

[24] **Suzy Davies:** You wouldn't want the interest raised from the capital to be spent on admin, would you?

[25] **Mr Alston:** Clearly not, clearly not. Because that's going to be, post 2020—because we're targeting a distribution phase from 2020 onwards—that distribution phase is obviously maximising an income. Some illustrations—. I mean, the London Symphony Orchestra has a very well founded endowment. It's quite a small endowment of about £8.5 million, roughly. That's generating £400,000 for the LSO at the moment on a per annum basis. Now, that's in the heart of the City and it's probably a very judicious investment of the funds and there'll be all sorts of issues for the new charity to think about where its investments go and to buy that expertise into—

[26] **Suzy Davies:** [*Inaudible.*]—which is an equivalent figure. An equivalent figure for £400,000 annually for a £1 million investment—

[27] **Mr Alston:** Sorry, that was an £8 million investment.

[28] **Suzy Davies:** No, I know, but the equivalent here would then be £50,000 that it raises, wouldn't it? I know it's a very crude equivalent, but it gives a sense of what's ahead.

[29] **Mr Alston:** But we don't see large-scale overhead needed to run the charity.

[30] **Suzy Davies:** That's the good news. Thank you, Chair. Thank you.

[31] **Bethan Jenkins:** You say that if anybody would come up with another plan or had any other ideas you would listen to it. How are you doing that if you've already decided to set up this other charity? We understand from Arts & Business Cymru that even though this would mean accruing business support and investment, they haven't been engaged on this. So, how are you making this as open and accessible for people that may say, 'Well, actually we could do this and it doesn't need to mean setting up something entirely new'?

[32] **Mr Capaldi:** There was quite an extensive programme of research at the early stages, and these issues were looked at in terms of whether there were comparable bodies or others that could set it up. And the conclusion of

that research was very firmly 'no', that this was new, that this was different. Obviously, the principal point of engagement comes when the endowment is actually launched and we have something to say about it and that we can gather, hopefully, support to invest in it.

[33] **Bethan Jenkins:** Thank you.

[34] **Byddwn ni'n symud ymlaen yn** We'll be moving on now to questions awr at gwestiynau ar gyllid heblaw on the non-public funding of the cyllid cyhoeddus ar gyfer y arts, and Jeremy Miles is leading on celfyddydau, ac mae Jeremy Miles yn this.  
arwain ar hwn.

[35] **Jeremy Miles:** Could I ask you about business support, just to continue the discussion we've been having, really, about the arts more generally in Wales? Is there are a geographic pattern that you see, firstly across Wales? And perhaps you could comment on the different landscape in Wales and other parts of the UK.

[36] **Mr Capaldi:** Yes, I think there is a geographical dimension to this. I think, as we all know, with the majority of businesses concentrated in the south of our country, it's that much easier for organisations in south Wales to both access sponsorship, but also to access other types of business support. That said, there are lots of examples elsewhere in the country where there have been some quite imaginative partnerships. I think I included in my evidence the example of the arts centre Ucheldre in Holyhead, which has formed a relationship with the local boatyard, who are providing their financial, business and IT services as sponsorship in kind. So, geography is certainly an issue, but I think we're trying to encourage arts organisations to be as imaginative as possible about how they source that support.

[37] **Jeremy Miles:** Is there a different pattern within south Wales, for example, or is there a concentration of available business support in Cardiff and Swansea, for example, or is it—? How would you describe that landscape?

[38] **Mr Capaldi:** I think the cities are generally a better source, if we're just talking about sponsorship, and indeed some, particularly our national companies, are operating on an international basis. So, on occasions they'll be looking to London and even further afield. A number of our national companies have relationships with individuals and organisations

internationally and overseas, but it's a tough market. There are very few FTSE 100 businesses that have their headquarters in Wales, and so it's always difficult, if you're based in Wales and decisions have been taken elsewhere, to get your case across.

[39] **Jeremy Miles:** And how does it compare to the picture in Scotland and England, for example?

[40] **Mr Capaldi:** There are similar sorts of issues. What we don't have is the statistical evidence and the basis to back it up. There used to be a UK-wide survey of business support and sponsorship, but that was ended some time ago.

[41] **Jeremy Miles:** And who ran that?

[42] **Mr Capaldi:** That was Arts & Business United Kingdom, which was the parent body that ceased to operate when the nations were then devolved out.

[43] **Jeremy Miles:** So, there's an absence of data, but your impression is that it's a broadly similar picture in terms of the geographic aspect.

[44] **Mr Capaldi:** Yes. I talk to my colleagues regularly in the other devolved nations. I think there are particular issues that apply in Northern Ireland that are unique to that context, but in Scotland, which is a good comparator, the issues tend to be that the high-profile, the larger, the city-based, find it easier than perhaps the rural-based, smaller, community-based organisation that is working at a different level, whose profile might not be readily and widely apparent.

[45] **Jeremy Miles:** Thank you. Leaving aside the geographic distribution aspect of it, in terms of the scale of funding, is the picture as you would expect it to be? Obviously, there's much more funding available in England, but is it disproportionate to the population or to the size of the economy? How does that look?

[46] **Mr Capaldi:** I don't have specific data on that, but I'm happy to go and have a look and see—

[47] **Jeremy Miles:** It would be very helpful, actually.

[48] **Mr Capaldi:** —if we can find something on that and to let you have

some information on that.

[49] **Jeremy Miles:** Thank you. We understand that the arts council has agreed a further two years of core revenue funding for Arts & Business Cymru. What is your view of the performance of Arts & Business Cymru and the general environment and how that might impact on any decision to extend the funding beyond those two years?

[50] **Mr Capaldi:** Well, the conversation that we've been having with Arts & Business Cymru over the past few months has been about being enabling them to move to a more self-sustaining basis. When I was in front of this committee earlier in the year, we were having some difficulties in terms of finding a formula. We were going through a procurement process to deliver business services, which didn't, in the end, deliver the outcome that we were hoping. So, looking at the relationship with Arts & Business, what we didn't want is for the important charitable activities that they do to be lost in terms of the support and the training that they provide. So, what we've agreed with Arts & Business is a two-year programme of support, which they feel will give them the space to be able to then enter into procurement processes for business services. So, they're busily extending the range of business support that they offer, and I would say that the relationship with Arts & Business at the moment is good and positive, and we want to see them succeed.

[51] **Jeremy Miles:** And what discussions have you had about the funding support beyond the two-year period?

[52] **Mr Capaldi:** We've had no conversation with them beyond the current two-year period. That's the period that they've asked us to support them for. They believe that after that period, they will be able to operate their core costs on a self-sustaining basis. We will continue to offer money and funds after the two years for business support activity. We very much hope that Arts & Business will continue to bid for those funds.

[53] **Jeremy Miles:** And if, after the two-year period, there is a request for support, is that something that would be on the table, so to speak, or is there a reason why that might not be available?

[54] **Mr Capaldi:** Well, we've tried to be very clear and say that we think—and they agree—that two years is a reasonable span of time. So, that's a target that we've set. I think also—and I think Arts & Business agree—that for an organisation that is about resilience and is about business support, then it

should be possible for them to be an exemplar in that sense and to be able to sustain their activities. But we meet with them regularly. We're working with them closely. They are an important part of the cultural landscape in Wales, and we don't want to do anything that sees them fail.

[55] **Jeremy Miles:** In terms of activity to develop business support outside the activities of Arts & Business Cymru, what does the arts council do apart from that?

[56] **Mr Capaldi:** Well, we're currently engaged in probably one of the biggest exercises in business support that there's been in the arts in Wales for some time, which is our resilience programme, where we've taken Arts Portfolio Wales, the key revenue-funded organisations, and we are providing business support and assistance to enable them to look in quite a fundamental and radical way at their businesses to see how they can be more efficient, to see how they could earn more income. It's interesting, in the evidence that you've received as part of the consultation, that resilience—and I'm pleased to see it—is mentioned in a number of those responses. I think that we have now developed quite an extensive network of individuals and organisations who are helping supporting business skills.

[57] **Jeremy Miles:** Thank you very much.

[58] **Bethan Jenkins:** Quickly, Lee.

[59] **Lee Waters:** Thank you. Can I just quickly go back to the Arts & Business situation? Because when you were last in front of us, you were very clear that you didn't have any discretion about whether to procure services or not, because you were constrained by the rules. You've extended the services by two years, so obviously that position wasn't quite as straightforward as you suggested.

[60] **Mr Capaldi:** No. What we didn't do is we didn't procure the particular services. So, the funds we had for procurement we felt we couldn't offer. However, we do have the discretion to provide grants for organisations' charitable activities and those activities that are not in the trading company of Arts & Business but which are, within the charity, the ones that we felt we were able to support.

[61] **Lee Waters:** Indeed. So, you have discretion. Because, last time, you were suggesting you didn't have discretion.

[62] **Mr Capaldi:** No, I didn't have discretion over the procurement, but we have to be flexible in looking at how we respond to the situations in front of us. I was very taken by your comments about my obstinacy in not looking at what those range of options were. So, we went away, we sat down, we talked in detail with Arts & Business, and I think we came up with a formulation that met our requirements but also provided Arts & Business with a degree of security going forward, which was what they needed.

[63] **Lee Waters:** We pursued it with the Government and with the auditor general and they confirmed that there was discretion. So, that discretion is now established. I wonder why you're still insisting on going back to the procurement question in two years' time if you've judged there's a value to the service being provided. We've seen, through the evidence, there's a definite need for private sector leverage into Wales, and we've established the track record of this particular organisation to do that. So, why are we then returning to the question of procurement again?

[64] **Mr Capaldi:** Because there was a particular set of business services, which included some of the activities that Arts & Business provided, but which went beyond that. We wanted to extend the range of business services that were available to arts organisations in Wales, and I think that, as our resilience programme has demonstrated, there's a very wide range of different specialisms and different advice that Arts & Business, at the moment is not, and at that time was not able to provide. So, we couldn't procure the business services that we wanted, bearing in mind that we were in a procurement process and following that procurement process. We had to see that through.

[65] **Lee Waters:** Are you worried or have you thought, in the pursuit of buying off-the-shelf bespoke services, which you've identified there's a need for, that you are in danger of killing something much broader and more valuable to the arts ecosystem in Wales in doing so?

[66] **Mr Capaldi:** Yes, we are concerned about that, which is why we try very hard to ensure that that isn't the case, which is why we've tried to be imaginative and flexible in this particular instance. But, we are, I think, governed by two particular concerns, which is obviously to get the best quality of service that we can, and the second is to ensure obviously that

there's good value for taxpayers' money. I think, as part of that, properly run procurement processes have a role to play in that.

[67] **Lee Waters:** And finally, you'll be monitoring the situation, will you, to make sure that you're offering the support necessary for them to succeed, rather than setting them up to fail?

[68] **Mr Capaldi:** Indeed.

[69] **Lee Waters:** Okay, well, we'll be keeping an eye on that I'm sure. Thank you.

[70] **Bethan Jenkins:** Diolch. Rŷm ni **Bethan Jenkins:** Thank you. We need angen symud ymlaen nawr. Suzy to move on now. Suzy Davies. Davies.

[71] **Suzy Davies:** I've just got one question on business support. I think it was the Andrews report that said that arts organisations should embed themselves a bit better in communities so they're not just seen as coming in and doing something amazing and disappearing again. Have you seen any improvement on that and has it had any impact on local businesses in terms of the visibility of the arts, which, of course, is necessary before we can even start encouraging them to take notice?

[72] **Mr Capaldi:** I think we've certainly seen some movements and change in the way that local organisations are thinking about how they embed themselves in their local community. I think the most successful arts organisations are those that are very much appreciated and owned by their local community, because it's often the individuals and the businesses in that local community that will support those organisations. So, from the arts point of view, I think there have been some positives. We've been, I have to say, pleasantly surprised by the Fusion programme, which was the initiative that came out of the Andrews review that the Government put in place. It has been pretty successful at encouraging new types of community engagement.

[73] The second part of your question, which is whether or not businesses are recognising that, is more difficult and is more patchy. I think one of the things that we've been looking at and talking to arts organisations about is how they raise the profile of what they're doing with businesses. I think also, as David was saying earlier, there's no strong tradition of individual giving or legacies in Wales. Perhaps it's time for us to make a bit of a noise about that and to demonstrate the value of the arts to society and encourage people,



sometimes, as well as all of the other charitable things that they might want to support in their wills, perhaps to also think about the arts.

[74] **Suzy Davies:** Well, I want to ask you about that, but, coming off what I was just asking about, will there be, at some point, an evaluation of the impact of the Fusion programme, which will include the visibility to business.

[75] **Mr Capaldi:** There are certainly regular evaluation reports on Fusion, and, since I sit on one of the groups that contributes to that, I will take that message back and see if we can make sure that happens.

[76] **Suzy Davies:** That would be great, thank you very much.

[77] David Alston, you mentioned earlier on that there are different motivations and different strategies for encouraging individuals to give to the arts. Obviously, there are difficulties in Wales, because we've got a lower prosperity base and very few high earners, if you like. Are there particular types of art form, whether that's performance or more permanent art, that are more likely to attract the interest of individual givers?

[78] **Mr Alston:** That's a very difficult question, because people have very different enthusiasms. I think the key to this is to look at it the other way around, though, and say, 'What's your focus of fundraising?' To just stay on the endowment idea, I think the arts council certainly first thought about that as a supplementary route to funding. Around the time of 2007–08, a big financial crisis sort of got in the way a bit. So, there are ideas and times, but the key thing there was to actually already begin to think, 'Wales keeps saying certain things about its arts—land of song, et cetera—how true is that going to be in the long term?' Isn't music, therefore—? Rather than have an endowment for the arts, which might be too woolly, the idea is, 'Okay, you can focus on a very particular heartfelt form and channel the interest towards that'.

[79] I think, if you're sat inside a small company within Wales, you still have—. You know, an arts company still has a unique offer. Ucheldre has a unique offer in Holyhead. And, building its community, like The Boatyard doing its accounts, or whatever, these are really good models of sustainability and that sort of building. But, I think arts organisations—. Our experience is that they're pretty clear about what their uniqueness is and they just have to find—

- [80] **Suzy Davies:** Are they very good at selling that uniqueness, then?
- [81] **Mr Alston:** Well, I think some of them are straining hard to do it.
- [82] **Suzy Davies:** And where will this put—. Is it the arts council that supports them to do that, or is it something like A&BC?
- [83] **Mr Alston:** Part of the Resilience programme that is cropping up is very much about the arts organisations looking within themselves and saying, ‘What are our unique selling points?’—to use the jargon. Because they all have unique selling points. And then, ‘How do we find the people who are most interested in that?’ Because that’s the community of interest and some of that community interest will be money and businesses as part of that community of interest.
- [84] **Mr Capaldi:** I think we’re also seeing a welcome degree of generosity from our larger organisations, particularly our national companies, who will take some smaller companies or community groups under their wing to help with some of this activity.
- [85] **Suzy Davies:** Right. Well, that’s useful to know as well. The reason behind my question is that there’s a very small pot of philanthropy out there, with a lot of people going for it. If there was one particular art form that was more attractive than others, then those other art forms would know that they can’t rely on that in order to build their non-public funding. Just generally, how difficult has it been for arts organisations to consider non-public funding as a reality, as a real option for them? Does it depend on their size rather than their art form?
- [86] **Mr Capaldi:** It depends on their size, it depends on the scale of what they’re doing, and it obviously depends on how the finances of their organisation work, in that those organisations, who, through the nature of their community-based work, depend to a greater degree on subsidy—then, it’s tough. I was very struck by reading through your consultation responses. The message kept coming through that, intellectually, everybody accepts this has got to be the right thing to do. We’ve got to try and widen the scope of funds and to lessen dependency on public subsidy, but it’s jolly hard, and harder for some than others.
- [87] **Suzy Davies:** So, is there any merit in the idea that’s come through the consultation—I think the national company said it—that there should be

some Welsh Government-sponsored major awareness-raising campaign or advocacy campaign out there? If you think there's merit in that, who should carry that? Should it be for Creative Wales, or is it for you? It's great to have the idea, but who's going to implement it?

[88] **Mr Capaldi:** I think the idea is a good one. I think it's something that we included in our response as well. I think that some degree of Government recognition for philanthropy has a role to play. I think we've seen with the First Minister's St David awards that that has had an impact, and, as I said earlier, we just need to raise the profile of this whole area, because, by and large, our research shows that the majority of people care deeply about the arts and care deeply about community organisations.

[89] **Suzy Davies:** Who should do it?

[90] **Mr Capaldi:** Well, we would be happy to talk to anybody who would want to work with us to help that campaign.

[91] **Suzy Davies:** Okay, thank you.

[92] **Bethan Jenkins:** Lee Waters.

[93] **Lee Waters:** Yes, obviously part of the campaign was directed at the foundations and trusts, and anyone who's engaged with the sector knows that the standard line you get is, 'Yes, we don't give very much to Wales, and that's because the quality of the applications we get is not good enough. We'd dearly love to give more if only the quality was better'. Do you think that's fair, or is that just metro-centrism?

[94] **Mr Capaldi:** Personally, I don't think it's fair, and I have had some fairly robust conversations with colleagues and people I know well who run some of the London-based foundations and trusts. There are very, very particular social and cultural issues in Wales that are not going to be replicated in the metro-centric places, and they're often not felt to be important. I think the very, very strong strain of community engagement that runs through so much of what arts organisations in Wales do is sometimes, I think, downplayed. I think the type of the art, the nature of the art, its innovation, what it's doing to develop the art form—all of those things, legitimate concerns, seem sometimes to take the emphasis. I spend a lot of time talking to the trusts and foundations. Arts & Business hosted a session, I think last year, where they brought all of the trusts and foundations to

Wales to meet with arts organisations and to have direct face-to-face conversations about what's needed. We felt that was a very good initiative, and we need to keep bashing away at that, because I think the perception is partial and it is having an effect.

[95] **Lee Waters:** So, you don't think this is a supply-side problem; it's a demand problem. It's not a question of, 'If only we could get the quality of the applications up'. You think this is a mindset problem at source.

[96] **Mr Alston:** I think the trends are actually positive. I think we know of a number of our organisations in the arts who are in stage 2 of very big programmes with some of the major trusts and foundations. We aid and abet where we can there. We know that those are quality applications. We know there might be good news this autumn. So, this is a journey, I think, because I think the trusts and foundations also had to recoup after 2007–08. A lot of them changed their programmes. They're out there again in recent years. The engagement with them takes quite a long time. It's about relationship building, it's about familiarisation with the nature of the work. But we've had some very significant programmes—the ArtWorks programme, for example, on participation. If Paul Hamlyn hadn't got behind that, that would've—. It's a really major thing. And, actually, they are taking notice and they are recognising quality.

10:00

[97] **Mr Capaldi:** I think what frustrates me is that there is wonderful work happening in Wales every day, but it's not necessarily seen; it's not reported. Maybe this is entirely coincidental, but our excellent national companies, which are able to attract the London critics to come to Wales to report on their activities, also tend to be able to attract support from trusts and foundations. I think that's because their work is visible, it's understood, and it's reported on. We have a real crisis in Wales, I think, in criticism in terms of newspaper reporting and journalism and the quality of journalism about cultural activity in Wales. That's a real problem.

[98] **Lee Waters:** Thank you.

[99] **Bethan Jenkins:** Neil Hamilton.

[100] **Neil Hamilton:** You said a moment ago that you thought people cared very deeply about the arts. When you look at the financial dimension of this,

it certainly isn't evident. Only 2 per cent of people in the UK actually give to the arts in charitable donations. Wales is the lowest of the nations of the UK in terms of charity giving at only 25 per cent of households compared with 30 per cent, roughly, in England and Scotland, and 46 per cent in Northern Ireland. The median donation given in Wales is £7.32 per year. These are pathetic figures and they certainly don't bear out any enthusiasm for the arts of the kind that you mention, unless you're not tapping into a seam that nobody else has been able to mine. So, given that the sums of money that are involved here are relatively trivial compared with the size of even the Welsh economy and the size of the Welsh Government's spending, why do you think you can't be more persuasive to people to give more than what are not even pocket-money sums to the arts? What's going wrong here? If Northern Ireland can have 46 per cent of households giving to charity—of course, this may not be arts charities; we haven't got the details, it may be religious charities, or whatever—. But, clearly, there is more of an ethos of giving there than there is in Wales. How do we push that up?

[101] **Mr Capaldi:** I think this is a really critical point. And I think you're right to highlight those comparative levels. On the one hand, relatively positive, I think that encourages us to believe that, if we can all put our shoulder to the wheel, perhaps there are opportunities for growth here. But, I think, in terms of your very comprehensive analysis, there are quite a few underlying issues. I think there is sometimes a perception amongst the public that, certainly as far as the arts are concerned, that's the business of Government, that's the business of the public sector, therefore they don't need to worry about that. If we compare with the United States, where there is no significant tradition of Government support, then you see a mirror image. So, we do need to push that.

[102] I think some of the statistics, also, on individual wealth show that there's a disproportionately lower number of wealthy individuals in Wales than in other parts who are taking that lead. And I think that we have a job to do in a country where so much of the population, I think, is experiencing real difficulty, to persuade them that giving to the arts and the arts is not just a luxury when everything else is taken care of, but it's a fundamental part of our national well-being and quality of life and that does have a value. In my experience, when you engage in conversations with people who say, 'Oh no. The arts aren't for me. I don't do that', you very quickly discover that, actually, they're involved in a whole host of cultural and artistic activity, and that they can be persuaded to take more of an interest. But I think what you've sketched is a massive challenge in Wales.

[103] **Bethan Jenkins:** If we can have brief questions and answers—we are pushed for time and we've got to talk about another issue as well. So, can we just keep that in mind, please?

[104] **Mr Alston:** I wouldn't play down either some of the unique ways Wales raises money. The Eisteddfod, for example, is a huge community effort to fund as well as a public funding effort. That's under way currently in Cardiff, with volunteer efforts.

[105] **Neil Hamilton:** We haven't got time to explore that, but I've just got a couple of questions that I'd like to ask in addition. Swansea University gave evidence to us in writing. They said that there's an implicit tension between the desire to generate revenue on the one hand and creative experimentation on the other. Do you think that these two forms of activity are in fact in conflict with one another, or mutually exclusive? In other words, 'Airy-fairy arts people are no good at raising money', I suppose is what they're saying, to translate it.

[106] **Mr Capaldi:** Okay, well, that's an—

[107] **Bethan Jenkins:** I'm not sure they'd want you to paraphrase in that way. *[Laughter.]*

[108] **Mr Capaldi:** That's an interesting characterisation. If I take Swansea's advice, then there is a tension, certainly, but it is not mutually exclusive. I think some of the organisations that are doing the most interesting, the most innovative, creative activity are also very successful fundraisers, because people recognise quality and want to be associated with it.

[109] **Neil Hamilton:** Right. Ffilm Cymru has described to us its so-called magnifier approach to increasing revenue, which you'll be familiar with. In their words:

[110] 'Early and systematic identification of intellectual property potential'.

[111] To what extent do you think that valuable intellectual property remains under-exploited in Wales's arts sector? Is there scope here for a really hard-headed business method of raising more money?

[112] **Mr Capaldi:** Absolutely. I think it's a key issue. I think so many of our

arts organisations have wonderful back catalogues of work that are ripe for exploitation. So, I would say that is one of the key issues, exploitation of intellectual property.

[113] **Neil Hamilton:** Is there anything that the arts council can do to speed things along in that direction?

[114] **Mr Capaldi:** We're very much engaged with that at the moment through the resilience programme that I was referring to earlier. We've been encouraging organisations to look critically at their assets, intellectual and physical, and to exploit those.

[115] **Neil Hamilton:** Do you want me to stop there, or do want me to—?

[116] **Bethan Jenkins:** Is that okay? We can write to you on that last question that Neil Hamilton had. Thank you for being accommodating. We'll go on to volunteering now.

[117] **Hannah Blythyn:** Thanks. The arts council says one of the most significant sources of non-public funding in the arts is creative professionals and artists giving their time unpaid. To what extent do you think the sector is dependent on that and how sustainable do you think it is?

[118] **Mr Capaldi:** I think my conclusion would have to be that there is a high degree of dependency because, if individual artists and creative professionals weren't either forgoing income, or weren't taking lower wages, then I think we would see less activity. I think that that is just a fact. All of the time, I come across, particularly, individual artists whose annual income is really pitiful from the activity that they're able to do. I think that that, I would say, is different from volunteering. As you'll know, volunteering is those who give freely of their time and their energy. But when artists are faced with a situation of, 'Well, I can either proceed with that project and pay myself slightly less, or it doesn't happen', then, more often, they'll proceed with the project.

[119] **Hannah Blythyn:** Do you think that there would be merit in undertaking an analysis of the role and the scale of volunteering in arts organisations and actually how much that is worth?

[120] **Mr Capaldi:** It might be and we could probably take a look at that. It depends on which particular statistics or matrices you use. It's quite

complicated. Voluntary Arts Wales, for example, in some of the evidence to you, talked about its estimate that 650,000 people in Wales are involved on a voluntary basis in the arts. Well, that could either be as a participant or as a manager. Getting at those 650,000 would be quite hard. Within our Arts Portfolio Wales, it varies from year to year, but there's about 1,300 people who are actually engaged in 'work' for the organisation on a voluntary basis.

[121] **Bethan Jenkins:** The finishing questions on this part for today are from Dawn Bowden.

[122] **Dawn Bowden:** Thank you, Chair. I was just interested in your idea about social impact bonds. I think you were flagging it up as something for organisations whose art mission is to deliver social benefits. I think there's something similar that happens in England—there's a similar fund in England. Can you just expand a little bit more on that and your ideas and how you think that might work in Wales?

[123] **Mr Capaldi:** It's a relatively new idea, but it is looking at the way certain types of community-based services are paid and contracts that can be won from local authorities or others. They can be funded on a quasi-commercial basis, where an investor will make money available on the understanding that it will be returned. But what the—. And it's very early days in England—it's an organisation called Creative United. They're finding that there does appear to be a market for certain types of arts organisations that are involved in very community-focused activities that can have a range of health and social outputs—that there are contracts to be won and different types of funding to be developed. So, social impact bonds are certainly something that we intend to take a closer look at, because it's relatively new to us.

[124] **Dawn Bowden:** Okay. Is there anything else that we haven't already covered in terms of potential alternative ways of drawing down income? Are there any other kind of innovative ways that we could look at exploring, or do you think that we've exhausted everything now?

[125] **Mr Capaldi:** I think you've touched on a number of them. There are all sorts of new, technologically driven platforms. So, crowdfunding is one that, no doubt, you'll be familiar with. I think also we need to perhaps look at the very thin dividing line sometimes between public and private investment. We've been talking, for example, to Cardiff Council about their developmental plans, things like the local infrastructure levy, how private



developers will be part of what used to be called the old section 106 agreements to bring cultural investment through. So, I think that local authorities, particularly, have a lot of levers at their disposal that it would be worth exploring. I know local authorities are publicly funded, but they have relationships with the private sector.

[126] **Dawn Bowden:** Totally publicly funded at the moment, so not an awful lot of scope there, really, at the moment, but—.

[127] **Mr Alston:** I think we've alluded to some initiatives that are current amongst communities and venues and organisations around time banking, which is a very interesting proposition—[*Interruption.*] Time banking, which is an exchange proposition between somebody who volunteers in one area of the community and they get a benefit somewhere else. I think those type of communal, supportive mechanisms also audience-build and get involvement with arts organisations, and they're interesting.

[128] **Dawn Bowden:** Okay. Okay, fine, thank you. Thank you, Chair.

[129] **Bethan Jenkins:** Mae mwy o **Bethan Jenkins:** We have more gwestiynau gyda ni, ond byddem ni'n questions, but we will write to you ysgrifennu atoch chi, os yw hynny'n with those, if that's possible, because bosibl, achos nid ydym ni wedi cael we haven't had time to ask them to amser i'w gofyn i chi heddiw, os yw you today. hynny'n iawn.

10:14

## **Yr Adolygiad Annibynnol o Gymorth ar gyfer Cyhoeddi a Llenyddiaeth yng Nghymru: Sesiwn Dystiolaeth 3**

### **The Independent Review of Support for Publishing and Literature in Wales: Evidence Session 3**

[130] **Bethan Jenkins:** So, rydym ni'n **Bethan Jenkins:** So, we move on to symud ymlaen at adolygiad the independent review of publishing annibynnol o gyhoeddi a and literature and we have a few llenyddiaeth, ac mae gyda ni cwpwl o questions to ask you with regard to gwestiynau i ofyn i chi yn hynny o that. The first question comes from beth. Mae'r cwestiwn cyntaf gen i. me. I'll just quote one of your papers Jest i ddyfynnu un o'ch safbwyntiau on this. You said:

chi ar hyn, dyma'r hyn roeddech wedi ei ddweud:

[131] 'We are deeply disappointed by the quality of this report. The Welsh Government commissioned a detailed and thorough analysis of the sector. What we have instead is a report that is partial in its analysis and inconsistent in its judgement.'

[132] A allwch chi ehangu ar hyn, a hefyd yn sgil y cyd-destun bod yna gryn wahaniaeth rhwng yr hyn y mae awduron yr adolygiad yn ei ddweud a'r hyn y mae Llenyddiaeth Cymru yn ei ddweud ar hyn o bryd? Diolch.

Could you expand on that, and also in the context that there is some difference in what the authors of the report have said and what Literature Wales have said at present? Thank you.

[133] **Mr Capaldi:** Yes, there are a range of views, and I think quite strongly held views. I think our response to the report could best be described as 'mixed'. I think there are many things in the report that we would absolutely agree with in terms of the analysis and the recommendations. In fact, I think I was looking through and there are somewhere in the region of 30 or 40 recommendations that are either general recommendations or targeted at us in particular, and the majority of those I think we would agree with and have no difficulty with.

10:15

[134] There are a small number of issues where we don't feel that the report has got it quite right. We don't feel that the report really did cover the full range of literature and literary activity, and I think that, inevitably, because of the type of community-based educational activity we were talking about, that tended to give short shrift to some of the activities of Literature Wales. So, I think we were unsurprised that Literature Wales were disappointed with the outcome of the report.

[135] **Bethan Jenkins:** What involvement have you had so far in trying to broker this quite difficult situation? I mean, obviously, you've said it's mixed, but there seem to be very, very different analyses of what happened or what processes took place, the evidence that was taken, the judgments that were made. As a sort of body that—well, obviously, you have an interest to some extent, but as a body that's not directly involved, what would you be able to say is a way forward in that regard?

[136] **Mr Capaldi:** It's tricky because I think there are criticisms levelled in lots of directions, including towards us. So, navigating a way forward will be difficult, but the various partners have met with Welsh Government officials. We've started to have that conversation. We felt we needed to, to explore where there was common ground, and I think that there are a number of areas where there is common ground, but we couldn't feel comfortable accepting the report's analysis of Literature Wales's performance.

[137] The report quoted very liberally from documents that we provided to the review panel. However, what it failed to do was to bring things up to date and to convey our current opinion of Literature Wales's performance, which we gave to the panel. Instead, what we have are reports that are now some years out of date. The world has moved on. I wouldn't pretend that Literature Wales is by any means performing perfectly, but it's doing a lot better than it did. There might be a view that an organisation that is five or six years old should be a fully mature organisation; in our experience, new organisations take time to bed in. There were very particular technical issues and legal issues around novation of assets and contracts, which was complicated, for the early years. But I think that Literature Wales deserves more credit for its achievements and what it's done than is evident in the report.

[138] I think, also, the rather complicated suggestion that—how can I put this—somehow we are colluding with Literature Wales because of our relationship with Literature Wales—a kind of, 'Well, they would say that, wouldn't they?' about our attitude towards Literature Wales. Yes, we can't escape the fact that, as it's an organisation that we fund and that we work with, we have some degree of emotional as well as organisational interest in it, but one can't say on the one hand, as indeed Professor Hughes's response does—I think he quotes two dozen or more instances where we've been really quite critical and firm with Literature Wales about our expectations—. One then can't say that the arts council's being soft on the organisation or has colluded. We've been very firm in our expectations with Literature Wales. Literature Wales has made real progress over the years. There is more work to be done, but I think that there are many, many more achievements and successes in their work, and their value to literature in Wales is higher than perhaps the report implies.

[139] **Bethan Jenkins:** Okay. Diolch. Jeremy.

[140] **Jeremy Miles:** Thank you for that. Can I just clarify what you've just

said, on the governance question more broadly perhaps? Obviously, both parties pray the arts council in aid in different perspectives, but the answer to that question it seems to me, from what you've said, is that the panel report looks at documents from 2015. The world has moved on since then. And you're also saying that you made that known to the panel—that your judgments as of 2015 had, in fact, been updated. Is that what you're saying?

[141] **Mr Capaldi:** Correct.

[142] **Jeremy Miles:** Thank you.

[143] **Mr Capaldi:** Yes, I think also that we were slightly surprised, in Professor Hughes's report, to see the Arad research on international activity quoted so extensively. It got barely a mention in the original report, other than to include the recommendations. To claim that a report that was very, very specifically looking at international relationships between a range of partners is the same as a review of Literature Wales, I think, is stretching matters a little. So, we were surprised to see that.

[144] **Jeremy Miles:** Thank you for that. Can I just check that the update—if I can describe it as that—was a written submission to the panel, or was it—

[145] **Mr Capaldi:** We provided a written submission to the panel. We also appeared—and David and I well remember it—in front of the panel in person.

[146] **Jeremy Miles:** Okay, and it roughly accorded with what you've told us today.

[147] **Mr Capaldi:** Yes.

[148] **Jeremy Miles:** Okay. Can I just look at the specific question of the red risks? You've obviously identified Literature Wales as 'at red risk'. We were told by Literature Wales that the only outstanding red risk related to the fact that the review had not yet reported. Is that accurate?

[149] **Mr Capaldi:** Yes, that's correct. And, again, we were at great pains to explain what our risk rating meant to the panel, and we really did labour the point. Organisations can be at red risk for a whole variety of reasons, from genuine poor performance to the fact that they're going through a significant change or they're taking on a risk, or there's a major new capital project. I think the nature of what Literature Wales was going through demanded our

very close attention, which was why it was given a red risk.

[150] **Jeremy Miles:** Sorry for interrupting. Can I just clarify this notion of risk? As you just said, organisations face risk all the time, in a sense. Does the notion of red risk build within it something about the resilience of the organisation handling that risk, or does it just identify the possibility of an adverse development? Perhaps you could just educate me a little on that.

[151] **Mr Capaldi:** We take a look at a number of sub-categories, which are around governance, which are around financial resilience, which are around artistic performance, which are around wider business and operational issues. That, I suppose, is a feature of our own particular bureaucracy, and each of those has a risk rating. The governance, which is the one that the report, I think, emphasises has been improving.

[152] **Jeremy Miles:** Okay. Sorry; I haven't quite followed, so just bear with me for a second. So, it's not just the existence of something that could go wrong, you're also evaluating the organisation's ability to do deal with that when you're reaching that aggregate view of whether it's a red risk.

[153] **Mr Capaldi:** It can be either something might be going wrong, or we have concerns about resilience, or that an organisation is embarking on such an exciting, dangerous but interesting course of action that it's risky, and we need to keep an eye on that.

[154] **Jeremy Miles:** Yes, okay. So, that's the issue with regard to the outstanding review. The other point, which came forward in evidence, was the red risk in relation to Tŷ Newydd, but that's a historic risk, in a sense, at this point and that's all been resolved as far as you're concerned.

[155] **Mr Capaldi:** Yes.

[156] **Jeremy Miles:** Okay. Thank you very much for that.

[157] **Bethan Jenkins:** Suzy Davies.

[158] **Suzy Davies:** I just want to finish off on this one. It's great that Literature Wales has improved. You said that their achievements have been great. What I'm not clear about is how great they've been in comparison to the areas that they haven't succeeded in. On the traffic light system of risks, I appreciate there's only one red, but how many of the other risks identified

are still amber, as opposed to green, just roughly?

[159] **Mr Capaldi:** I think that we feel that they need to complete the process of board renewal that they're going through. We are happy with the progress that they're making, and certainly, because I know this was a criticism, we absolutely refute the notion—I think it was in the previous report—that they are not a fit body to receive public funding. If that was the case, we would not be giving them public funding, and I think you've seen the extent to which we have been on their shoulder looking at these issues. So, there's more to do, I think, around governance. There is a challenge for Literature Wales and all of us around international working. I think, as the Arad report pointed out, this is incoherent and it's not as well organised as it should be.

[160] **Suzy Davies:** But not exclusive to Literature Wales, either.

[161] **Mr Capaldi:** But not exclusive to Literature Wales, and, indeed, we ourselves must put up our hand as part of that. I think, also, and this is perhaps a feature of a young organisation with a very voracious appetite, in that it's done a lot of activity, and in some instances we've felt that rather than doing certain types of activity itself, what it should have been doing is building capacity in the sector and helping others to do that, and for it to focus more on a strategic, enabling role, and the kind of national initiatives, which it's been so good at, in terms of things like the Dylan Thomas 100, the Roald Dahl, the writing squads, and the work in schools.

[162] **Suzy Davies:** Sorry, I don't want to—. Can I just ask—? Book of the year, then, that's a big event. It's a controversial one, according to the report. If the attention is diverting towards, or should be diverted towards enablement rather than actually putting on events, is there merit in saying that events should be moved to a different organisation?

[163] **Mr Capaldi:** I think there is merit in looking at that.

[164] **Suzy Davies:** Okay.

[165] **Mr Capaldi:** And those discussions have started between us all as to how best to move forward with the book of the year.

[166] **Suzy Davies:** All right, thank you.

[167] **Bethan Jenkins:** Diolch. Jeremy, quickly.

[168] **Jeremy Miles:** I just wanted to ask for clarification. In his most recent note to us, Professor Hughes says that the review panel was established in 2015 and deliberated until early 2017. It received reports and evidence to cover the period. It came to a collective view—these are his words—based upon the evidence received during that period of inquiry. When was the evidence that you provided to them in relation to the update from your 2015 reports provided?

[169] **Mr Capaldi:** We sent a written report to them in October 2016 and we appeared in person shortly after that, I think—.

[170] **Jeremy Miles:** So, in 2016, essentially.

[171] **Mr Capaldi:** Yes.

[172] **Jeremy Miles:** Okay, thank you.

<p>[173] <b>Bethan Jenkins:</b> Diolch. Os oes cwestiynau ychwanegol gan Aelodau, fel gyda'r sesiwn cynt, byddwn ni'n ysgrifennu atoch chi. Gan ein bod ni wedi cael tystiolaeth newydd dros nos gan Lenyddiaeth Cymru a gan Medwin Hughes, nid ydym ni wedi cael lot o amser i brosesu hynny, felly byddwn ni'n ysgrifennu atoch chi os yw hynny'n iawn. Diolch yn fawr iawn i chi am ddod i mewn yma heddiw, a byddwn ni siŵr o fod yn cadw mewn cysylltiad ar nifer fawr o faterion. Diolch yn fawr.</p>	<p><b>Bethan Jenkins:</b> Thank you very much. If there are any further questions from Members, as with the previous session, we will be writing to you. Because we have received new evidence overnight from Literature Wales and from Medwin Hughes, we haven't had much time to process that particular evidence, so we will be writing to you if that's okay. Thank you very much for joining us today, and we will be keeping in touch with you on a number of matters. Thank you very much.</p>
---	---

<p>[174] Rydym ni'n symud ymlaen yn syth i eitem 4, ac wedyn byddwn ni'n cael seibiant ar ôl hynny, ac felly byddwn ni'n aros ar gyfer y tystion i ddod i mewn. Diolch yn fawr iawn.</p>	<p>We move on straight away to item 4, and then we'll have a break after that, and so we will wait for the witnesses to join us. Thank you.</p>
--	---

## Cyllid Celfyddydau nad yw'n Gyhoeddus Sesiwn Dystiolaeth 2 Non-public Funding of the Arts: Evidence Session 2

[175] **Bethan Jenkins:** Diolch a **Bethan Jenkins:** Thank you and chroeso. Rydym ni'n symud ymlaen welcome. We move straight on to yn syth i eitem 4, sef cyllid heblaw item 4, which is non-public funding cyllid cyhoeddus ar gyfer y of the arts, and this is evidence celfyddydau: sesiwn dystiolaeth 2. session 2. Welcome to the witnesses, Croeso i'r tystion, sef Paul Kaynes, namely Paul Kaynes, National Dance Cwmni Dawns Cenedlaethol Cymru; Company Wales; Michelle Michelle Carwardine-Palmer—I hope I've gobeithio fy mod i wedi cael hwn yn pronounced that correctly—from iawn—National Theatre Wales; National Theatre Wales; Leonora Leonora Thomson, Opera Thomson from Welsh National Opera; Cenedlaethol Cymru; a Mathew and Mathew Milsom from Wales Milsom, sef Canolfan Mileniwm Millennium Centre. Thank you very Cymru. Diolch yn fawr iawn i chi am much to you all for joining us today ddod i mewn yma heddiw ar gyfer yr for this important inquiry. We start ymchwiliad pwysig yma. Rydym ni'n with questions from Members, if dechrau gyda chwestiynau gan that's okay, on a number of themes, Aelodau, os yw hynny'n iawn, ar nifer so Jeremy Miles is going to start with fawr o themâu, felly mae Jeremy business support. Thank you. Miles yn dechrau gyda chymorth busnes. Diolch.

[176] **Jeremy Miles:** Diolch. Thank you, Chair. I don't think that each organisation needs to answer each question, necessarily, so you can—. Perhaps it will develop organically, but don't feel compelled to do that unless you have something particular that you wish to say.

[177] Really, I'd welcome your thoughts on how business support for the arts, for your companies, effectively, has changed in recent years and what that has meant for fundraising effort across the various companies that you represent—just trends in recent years, really.

[178] **Mr Milsom:** Wales Millennium Centre raises a significant amount of money from private and public sector funding—around, on average, £1 million to £2 million over the past six or seven years—and it's difficult, and it's getting harder, and it's got much harder over the past two or three years. The specific reason for Wales Millennium Centre having to work harder for



that is we were able to attract, in previous years, a significant amount of money from national companies—banks and corporate organisations that have a UK-wide presence. The trend in those bigger organisations over the past two or three years is to support bigger, huge-impact national campaigns, rather than regional—

[179] **Jeremy Miles:** You say ‘national’—UK-wide you mean, yes?

[180] **Ms Milsom:** UK-wide, yes.

[181] **Jeremy Miles:** Okay, thank you.

[182] **Ms Thomson:** I would echo that it’s got much harder. I’ve only been in Wales for a couple of years, but certainly across the UK, everyone has found it much harder in terms of business support. It goes back to, in fact, what Arts Council of Wales were saying as well, around the decision making being very London based. I’ve noticed that, coming to Wales. We do raise some business support, but, actually, it’s getting harder rather than easier, as my colleague said.

[183] **Mr Kaynes:** I would add to that that the majority of our business support is in kind; it’s much more difficult to access cash support but, certainly, in-kind support from a whole range of different sectors is feasible for a company of any scale, and that’s a trend that is not only true in Wales but also across the UK. Certainly, my previous experience working in England was that, increasingly, businesses were moving their support to in-kind support, and where cash support was available, relatively small sums of money were being controlled by regional sponsorship directors—you know, a few thousand pounds rather than anything larger.

[184] **Jeremy Miles:** Just on that, if I may: when you say ‘in kind’, what does that look like?

[185] **Mr Kaynes:** Well, we receive in-kind support from accommodation providers, from professional services bodies, from the catering industry—that sort of thing—when we’re putting on events or reducing, or indeed cancelling the cost of, say, some of our professional services.

[186] **Jeremy Miles:** Okay, so that’s a discounted or—?

[187] **Mr Kaynes:** Discounted or free. Most of it’s free.

[188] **Jeremy Miles:** Right. Okay, thank you

[189] **Ms Carwardine–Palmer:** In our response, I was writing more about our perception of the landscape in terms of corporate within Wales, and I think, obviously, we're all very much aware that we've got only one FTSE 100 organisation that works within this nation, and that we are known as a small and medium enterprise nation in terms of employing 10 people or fewer, so the economics are very different to England. And for a national organisation such as ourselves, obviously the most natural relationship would be another corporate that also works within a similar capacity, because we're not always in the same place at the same time. So, the relationship is going to have to be a very different relationship in terms of the more traditional engagement with corporates.

[190] **Jeremy Miles:** Can I just ask anybody, really: when you're approaching businesses for cash support or perhaps even in-kind support, are those conversations being had in Wales or are you having conversations with a London headquarters or a headquarters outside Wales? How does it typically work?

[191] **Mr Milsom:** Predominantly, given the landscape, most of those conversations will happen in Wales, and particularly in south-east Wales. It's the scale. It depends at what level you're having those conversations, and it depends where the conversations take place. So, as I mentioned, if you're UK-based, then it's in London. If it's predominantly Wales-based, of which there aren't many, so you have to go in at a different level, a multi-faceted approach across all of those corporate sectors—.

[192] **Jeremy Miles:** [*Inaudible.*] So, you're understanding of what the scale of the support is that you'd like to get—

[193] **Mr Milsom:** Correct.

[194] **Jeremy Miles:** —and whether it's in cash or in kind.

[195] **Mr Milsom:** Yes.

[196] **Jeremy Miles:** And that will then guide your destination in terms of where you feel it's most realistic to start the discussion, basically.

[197] **Mr Milsom:** [*Inaudible.*—the work that's taken place as well. So, as much as there will be a scale approach, there's also a huge amount of research that has to take place in alignment with like-minded organisations that might want to support that work as well.

[198] **Jeremy Miles:** Right, okay.

[199] **Ms Thomson:** Could I add to that? There's also—. What I think has come apparent, and I think it's UK rather than just Wales, is that, actually, whereas business used to sponsor something maybe 10 years ago by giving what seemed like a load of cash to something that they supported, actually, more and more they are expecting very tailored projects that then, of course, cost to put on. So, you could more easily in past times say, if you were a gallery, for example, 'I've got this amazing exhibition. Would you like to put £100,000 into it?' Nowadays, it's much more around tailoring it so that they can meet corporate and social responsibility agendas.

[200] **Jeremy Miles:** What sort of conversations are happening around that? What does it feel like?

[201] **Ms Thomson:** Well, we try and engage with businesses around their—it sounds rather jargony—prime values, around what their objectives are for the business, see where that aligns and then see whether there's something that—because we're constantly trying to get money for the bottom line rather than for extra activity—aligns to something that we're already doing, but we can maybe dress up in a different way, or whether we actually then have to think how we create a project that will meet the aims of the funder. But then, of course, you're not changing the balance in terms of the funding because you're creating new work, and that costs money.

[202] **Jeremy Miles:** And that relates to—. Presumably, that isn't a conversation you necessarily have around in-kind support, or is it?

[203] **Ms Thomson:** No, I don't think so.

[204] **Jeremy Miles:** It's maybe about the cash support that drives that sort of discussion.

[205] **Ms Thomson:** Yes, absolutely.

[206] **Jeremy Miles:** Okay. So, it sounds to me, from what you're saying, as

though it is the case that the content profile that you each devise, if I can put it like that, will be influenced materially in some cases by the nature of the funding available. Is that fair? I don't want to put words in your mouth, but—.

[207] **Mr Milsom:** No. I think what you'd probably do is you'd be very clear on the vision of what you were trying to achieve through something, and then you'd partner and collaborate with other organisations you knew that fed into. So, no, there wouldn't be—. Well, I can only speak on Wales Millennium Centre's behalf here: we would try to get in at the genus of the idea and then—. To take that forward from a development perspective—it takes, on average, 12 to 18 months for that to come to fruition.

[208] **Jeremy Miles:** Okay. Can I ask any of you if you've worked with Arts & Business Cymru and what your experience has been?

[209] **Ms Carwardine-Palmer:** Our experience has been predominantly through the creative internship programme. So, we've been fortunate to host two creative interns in the last three years. They've both been year 2 graduates, so they haven't been the graduates coming straight out of college. Our experience has been very much a positive two-way street, which is that we've been able to support that individual to gain the skills and the experience in order for them to gain full-time work and continue to work within a fundraising capacity—one of whom is still with us, which is great. Equally, it's provided the organisation with much-needed capacity in order to deliver against some of the priorities that we have identified. So, for those who might not know the organisation in this room, we're quite a small organisation, even though we wear the heavy load of 'national' as a brand. So, there are only 15 members of staff, so in terms of capacity, that is one of the regular conversations that we have around how we get the best rate of return against the capacity that we can deliver against with the workforce that we've got.

[210] **Jeremy Miles:** So, it's been valuable to you.

[211] **Ms Carwardine-Palmer:** It's been valuable to us, yes.

[212] **Mr Kaynes:** I will tell the next chapter in that story, in a sense, in that we were fortunate in being able to employ an Arts & Business Cymru intern last year—our first fundraising member of staff who we had been able to employ. She came to us with a very good range of skills and, as a result, we've been able to raise money. I think that's a tribute to the training and the

quality of the experience that she had on her creative internship. We're also members of Arts & Business Cymru and we also attend their training. So, for instance, we attended the training that Nick Capaldi referred to earlier, when a number of trusts and trust managers from London were brought to Cardiff for a day of meeting and of talking, and that introduction then led directly to a significant investment that we've recently secured.

[213] **Jeremy Miles:** So, around building capacity effectively within your organisations to be able to raise funds, that's the general description for their support.

[214] **Ms Carwardine-Palmer:** Certainly from our point of view, yes.

[215] **Mr Milsom:** We've benefitted from that as well, but more from the potential of employability—of bringing those interns into a larger organisation that is looking. So, we've worked at that from finding potential employees. We've worked with Arts & Business Cymru for a number of years, since the inception of the Wales Millennium Centre. They've introduced us to a whole range of potential supporters. They host a very successful annual dinner that puts all the businesses that are interested in arts and culture and philanthropy in a room together with the organisations that need their help and celebrate it, and I think they do a good job.

[216] **Jeremy Miles:** Thank you.

[217] **Suzy Davies:** Just following on from that—[*Inaudible.*]*—the brand of 'national', which places a greater responsibility on your shoulders there. I'm getting a sense that when it comes to business or even individuals giving, obviously as bigger organisations, you get a better chance of getting money out of them than do the small organisations, but you also have a paternal responsibility for looking after smaller organisations in your art forms or in your areas. How does what you're learning and what you're getting, say from A&B Cymru or from business input help those smaller arts organisations? Are they feeling the love as well?*

[218] **Mr Milsom:** I think in general terms there is a macro approach. I think all of the national companies—the four here and the larger group—would say that they are comfortable with our leadership-type role across the whole of the sector, especially from a capacity basis. So, if we're able to—especially the larger organisations, and Leo and I run the largest organisations—there is a generosity within the industry to share best practice and skills, not just

in philanthropy, but across the whole nature, which we do as well. That's not formalised in an approach and it's probably not consistent. Again, it's to do with relationships and understanding.

[219] **Suzy Davies:** So, you wouldn't go as far as advocating on behalf of one of the smaller companies when they're looking for business support.

[220] **Mr Milsom:** Not from a philanthropic nature, but if it were a shared project, and there is a lot of that that happens—I think most of the projects that we've undertaken over the past two or three years haven't just been a Wales Millennium Centre-centric—. They've involved a whole range of organisations within Wales, both within the arts sector and outside of the arts sector as well.

10:45

[221] **Suzy Davies:** Is that a fair reflection? I'm just trying to get a sense of how closely guarded any access to cash is for you.

[222] **Ms Thomson:** I think you can't deny that, actually, it's a competitive business. It was said earlier, and it really is, actually. So, joint fundraising can be tricky. The individual side of things, I have to say, is really built on personal relationships, often, and we are all, despite our size, really needing to bring in the money. So, if one was working on a joint project, that is one thing, but, actually, still then, you'd probably be going to your own relationships that you've already created. So, that can be tricky, and I think that we offer support in different ways to companies, but not so much with regard to the individual giving.

[223] **Suzy Davies:** I'm happy with an honest answer on that one. Rather than take much more time, perhaps I can ask this wider question. There are not many high net worth people in Wales. The chance of getting to individuals to really make a material difference to your levels of support from non-public funds is limited. We've had suggestions that the Welsh Government should support a national advocacy campaign on behalf of the arts to raise the profile of what you do and why it's worth individuals supporting you. Do you think it's a good idea, and, if you do, who do you think should be doing it?

[224] **Mr Kaynes:** It is an interesting idea. It seems to us, I think, collectively as national companies, that the profile of culture and the arts within Wales as

a whole is not as high as it could be, and, perhaps, if you think about some English regions—an interesting example would be the north-west of England, where I think it's true that both business people, business leaders, and individuals are very aware of the cultural offer of cities like Manchester and Liverpool, and are probably champions and advocates for that work, and I think, as a result, there's a closer relationship, for instance, between arts organisations and businesses. I can't give you data about individual giving, but it would be interesting to look at individual giving to those organisations in the north-west of England. And that's to do with the fact that there's been a large focus on the cultural offer of that region. If you think about Manchester's festivals programme over the last 10 to 15 years, which I suppose started with the Commonwealth Games, and grew from that, and the commitment to supporting small-scale creative industries, and individual traders, lone traders, and giving them an opportunity to grow and make sustainable businesses—

[225] **Suzy Davies:** Would it be fair to say then—obviously, you've just quoted two cities there—that any version of this is inevitably going to coalesce around a big population site, which is basically Cardiff, possibly—well, the south Wales corridor in Wales—and maybe the very corner of the north-east?

[226] **Mr Kaynes:** Maybe, although of course the population of Wales as a whole is as great as that of Greater Manchester, so—

[227] **Suzy Davies:** And with very, very different challenges.

[228] **Mr Kaynes:** Very, very different challenges, of course, but it's about whether culture and the arts are the heart of the brand of Wales, I think. And I think that's something that can be achieved by an area of any population or population density. If arts and culture are at the heart of the brand of Wales, then immediately that makes our jobs much more straightforward in talking to business people, and indeed philanthropists, around money.

[229] **Suzy Davies:** Thank you. Would you roughly all agree? Rather than go through you all—. Okay, that's great. Thank you very much.

[230] **Bethan Jenkins:** I just wanted to ask a small question myself. Whenever I meet people from smaller organisations, they say—probably not what you want to hear, but they say the larger organisations should have less public funding so that you could potentially raise more from private investment

because you would have the capacity to do so, so that would free up the public funding via the arts council and such, so that they then wouldn't have to struggle cheek by jowl. I was wondering if you concurred with that analysis, or whether you have the same challenges, but potentially on a wider, on a higher, scale.

[231] **Mr Milsom:** I think, again talking about the Wales Millennium Centre, it's the same challenges on a larger scale. To give the committee a flavour of how well-established the cultural argument is in Wales, we receive over £3 million a year direct from Arts Council of Wales. We have a turnover of between £25 million and £35 million a year. We think we generate in the region of £60 million to £70 million into the local economy. So, when you look at the ability of the larger organisations to ratchet or to monetise, it's roughly one in six for Wales Millennium Centre. We're massively different because we're a venue, so we have a whole economy around. But, fundamentally, what we have to do is create work of a quality that can generate that kind of economic impact and the visitation. That requires the smaller organisations around Wales and us linking across all of those networks to enable work to come through. So, there's a wider ecology than just small and large—it's about the connectivity of the whole sector.

[232] **Bethan Jenkins:** Okay, thanks. I just wanted to throw it in because I hear it all the time. Lee Waters.

[233] **Lee Waters:** Yes. I'd just like to ask briefly about the relationship with the London trusts and foundations. It's often said, from their point of view, that the reason they don't give more to Wales is that the quality of the applications isn't good enough. I wonder what your perspective is on that.

[234] **Ms Carwardine-Palmer:** Our personal perspective of that is that I think we reversed that trend in as much as we've done rather well in terms of large trusts and foundation funds from London-based organisations. And I think, since the inception of NTW, and it's not entirely—it's a sea change in a more general sense, but, certainly, in the last five or 10 years, trusts and foundations have seen, definitely, an increase in the number of applications being made from Wales, and the quality has been competitive. But I think there's more to be done in terms of the skill set around that, and I think confidence has a lot to play into that as well, as a nation, in terms of building the ability to be making those bold approaches and to go beyond the borders of Wales to—



[235] **Lee Waters:** So, you think it's our issue, not their issue.

[236] **Mr Kaynes:** Could I add to that? I don't think it's necessarily just a question of applications. I don't think that a very well written application is necessarily going to unlock the funds. It's about building relationships and trust. So, what we at National Dance Company Wales started doing two years ago was targeting a number of the larger trusts and building relationships with them. That meant meeting them. It meant talking to them. And it was quite late in the process where we were ready to make an application. Now, of course, that's easy to do if you've got the resources to be able to be in London all the time. It's a struggle for us because it means that we have to take people away from Wales and make sure that they're available in London to talk to those people, and it's particularly difficult, I would say, for smaller organisations who don't have those routes in to meet those people and develop the relationships. So, what we've done, I think, and probably all the national companies do this, is think about, if you like, our London strategy—how we are represented in the capital of England, and how we develop our relationships with the trustees and the trust managers, not only through staff but also having board members and trustees who have those connections. And it's a long-term relationship. We recently received a major grant from Esmée Fairbairn, and it only came as a result of really a year's quite intensive work with them, building their trust in the direction of the company, the vision of the company, the brand values of the company and the detail around the work that's being delivered. And, as was said by our arts council colleagues earlier, much of this activity that they fund is extra and additional. It's not core. It's usually about creating a new strand of work, usually focused on community participation opportunities as well as performance or the showing of work.

[237] **Ms Thomson:** I think there's also one other thing to add, going back to the application process. For example, we are, at the moment, going through an application to an investment bank foundation for potentially helping us develop some better IT systems, but, my goodness, it's a really complex process. We are lucky enough to have members of staff who can help with that, but if I didn't have those people it would be very different. So, the amount of effort that has to go into that, the amount of analysis, the amount of showing about cost-benefit, rationalisation—all of that is complex stuff. So, actually, sometimes, there may be times when smaller companies aren't able to do exactly what some of the bigger foundations want. Is that fair?

[238] **Ms Carwardine-Palmer:** I'd also say that it doesn't get any quicker, either. So, even if you have got a really strong relationship with a large trust foundation in London, it doesn't necessarily mean that your next application's going to be three months' less work and effort. It's still a two-year process according to the size of grant that you're obviously trying to go for. So, yes, it's a lot of time.

[239] **Mr Milsom:** And, just to add, I think the point has been well made: the type of work that the trusts and foundations support is transformative in nature. So, they are looking for big, huge impactful projects, pieces of work, that don't just speak to the arts sector—they speak to arts, they speak to health and well-being. So, it actually requires our organisations to engage with the wider sector as well. For a small arts organisation, that is just well beyond their capacity to even think about the scale of making that approach. Then, even if they were successful at a smaller level, that would either be a one-off, but it wouldn't be sustainable with a core-funding basis.

[240] **Bethan Jenkins:** What would help them to be able to reach that capacity that you can, even though it's hard?

[241] **Mr Milsom:** What would help them? There's definitely a capacity issue within Wales, and within our organisations, I would say. So, it must exist in the smaller organisations. There's the potential, I think, for a national approach to this, which hasn't been—. I think Wales, going back to the point made earlier about people fighting their own battles and their own corners, and it is competitive—so, perhaps if there's a way of elevating that on a national scale and raising money towards cultural activity for all the kinds of benefits that that brings on a national basis, there may be some scope in that; but no-one's scoped that, to date. We've all been fighting our own corners, to a degree.

[242] **Bethan Jenkins:** Okay. Thanks. Neil Hamilton.

[243] **Neil Hamilton:** Well, Wales is a nation, and there's a brand value in that. You are national companies with an international reputation, and you tour extensively. The border is indiscernible in physical terms. We have two English conurbations on our doorstep—Bristol, and Liverpool and Manchester in the north. You've been eloquent in your praise for what's happened in Manchester. They don't have national companies, although you've got the Hallé and the Royal Liverpool Philharmonic Orchestra—companies with international reputations, but not quite in the same way that we have

companies based here in Cardiff. We have rich Welsh people who work and live outside Wales. We need to bring all this together somehow. Maybe you're doing this anyway, I don't know—collectively and individually. It strikes me that there is scope here to do things that, maybe, are not being done. An interesting piece of evidence that the national dance company gave us was that, also, as regards box office, you get paid 40 per cent on average of what venues pay you elsewhere in the United Kingdom. I don't know whether that's a common experience of other companies too. What is the most urgent thing that you think we can do to bring all these things together and improve your situation? Answers on a postcard, please. [*Laughter.*]

[244] **Ms Thomson:** You've stunned us into silence there. I think the issue around, essentially, the sort of brand 'arts Wales', and doing some kind of campaign, or not necessarily a campaign but a sort of ongoing messaging around the importance of the arts to Wales is something that I feel—. It would probably be a combination of Government, Arts Council of Wales, and maybe, I think somebody suggested Creative Wales earlier. I don't know too much about that yet. So that the arts begin to be almost—it's a bit facile, but almost rank on the same kind of scale that sport does with regards to Wales as an entity. This is a bit of a lobby, but, just on an aside, there is something that we all would, I think, benefit from, and smaller companies too, around the planning process and three-year funding from the public funding side of things—I'm sure you will have heard this before—which actually would allow better planning and more—what's the word I'm looking for? Essentially, better stability, which would then allow, in some ways, one to free oneself up to do more of this. I think those are my two.

11:00

[245] **Mr Kaynes:** I'd add to that. One of the ways in which many of us provide a healthier mixed economy for our organisations and drive up our earned income is through international touring, which is more lucrative than UK touring. And as long as we can get the balance right—and, of course, what we wouldn't want to do is to be forever overseas and never in Wales, because that would undermine our purpose, but, if we can get the balance right, we can use that international earned income as a way of supplementing and providing the work, sometimes not only the touring work we do, but also the community and participation work we do across Wales. In fact, that's exactly how we operate. We use that significant earned income from our international touring to supplement what we do here.

[246] **Neil Hamilton:** The arts council's evidence to us included this statement:

[247] 'there are a number of ways that more co-ordinated support could be given to companies and micro companies (often creative professionals) to grow new international markets'.

[248] In what way do think we might be able to do that?

[249] **Mr Milsom:** I think we've discussed at the national level meeting before a Wales-in-something week, where, all the national companies, we're able to showcase the best of our wares on an international scale and at an international level. That's been trialled in certain areas. The National Dance Company, WNO, have toured internationally, but the ability to have in Dubai the Welsh National Opera plus the Wales Millennium Centre plus the National Dance Company—that goes back to the whole business model and the stability of approach around that. But that would showcase Welsh culture on a world stage.

[250] **Mr Kaynes:** In fact, you could argue that it would showcase Wales on the world stage. It could be part not only of the promotion and profiling of the cultural offer but of the businesses of Wales, of the visitor offer of Wales, and so on. Some join-up across those sectors—the tourism sector, the business sector and the cultural sector—I think is one that could benefit all those sectors, creating a whole that is more than the sum of its parts.

[251] **Bethan Jenkins:** Sorry, Matthew, I wasn't quite understanding what you said. When you said 'Wales-in-', do you mean taking Wales to different countries?

[252] **Mr Milsom:** Yes. That's correct, yes.

[253] **Bethan Jenkins:** So, you would choose a different country at different times of year, but with all the national companies involved.

[254] **Mr Milsom:** Yes.

[255] **Bethan Jenkins:** Okay. Fab. Neil, anything else?

[256] **Neil Hamilton:** Have I got time to ask more questions, or—?

[257] **Bethan Jenkins:** Well, I cut you off the last time, so—.

[258] **Neil Hamilton:** No, that's fine. I'm not proud, as you know. Or precious. [*Laughter.*]

[259] **Bethan Jenkins:** Okay. Thank you. Jeremy has a small question, you see, so—.

[260] **Jeremy Miles:** It just ties in to the international aspect and the individual giving. What's your impression of (a) the potential capacity of, and any work in relation to, funding from the Welsh diaspora in other parts of the world? What's happening there?

[261] **Mr Milsom:** You all know there is a huge Welsh diaspora. I think it is an untapped market, potentially, but, again, if it's difficult to raise money within Wales and within the UK, it will be even more difficult to raise money from that diaspora. It will need a huge amount of research going into that to find out where those alignments could potentially be, in exactly the same way. So, what you're talking about actually is scaling up that whole approach from a Wales to a UK national into an international—. That will take a lot of initial investment to do that.

[262] **Jeremy Miles:** But you think that, with that investment, there would be potential for your companies to—. In a sense, the answer to that is obviously 'yes', isn't it, if, yes, it is there. But what's the scale of it? I don't suppose you can tell, can you?

[263] **Ms Thomson:** No. Really, one can't tell. I think there's a combination of both individual, potentially, but actually also Welsh business links as well. And, you know, we are exploring a couple of things. We've got one particular link; we're going to Hong Kong next year to the festival and we've managed to raise a little bit of business support from a business that's based out there but has links back to Wales—the person who runs it grew up in Wales. So, there are possibilities, but, again, it goes back to whether you're then creating special work in order to pull that money in and then whether that actually works economically.

[264] **Jeremy Miles:** Sure, sure. Okay.

[265] **Bethan Jenkins:** Are you linking up with the trade shows or the international trade opportunities that the Welsh Government takes

internationally as well, then?

[266] **Ms Thomson:** We're trying to look at that more. I feel there's much more that we could do there, but there are only certain places that we can go at certain times. So, for example, if you're going to a festival, an arts festival, in a country, that is on at a particular time and so therefore other things have to shift. But, actually, funnily enough, I believe that a trade mission next year has shifted forward a week to chime with our being in Hong Kong. So, that can happen, and I think it's really positive and it should happen more.

[267] **Mr Milsom:** I think we do, and I think we're aware and we have great links. Going back to the point that Paul made, though, that ability to scale that up into not just a trade mission with a cultural part to it, but a brand Wales approach on a larger scale that includes trade, sport, culture, and celebration of Wales internationally, rather than a specific inward investment trade and, 'Oh, by the way, do you want to see what great culture we have, or what great sport we have?' Wales has plenty of jewels that are not understood internationally. We all have international linkages. We all think we're pioneering, to a degree. We're not. We're just under-represented on the global stage.

[268] **Bethan Jenkins:** Symud ymlaen **Bethan Jenkins:** Moving on now to nawr at wirfoddoli. Hannah. volunteering, and Hannah.

[269] **Hannah Blythyn:** Thank you, Chair. The arts council has described the unpaid time committed by artists and creative professionals in the sector as one of the most significant sources of non-public funding in the arts. I was wondering how significant and on what scale do you think the role of unpaid volunteers is in your own organisations, and do you think it would be beneficial to the sector to have a clearer picture on the role that does play?

[270] **Mr Milsom:** Yes. We worked with the National Theatre Wales last year on City of the Unexpected—5,000 volunteers, over a weekend, in Cardiff. So, there's plenty of evidence that people engage with the work that we do. On an ongoing basis, we've just introduced this year volunteers in the Wales Millennium Centre—100, 150, registered to create those opportunities to engage, and I think every single one of our boards is a volunteer board, which, talking from a Wales Millennium Centre perspective, brings a huge amount of skills and experience into the organisation that's all done on a pro bono basis. Whilst I don't think that element gets recorded, I think we do capture the participants. I think that's an undervalued part of the volunteer

programme into arts and culture within Wales, the element of experience that people bring in to help us run our organisations as efficiently and effectively as possible.

[271] **Bethan Jenkins:** Anybody else, quickly?

[272] **Mr Kaynes:** I would add something about a different kind of volunteering. We've recently started running a number of programmes where we're using dance as a way of benefitting people's health. So, we run a regular Dance for Parkinson's programme here in Cardiff, and shortly starting in Blackwood. And we're about to start a two-year-long programme where we're looking at the way that dance can prevent people from falling—so, people at risk of falling, or people who've had a fall—in the Swansea and Carmarthenshire areas, in connection with a large-scale UK programme. Both of those programmes have significant volunteering opportunities—so, people who want to support that work in the studio by either acting as carers for the people who are coming to the event, helping administer and run the event. We've seen a huge amount of interest from people in being part of that kind of really community-based activity where they can see the benefit to the participant—to the person who is part of the session—happening before their eyes.

[273] **Ms Carwardine-Palmer:** I just wanted to add another dimension as well, actually. I think the other big area—and I think this is where the arts council are touching upon—is actually the fact that we're a nation of small and medium-sized enterprises, but we're also a nation of freelancers. So, the individual is vulnerable in terms of their sustainable practice, and there aren't as many arts organisations compared to England or wherever. I think it's how you identify how many 'volunteer' hours a freelance practitioner is actually giving into the industry. It will be enormous. That would be very difficult to sort of—. It needs to be acknowledged, but how you actually quantify that would be quite tricky.

[274] **Hannah Blythyn:** Okay. Thanks.

[275] **Bethan Jenkins:** Interesting point.

[276] Symud ymlaen yn awr at Moving on now to other forms of ffurfiau eraill o gymorth ariannol— financial support—Dawn Bowden.  
Dawn Bowden.

[277] **Dawn Bowden:** Can I just ask you a couple of questions on—well, first of all, around VAT, gift aid, tax relief, and so on? I think you mentioned some concerns around that, about the conflicting rules about it and how you can benefit from it or not. Can you just expand a little bit more about your concerns in that area, and whether you've actually, any of you, raised this with the UK Government?

[278] **Ms Thomson:** Shall I talk to that? The key thing here—and it's a really complex issue and one of the problems is its complexity, so it takes a long time and takes a lot of our capacity up, actually—is the definition of a benefit. And the definition of a benefit is different for VAT than it is for gift aid, which leads to loads of complications. So, for example, with VAT, if we were, as part of somebody's gift, somebody's philanthropy, to take them backstage to meet the conductor, which is a nice thing to be able to offer—one of those 'money doesn't buy' experiences—actually, the VAT people want you to quantify how much that costs. So, it's all very well inviting people to a reception and saying, 'Well, we know that if we give them one glass of wine and a twiglet, it'll be'—there's a very nice Wales Millennium Centre twiglet—'£2.45', but, actually, on those kinds of things, it's really difficult and it just makes for huge complexity and means that we're spending money on VAT consultants that could be spent elsewhere, and others will be too. It might be because of the scale of what we're doing that that is worse for us, but I would think that most—. There's been a real crackdown from the VAT side of things around what in membership schemes in arts organisations generally is VAT-able or not, and that has been very difficult for the arts to cope with, and it's a disincentive to actually give and to be philanthropic in some ways. It has been raised ad nauseum, actually, with—. No, that's a bit unfair—it has been raised a lot, not personally by me, but through other channels, to the UK Government, but it seems to be getting more complex rather than less complex.

[279] **Dawn Bowden:** And you've clearly not had any positive response from the UK Government on that.

[280] **Ms Thomson:** Not that I'm certainly aware of at the moment.

[281] **Dawn Bowden:** But the representations have been made.

[282] **Ms Thomson:** Yes.

[283] **Dawn Bowden:** Okay. Can I just ask you one other thing? When the arts



council were giving evidence, they talked about an idea around social impact bonds. Do any of you have any knowledge of this or idea of what these are? I think there's something similar that runs in England where arts companies that can show that they're having some kind of social impact in communities, particularly, can access a fund that might help that. Have you had any thoughts on that? Do you know anything about something similar or—?

[284] **Mr Milsom:** We don't—. I don't, no.

[285] **Ms Thomson:** No, we're—.

[286] **Dawn Bowden:** That's fine. That's fine. Okay, any other kind of innovative things that we haven't already discussed and you haven't already put on the table today that we could think about in terms of funding streams?

[287] **Ms Thomson:** As in Government incentives, or—.

[288] **Dawn Bowden:** Well, anything really—anything that fits into the terms of this inquiry, i.e., this non-public funding. We've covered quite a few in the other evidence sessions as well. It was just whether you had any thoughts or ideas.

[289] **Mr Milsom:** It was interesting in the budget yesterday regarding the potential overnight tax that's being introduced. The reason why that's of particular interest to Wales Millennium Centre is that we get over 1 million visitors a year.

[290] **Dawn Bowden:** Tourists.

[291] **Mr Milsom:** Yes, tourists. So, if there is a way of not just raising the tax but specifying what that tax would be used for and in support of—. You know, what is it that attracts a visitor to Wales? It is culture, it is art, it is sport—all of those things that make up our culture. So, if there was a potential of raising £1 a night or stay, or something like that, which then specifically gets you to support the culture and creative industries, I think—. Other cities use that worldwide. Major cities have an overnight tax. And the reason why it's also interesting for us is we've put within our ticket fees, four or five years ago now, a restoration levy, which is a maintenance charge, in effect, for keeping the Wales Millennium Centre in the shiny nature that it currently is in. That's well established. So, from an industry and from a

sector point of view, there's obviously a potential downside to that on the pricing and the socioeconomic factors, but, if there was an ability to raise those levels of revenues and ensure that it goes back into the pot for culture and creativity, I think that would be a good idea. And, not to hog the ideas, but the national campaign side of what we've raised, and really working on the scale, rather than on the individual nature of the organisations within it, and really concentrate on a 'brand Wales' approach to either potentially raising commissioning pots, or there's a music endowment fund, which I think is a fantastic idea. So, let's see what happens there and see whether there is a potential roll-out of that.

11:15

[292] **Ms Carwardine-Palmer:** Moving on from the endowment fund as well, I think somebody mentioned in some of the literature the question around inheritance tax and, obviously, the American model, and making sure that there is incentivisation in terms of being able to feel that you can give a large legacy or to start an endowment fund. I think that does have quite a lot of conversation and traction to consider.

[293] **Dawn Bowden:** Okay. That's helpful, thank you.

[294] **Suzy Davies:** [*Inaudible.*]—inheritance tax anyway in this country. So, maybe there's a lot of work to be done there, then.

[295] **Bethan Jenkins:** Ocê. Mae yna gwpwl o gwestiynau ychwanegol gyda ni, ond rydym ni'n mynd i ysgrifennu atoch chi, os yw hynny'n iawn, gan ein bod ni'n brin o amser. Ond, diolch yn fawr iawn i chi am ddod mewn. Ac os oes unrhyw syniadau newydd yn dod atoch chi, yn sgil y gyllideb, neu yn sgil unrhyw botensial o gyhoeddiadau newydd gan y Llywodraeth yn y misoedd i ddod, yna plîs cysylltwch â ni fel pwyllgor achos bydd yr adolygiad yn mynd yn ei flaen. Ond diolch yn fawr iawn i chi am ddod mewn yma heddiw.

**Bethan Jenkins:** Okay. There are a few additional questions, but we'll write to you if that's okay, because we are short of time. But thank you very much for joining us. And if you have any further ideas, following on from the budget, or any potential with regard to new announcements by the Government in the months to come, then please do get in touch with us as a committee because the review will be continuing. But thank you very much for joining us today.

[296] Rydym yn mynd i gymryd **Bethan Jenkins:** We're going to take a seibiant o gwpwl o funudau nawr. short break now for a few minutes. Diolch. Thank you.

*Gohiriwyd y cyfarfod rhwng 11:16 a 11:26.  
The meeting was adjourned between 11:16 and 11:26.*

**Yr Adolygiad Annibynnol o Gymorth ar gyfer Cyhoeddi a Llenyddiaeth  
yng Nghymru: Sesiwn Dystiolaeth 4  
The Independent Review of Support for Publishing and Literature in  
Wales: Evidence Session 4**

[297] **Bethan Jenkins:** Eitem 5 ar yr agenda yw'r adolygiad annibynnol o gymorth ar gyfer cyhoeddi a llenyddiaeth yng Nghymru, sesiwn dystiolaeth 4. Croeso i'r dystion, sef yr Athro Medwin Hughes, cadeirydd yr adolygiad penodol yma, yr Athro Elin Haf Gruffydd Jones, is-gadeirydd, a Martin Rolph, sef ymgynghorydd. Diolch i chi i gyd am ddod.

**Bethan Jenkins:** Item 5 of the agenda is the independent review of support for publishing and literature in Wales, evidence session number 4. Welcome to the witnesses, namely Professor Medwin Hughes, chair of this specific review, professor Elin Haf Gruffydd Jones, vice chair, and Martin Rolph, consultant. Thank you to you all for attending.

[298] **Mr Rolph:** Nid oeddwn yn ymgynghorydd i'r panel; roeddwn i jest yn aelod o'r panel.

**Mr Rolph:** I wasn't a consultant to the panel; I was just a member of the panel.

[299] **Bethan Jenkins:** Diolch am gadarnhau hynny ar gyfer y record.

**Bethan Jenkins:** Thank you for confirming that for the record.

[300] Rydym yn mynd i fynd i mewn i gwestiynau yn syth, os yw hynny'n iawn. Mae yna gyfres o themâu, ac wedyn os oes gyda chi unrhyw beth ychwanegol i'w roi, rydym yn hapus i gael hwnnw ar y diwedd. Awn yn syth felly at eich ymateb chi i'r sefyllfa bresennol, ac mae Neil Hamilton yn

We're going to go straight into questions, if that's all right. There are a series of themes, and then if there is anything you'd like to add, we're happy to receive that at the end. So, we'll go straight to your response to the current situation and Neil Hamilton is leading on these

arwain ar hyn.

questions.

[301] **Neil Hamilton:** Professor Hughes, your report has led to quite an explosive reaction in some quarters. I just wondered whether you were surprised by the strength of opposition that it has generated.

[302] **Professor Hughes:** I wasn't surprised at the emotion that was engaged in the response, based upon reading the significant evidence we received from stakeholders. You'll note from the report that we received over 800 representations. I would encourage the Cabinet Secretary to release those. It would be well for those to be released. They offered, I think, important information from a range of stakeholders. There are very strong feelings about the activities linked with the sector and they reflect, I think, the diverse views linked to publishing and literature in Wales. They reaffirm the excellent work that's going on, but also that there are divisions. Therefore, to answer specifically the question, was I surprised? No. Surprised perhaps in some of the processes that have been taken to express the differences, but, no, it reaffirms. People are very emotional about the arts, about literature, which is excellent, but it also raises several questions, I think.

[303] **Neil Hamilton:** Well, we hope to be able to answer those by the end of the session. So, how have you sought to resolve the concerns that have been raised—the obvious one is Literature Wales—following publication of the report? What are the next steps here?

[304] **Professor Hughes:** It may be worth reminding the committee that we were asked by the Cabinet Secretary to undertake a piece of work in the context of answering a class question about very focused terms of reference that looked at the relationship, the appropriateness of Government funding to support publishing and literature and the appropriateness of the relationships between organisations. It's worth noting and marking this: in my history of links to the culture committee, since the establishment of the Cynulliad, it's the first time for a Cabinet Secretary to ask—. It's an important question, which allows us, I think, in the context of a devolved Government, to look at the questions of is it fit for purpose and why are we doing it. We answered a question. We presented the report. Clearly, the report, or the narrative about the recommendations, has been lost, if we're honest, in the context of the broad recommendations. There were 50 recommendations that covered a range of areas, and you may come to question those.

[305] The narrative has focused perhaps on the critique or the clarification

on one particular stakeholder. How we dealt with that—we were asked to consider in detail the responses made in the main by two organisations, by Literature Wales and also by the arts council. We did do that in detail. I presented to the Cabinet Secretary a detailed response. It should be noted that that wasn't a second justification for our recommendations. We were asked a specific question: 'Panel, these have been noted as concerns. Please will you bring us information to consider those?' And we did that in a measured way, based upon the evidence that had been received to date in the context of our deliberations. Also, after that, I understand, I presented, I think, through the clerk, a statement yesterday just to respond in the context of further comments on that report. Our role was to advise the Cabinet Secretary. We have not engaged at all in any public dialogue. We have made a point of respecting the protocol. There is a process and we have followed that process. We have not engaged at all in any of the significant comments that have been made by some parties.

11:30

[306] **Bethan Jenkins:** Diolch. Symud **Bethan Jenkins:** Thank you. Moving ymlaen at gyfansoddiad y panel, ac on to the composition of the panel. mae gan Hannah Blythyn gwestiynau. Hannah Blythyn has some questions.

[307] **Hannah Blythyn:** Looking at the make-up of the panel, you'll be familiar with the evidence the committee's previously taken where Literature Wales said they thought there was a conflict of interest, and also the chief executive of the Welsh Books Council said that they were surprised not to see an actual publisher on there. How would you respond to that?

[308] **Professor Hughes:** With regard to the conflict of interest, we were invited by the Cabinet Secretary. The Cabinet Secretary invited us to undertake a role and we were minded to accept. In the context then of was there conflict of interest, we all come with our different expertise, specialisms. We have different areas of activities. We were very, very clear in our deliberations about the process of dealing and respecting interests of conflict of interests. You will note from committee minutes, if you've had the chance to see them, that there were clear registers that declared interests.

[309] In the context of my own role, I think the Cabinet Secretary had to make a statement in Plenary with regard to a question, I think, that was asked by Suzy Davies. That was answered. In the context of noting our interests, those were presented in the first meeting. Officers then had the

opportunity, should they consider there was conflict of interest, to go back to the Cabinet Secretary. But in the process of that engagement, they were content and I am confident, as a chair, that there was a due process of managing the whole process. Where there was one example where a subject area was brought in with regard to academic publishing—you'll recall that it was noted that that should be considered, as noted within the committee minutes—on that area I relinquished the chair, left the room and was not part of any discussions. I'm absolutely clear in my own mind, with regard to due process of clarity, that the process was mindful of all of the interest areas.

[310] If you go back, just from a procedural point of view, at the end of every meeting, the last item there was an opportunity for all members to critically reflect upon all of the processes of that event and then to consider whether any of the statements that had been made could have been perceived in the context of a duality of interest. Of course, on top of that, from the Government's point of view, you had three officers of Government at every meeting. I have no doubt that, if any of us had crossed the line, it would have been noted. So, I think we dealt with the issue of interest and it's an issue, I'm sure, that you'll want to ask the Cabinet Secretary about.

[311] **Hannah Blythyn:** One of the other specific things that's been raised with the committee is whether it was appropriate for the panel to include the chair of the Wales Literature Exchange, an organisation that's received funding from Literature Wales.

[312] **Yr Athro Jones:** Fe wna i **Professor Jones:** I'll take that gymryd y cwestiwn uniongyrchol yna. particular question. The Wales Mae Cyfnewidfa Llen Cymru yn rhan o Literature Exchange is part of Brifysgol Aberystwyth. Rwy'n cael fy Aberystwyth University. I'm employed nghyflogi gan Brifysgol Aberystwyth. by Aberystwyth University. Part of my Rhan o fy nghyfrifoldebau i yw edrych responsibility is to look at the Wales ar Gyfnewidfa Llen Cymru a bod yn Literature Exchange, and I'm the line rheolwr llinell y bobl sydd yn manager of those people who work gweithio'n uniongyrchol yn fanna, there, amongst many other ymysg nifer o gyfrifoldebau eraill. responsibilities. I've been perfectly Rwyf wedi bod yn berffaith glir clear about my role with regard to ynglŷn â fy rôl mewn gwahanol several aspects of the arts council, agweddau ar gyngor y celfyddydau a and also with regard to publishing in hefyd ym maes cyhoeddi yn general. I've been very clear about gyffredinol. Rwyf wedi bod yn my responsibilities from the very arbennig o glir ynglŷn â fy beginning and I've declared an

nghyfrifoldebau o'r cychwyn cyntaf ac wedi datgan buddiant ym mhob cyd-destun posibl. Felly, nid cwestiwn i fi, mewn gwirionedd, yw a oeddwn i'n addas ar gyfer y panel yma—penderfyniad Ysgrifennydd y Cabinet oedd apwyntio'r panel cyfan. Rwyf wedi bod mor glir, agored a thryloyw â'r hyn sy'n ddisgwyliedig gan unrhyw un sy'n cymryd rôl o'r fath yma.

[313] **Yr Athro Hughes:** Gallaf gadarnhau, fel cadeirydd y panel, yng nghyd-destun unrhyw drafodaeth a fu o safbwynt y mannau lle'r oedd yna ddiddordeb, roedd y ddeialog honno—y drafodaeth—yn broffesiynol ar bob achlysur. Nid oedd enghraifft o gwbl lle'r oedd gen i gonsŷrn fel cadeirydd y panel, nac ychwaith lle'r oedd unrhyw gonsŷrn gan y swyddogion a oedd yn gwasanaethu'r panel.

[314] **Bethan Jenkins:** Sori os wnes i fethu fe, ond ni wnes i glywed eich barn chi am y ffaith nad oedd cyhoeddwr ar y panel. A ydych chi jest yn gallu ehangu ar hynny? A ydych chi'n credu bod y panel wedi bod yn ddigon eang, o ran ehangder y maes yma, yn eich barn chi?

[315] **Yr Athro Hughes:** Yn fy marn i, oedd; roedd yna *skill set* eang. Roeddem ni mewn sefyllfa i allu ystyried a phwysoli'r gwahanol agweddau a oedd yn ymwneud â chyhoeddi a llenyddiaeth. Mae'n rhaid ichi gofio mai un feirniadaeth

interest in every possible context. So, it's not a question for me with regard to whether I was appropriate for this panel—it was a decision of the Cabinet Secretary to appoint the entire panel. I have been as clear, open and transparent as is expected of anyone who takes up a role of this kind.

**Professor Hughes:** I can confirm, as chair of the panel, that in the context of any discussion where there was an interest, that dialogue, that discussion, was professional on every occasion. There was no occasion at all when I had any concern, as chair of the panel, and no concerns were expressed by the officials serving the panel.

**Bethan Jenkins:** I'm sorry if I missed it, but I didn't hear your view about the fact that there wasn't a publisher on the panel. Could you just expand on that? Do you think that the panel's composition was broad enough, in terms of the breadth of this field?

**Professor Hughes:** In my opinion, yes; there was a wide-ranging skill set. We were in a situation to be able to consider the different aspects related to publishing and literature. You have to remember that one criticism that has been noted by Literature Wales is

sydd wedi cael ei nodi gan Lenyddiaeth Cymru yw ein bod ni wedi canolbwyntio gormod ar gyhoeddi. Wel, roedd y rhychwant o brofiadau a oedd gan y panel yn rhoi cyfle inni gael gorolwg priodol dros yr holl faes.

that we've focused too much on publishing. Well, the range of experiences that the panel had meant that we could have that appropriate oversight over the whole area.

[316] **Bethan Jenkins:** lawn. Rŷm ni'n symud ymlaen at y broses adolygu, ac mae Dai Lloyd yn arwain.

**Bethan Jenkins:** We move on to the review process, and Dai Lloyd is leading on this.

[317] **Dai Lloyd:** Diolch yn fawr, Gadeirydd. Jest i fanylu ar eich proses o adolygu, a chwestiynau'n deillio'n benodol o'r dystiolaeth sydd wedi'i derbyn gan Lenyddiaeth Cymru, a allaf ofyn a ydy'r panel yn cydnabod y disgrifiad o'r cyfarfod rhwng y panel a Llenyddiaeth Cymru fel—ac rwy'n dyfynnu'n uniongyrchol rŵan—

**Dai Lloyd:** Thank you very much, Chair. Just to focus on the review process, and questions stemming specifically from the evidence that has been received from Literature Wales, may I ask whether the panel recognises the description of the meeting between the panel and Literature Wales—and I quote directly here—as

[318] 'os nad gelyniaethus, wedyn yn ymosodol ar adegau'?

'if not hostile, then quite aggressive at times'?

[319] Dyna eiriau prif weithredwr Llenyddiaeth Cymru. A ydych chi'n cydnabod y disgrifiad yna o'r cyfarfod yna rhyngoch chi a Llenyddiaeth Cymru?

Those were the words of Literature Wales's chief executive. Do you acknowledge that description of the meeting between you and Literature Wales?

[320] **Yr Athro Hughes:** Nid wyf yn derbyn y geiriau. Petai'r geiriau a oedd wedi eu defnyddio oedd, 'Roedd hwn yn gyfarfod emosiynol, brwdfrydig a thanllyd', byddwn.

**Professor Hughes:** I do not accept the words. If the words that had been used were, 'This was an emotional meeting, enthusiastic and fiery', then yes.

[321] It is fair to say that the first meeting we had with Literature Wales was a meeting that clearly demonstrated the emotion and passion linked with the different positions. If I'm honest, I was taken aback by some of the words



that were used in the context of a chief executive. I don't expect to hear, although we have no formal relationship with the Cabinet Secretary, words like, 'Well, you can take that back to your Cabinet Secretary'—it sets a different tone, I think, to an engagement. We were there to ask questions; we were there, I think, to try to understand different positions. But, I think the boundaries, as it were, had been marked if Literature Wales saw us as taking that back to the Cabinet Secretary.

[322] It is fair to say that it was emotional and a lot of words were used. Individuals have colourful language—you'll be aware of that in the context of the Senedd. Was colourful language used? Yes. Was it inappropriate in the context of language? There are no standing orders of language linked to an inquiry. It is fair to say that an officer of Literature Wales did feel that some of the language wasn't appropriate—that's a matter of personal opinion. But, in the context of that being raised in a letter by the chair, I did note that concern and an individual within the panel did note, 'If any of my words caused offence, I sincerely apologise.' But, from a professional meeting—it certainly was. It was an interesting meeting to chair, with strong characters and good arguments, but the boundaries had been marked. I think they had been marked not so much from the panel, but from the deliberations and setting the scene, as it were, that we took something back to our Cabinet Secretary.

<p>[323] <b>Dai Lloyd:</b> Wel, yn dilyn hynny, a gawsoch chi eich synnu i dderbyn llythyr gan gadeirydd Llenyddiaeth Cymru yn dilyn y cyfarfod yna yn cyfeirio at y pryderon yma ynglŷn â'r iaith a ddefnyddiwyd gan un o aelodau'r panel?</p>	<p><b>Dai Lloyd:</b> Well, following on from that, were you surprised to receive a letter from Literature Wales's chair following that particular meeting, referring to these concerns about the tone of the meeting and the language used by one of the panel members?</p>
---	---

<p>[324] <b>Yr Athro Hughes:</b> Na, wnes i ddim cael fy synnu. Byddwn i wedi bod yn siomedig petasai'r prif swyddog ddim wedi adrodd yn ôl wrth gadeirydd corff—elusen. Fe fyddwn i wedi disgwyl wedyn i'r cadeirydd gysylltu â mi fel cadeirydd y panel. Roedd hynny'n gwbl priodol ac roeddem ni'n gallu adrodd yn ôl. Oedd, roedd yn gyfarfod. Fe</p>	<p><b>Professor Hughes:</b> No, I wasn't surprised. I would have been disappointed if the chief officer hadn't reported back to a chair of a charity. I would have expected, then, for the chair to contact me as the chair of the panel. That was completely appropriate and I could report back. Yes, it was a meeting. He asked specifically what my view</p>
---	--

ofynnodd yn benodol beth oedd fy ymagwedd i o'r panel, ac rwy'n credu yr hyn wnes i ei nodi oedd ei fod yn gyfarfod emosiynol. Ac mi oedd: roedd yna deimladau cryf o safbwynt llenyddiaeth ac o safbwynt cyhoeddi. Ond rwy'n dod yn ôl eto: os ydych chi'n gosod ffiniau'r drafodaeth, fod ffiniau siâp y drafodaeth wedi cael eu gosod drwy osod, rydw i'n credu, y math o berthynas roedd Llenyddiaeth Cymru yn gweld yr oedd gennym ni â'r panel—. Roeddem ni yno'n annibynnol. Nid oeddem ni yno yn adrodd yn ôl i Ysgrifennydd y Cabinet, ac nid ydw i'n credu ei fod e'n briodol i osod y *marker* yna: was of the panel, and I think what I noted was that it was an emotional meeting. It was: there were very strong feelings in terms of literature and publishing. But I come back again: if you set boundaries for the discussion, that the boundaries and the shape of the discussion have been set by setting the sort of relationship that Literature Wales was seeing that we had with the panel—. We were there in an independent manner. We weren't there reporting back to the Cabinet Secretary, and I don't think it was appropriate to set that marker:

[325] 'So, you can take that back to your Cabinet Secretary.'

[326] **Bethan Jenkins:** Yes, Martin.

[327] **Mr Rolph:** If I could, I'd just like to add to that. I think, in the papers and in his recent letters, Medwin has referred to triangulation, because we've not taken evidence in isolation. And certainly for me, and I suspect for at least some if not all of the panel, the way in which the chief executive comported herself at that meeting triangulated with quite a lot of what else we heard and saw, most recently at your meeting two weeks ago, as to the reaction to any attempt to enquire about matters, to ask questions, which were questions, not statements or criticisms, and then, ultimately, a response to criticisms, comments that people didn't like. So, to me, that was part of the evidence.

[328] **Professor Hughes:** I think what we've found—and this has been a very difficult exercise, if I'm honest—in triangulating the information, and I encouraged the Cabinet Secretary, the second time for me to say, to release those 800 documents, you would be shocked by some of those representations. But then when I read, in the context of the formal reports from the arts council, when they note their concerns in relation to the nature of the relationship with Literature Wales, the way, perhaps, that the default mode is aggressive, all that concurs, I think, with some of the issues that we

had, and I'm sure we'll come on to those.

[329] **Bethan Jenkins:** Mae Suzy **Bethan Jenkins:** Suzy wants to come eisiau dod i mewn yn glou, os yw in quickly, and then we'll come back hynny'n iawn, Dai. Byddwn ni'n dod to you, Dai.  
yn ôl atat ti.

[330] **Suzy Davies:** Yes. I just wanted to check what you said about the boundaries matter, that the terms of the discussion had been set, effectively. So, the suggestion is that the representatives of Literature Wales went beyond that. Have I understood that's what you meant? Are we talking irrelevances?

[331] **Professor Hughes:** I was rather surprised to see—

[332] **Suzy Davies:** Not the tone, the content.

[333] **Professor Hughes:** Yes, I was rather surprised to see that the chief executive would come in in the first meeting of an inquiry to look at publishing and literature, and then, in the nature of questioning, just the response, 'Well, right, take that back to the Cabinet Secretary.'

[334] **Suzy Davies:** You've repeated that a few times now. I'm trying to get to the heart of whether it is their tone that bothers you or what they were saying.

[335] **Professor Hughes:** I think it's the tone and the nature, and, I think, how that reflects, after receiving evidence, more of an aggressive mode in the context of the dialogue.

[336] **Suzy Davies:** Okay. All right, that's lovely, thank you.

[337] **Mr Rolph:** I was wondering, Medwin, if I could just add to that. When Literature Wales met you, I think the chair, two weeks ago, said that he sent a board member to represent him because he wasn't able to come to that meeting. That board member made very little contribution to discussion. He didn't look like somebody who was representing the chair at such a meeting.

[338] **Bethan Jenkins:** All right, okay. Does it matter if they say—? It surely is the quality of what they say, as opposed to the quantity of the—or how they take part.

[339] **Mr Rolph:** Yes, it did matter, to me at least, in that it was yet another small piece of information, not significant on its own, that fed into our triangulation of concerns about the effectiveness of the board at Literature Wales and what it was contributing to that organisation.

11:45

[340] **Professor Hughes:** I think, to go back to your question, I wasn't surprised at all in receiving the letter. It made sense. If a chairman has concerns, he should write, and I was more than happy to give an honest view of what happened in that meeting.

[341] **Bethan Jenkins:** Can I just understand this? Because they sent a representative, you made an assessment as to how the board operated based on the fact that the board member didn't contribute enough.

[342] **Mr Rolph:** No, no.

[343] **Professor Hughes:** No.

[344] **Bethan Jenkins:** No?

[345] **Mr Rolph:** I, at that time, and I think the rest of the panel, fully expected that the chairman would choose to engage at some point later, in some way or other, so I was not concerned at that time.

[346] **Professor Hughes:** To be fair to that individual, he made it very clear. He said, 'Well, I don't know what I can offer; I haven't been to many meetings.' So, I think he stated his position and he offered a view, which was valuable, but clearly it would have been better if we could have had the chair to speak on behalf of the directors.

[347] **Bethan Jenkins:** Okay. Lee, quickly. I need to go back to Dai.

[348] **Lee Waters:** Let Dai carry on.

[349] **Dai Lloyd:** Wel, jest i wthio **Dai Lloyd:** Well, just to pursue what ymlaen o beth rydych chi newydd ei you've just said, in your review you ddweud, yn eich adolygiad rydych do note disappointment, and I quote chi'n nodi siom, ac rydw i'n dyfynnu here,

eich adolygiad chi,

[350] ‘nad oedd Cadeirydd ‘that the LW Chair was not minded to  
Llenyddiaeth Cymru yn barod i meet to discuss the activities of LW.’  
gyfarfod i drafod gweithgareddau  
Llenyddiaeth Cymru.’

[351] Mae Llenyddiaeth Cymru wedi Literature Wales has come back and  
dod nôl ac yn galw hyn yn adroddiad has called this an inaccurate report.  
anghywir. Felly, a allwch chi egluro'r So, could you explain this  
anghysondeb yna? Achos rydym ni'n discrepancy? Because we're trying to  
trio dod i mewn i'r manylion yn fan get down to the details here about  
hyn, o bwy ddywedodd beth a beth who said what and what follows on  
sy'n dilyn o hynny. from that.

[352] **Yr Athro Hughes:** Rwy'n credu **Professor Hughes:** I think it's very  
ei fod yn bwysig iawn i fod yn hollol important to be completely clear  
glir beth wnaethom ni ei nodi yn yr what we noted in the report.  
adroddiad.

[353] We were ‘disappointed’. No more, no less. We weren’t annoyed. We  
weren’t infuriated. We were disappointed that the chair could not be with us.  
It’s fair to say that there was a very long engagement to try to arrange the  
process, and we all appreciate busy people working with different agendas,  
representing different institutions, but just to give you a narrative, just to  
show, I think, the nature of how we engaged, that we did give an invitation  
on 20 March, the chair couldn’t attend, and we then received dates where the  
chair could attend, so we agreed on the date. We offered 29 July in  
Aberystwyth, or by video-conferencing, mindful of the fact that it may be  
difficult to come from Cardiff. That wasn’t possible. Unable to attend, the  
chair then considered the other dates. We’d arranged a second date where  
the chair was to be with us. There were diary clashes, clearly; that wasn’t  
possible. I wrote to him then, in October, to ask—mindful of the timeline—  
that we needed, if possible, to meet.

[354] Officers from Welsh Government spoke with the chair, inviting him to  
a meeting on 3 November. That was to be held in Swansea. He couldn’t come  
because it was in Swansea. I offered to move the meeting to Cardiff in order  
to facilitate the meeting, but for whatever reason, the chair could not come  
to that meeting either. Then he asked for alternative dates, and he was kind  
enough to offer us about six or seven dates. We managed, I think, to come to

an agreement on a date. That was 10 November. Unfortunately, we could only get three members to come together, but we thought it was so important—although it would be better to have the whole panel there, mindful of the initial discussions—that we decided, no, we should have three members. We agreed on 10 November, but then we were told, I'm sure for good reasons, that he couldn't come because the deputy chair couldn't come with him, and therefore he didn't want to come to that meeting. I did, then, write to him: we were coming to the end of the process of receiving evidence; was there any more information that he wanted to give? He had clearly stated, during the process, 'Well, my officers will speak on my behalf.' I noted that comment. If I'm honest, I was a little bit surprised. I would not expect a chair of a charity to see the officer as speaking on his behalf. There is a clear division between the responsibilities of officers and the role of a chair, and the appropriateness of the chair to offer a view on policy and on strategy.

[355] So, I appreciate it's very difficult, but as we note in the report, we were disappointed. If you read the press, I think you get a very different view, but we were disappointed—no more, no less.

[356] **Bethan Jenkins:** Océ. Dai, a oes gen ti fwy o gwestiynau? **Bethan Jenkins:** Okay. Dai, do you have any more questions?

[357] **Dai Lloyd:** Dim ond yr olaf sydd gen i yn fan hyn. Mae prif weithredwr Llenyddiaeth Cymru wedi dweud wrthym ni ei fod e'n synnu na chafodd gyfle i wneud sylwadau ar yr adroddiad cyn iddo fo gael ei gyhoeddi. Pam na roddwyd y cyfle hwn i'r sefydliadau o dan sylw, yn eich tyb chi? **Dai Lloyd:** Only the last question that I have here. The chief executive of Literature Wales has told us that they were surprised that they didn't have the chance to comment on the report before its publication. Why wasn't this opportunity given to the organisations involved?

[358] **Yr Athro Hughes:** Fe gafwyd trafodaeth yng nghyd-destun y panel a gyda swyddogion o'r safbwynt edrych ar y broses. Fel rydych chi'n gwybod, roedd yna randdeiliaid sylweddol yng nghyd-destun edrych ar gasglu gwybodaeth, ac fe ddaethpwyd i farn yng nghyd-destun **Professor Hughes:** There was a discussion in the context of the panel and with officers in looking at the process. As you know, there were a wide range of stakeholders in looking at collecting information, and the view was in terms of drafting the report and then putting it out as

drafftio'r adroddiad ac yna ei roi allan advice for the Cabinet Secretary. That fel cyngor i Ysgrifennydd y Cabinet. was the only reason. Dyna oedd yr unig reswm.

[359] **Bethan Jenkins:** Okay. Lee Waters.

[360] **Lee Waters:** I'll come back, I think, in a moment, if that's okay.

[361] **Bethan Jenkins:** Yes. Suzy.

[362] **Suzy Davies:** Just to clarify, then, none of the organisations referred to in the report got to see it.

[363] **Professor Hughes:** No.

[364] **Suzy Davies:** That's fine.

[365] **Bethan Jenkins:** Dawn Bowden.

[366] **Dawn Bowden:** Thank you, Chair. Keeping with Literature Wales at the moment, they called the report's lack of focus on participation and the organisation's social impact

[367] 'one of the most manifestly deficient areas of the Hughes report.'

[368] Can you describe how this work fed into the review?

[369] **Professor Hughes:** Yes. We received evidence. We invited, from the context of the e-learning or the e-survey, individuals to present evidence. We then, of course, received significant evidence from key stakeholders on the context of Literature Wales, and this is one of the very positive creative areas in the context of Literature Wales. All round, they presented an enormous amount of background information on what they do—very detailed analysis and reports on that activity. The claim has been made that the report has no regard to that, does not consider that. I would not agree with that statement, because, if you look at the report, you will see, in setting the context of activities of Literature Wales, that we've included about three or four pages that are very detailed in giving that overview of activity.

[370] There's also, I think, an implied criticism that we didn't see any value in the context of activity linked to Literature Wales. Well, I'd refer you to—. In

the context of our statement, that is not the case. We were very supportive of those areas, and there are comments there. There's a question then that is raised by Literature Wales: why wasn't that reflected in the context of the report? Well, to be fair, it was. There was a detailed synopsis of the activity, and that then was considered in the context of other areas as we considered inclusion.

[371] **Dawn Bowden:** Are you talking there specifically about their comment that you disregarded significant literary forms—e.g. spoken word and graphic novels? They seem to think that you didn't take account of those things. You're saying that you did.

[372] **Professor Hughes:** We've been criticised for taking a—I think the words that were used were 'medieval view' of literature. We didn't define 'literature'. There are very clear statements in the context of the report that, in coming to a view that Government should support literature and publishing, that should be done in the broadest sense of celebrating the diverse interpretation and presentation of culture, of language, of identity. And I think that is seen throughout the report. There's a criticism that we've just focused upon the book, and yet, when you read the report, it mentions about animation, about web design, about fiction writing, about film, about creative—all the different range of activities that could relate to literature, be that as performance or in the context of using literature in publishing.

[373] We were very, very interested—and I'll be honest with you—we wanted to look at the relationship between the power of literature, of the creation of words, and the importance of that then for economic development. How can we maximise the Welsh pound in investing in creating literature, in creating text, in seeing that being published or being presented in other multimedia platforms, to maximise the value of the Welsh pound for intellectual property? And that's a key area that we need to look at. Now, I think the sad part of the last couple of months: all of those sort of interesting policy areas have been lost. So, I think it's not fair to say that we didn't have a regard or an appreciation of a range of areas. This was not a focused book exercise. We celebrated, and we noted, from the comments received, the excellent work that is going on in Literature Wales.

[374] **Dawn Bowden:** Can I just make a comment, Chair? This is my first experience of the sector. I have to say that. I've only been an AM for about 18 months. This is my first experience of dealing with the sector in an inquiry like this, and I have to say that I'm not mightily impressed. I get the



distinct impression that we've got a sector here that's rife with factionalism, rivalries and jealousies that, quite frankly, leave me wondering why the Welsh Government's even bothering to finance some of these organisations. That may be very unfair, but that's an impression I've got from my involvement in this inquiry. I don't know whether you want to comment on that, but that's just the impression that I've got over the course of the inquiry that I've been involved in.

[375] **Professor Hughes:** This is a disconnected sector. We were asked to give independent advice to the Cabinet Secretary, and I think it's worth saying this here: if a Cabinet Secretary now—. And that's why this question is so important—he was the first to do that. Could the Cabinet Secretary ask, 'Is there an appropriate strategic overview of the investment of Welsh money on publishing and literature from the Welsh pound?' The answer would be: he couldn't get a single answer. If you, as a culture committee, wanted to delve into that, there is no overall overarching framework that considers, from a policy context—and public money should only be used in the context of publishing and literature if it relates to the policy objectives of Government. That was the first question we asked—why is the Welsh pound being spent on this? Can't it be done? Why are we paying money for books? We were criticised by the arts council for using 'welfare' language. Unfortunately—and I say 'unfortunately'—if it were not for that 'welfare' culture, publishing through the medium of Welsh would be impossible. What we have found is this disconnected engagement between organisations. You'll see that the recommendations focus upon very focused recommendations for Government. There is lack of clarity in relation to remit letters and offer letters. There is no continuity. It is impossible for a Cabinet Secretary to receive a collective view on the value for money or impact assessment of the Welsh pound linked to the arts, and one of the things that we've tried to do is to put that framework in place. Now, if it were possible to see more connection—but that connection has to be based upon respect and a parity of esteem. This is a personal view. It is not the view of the panel. I have observed a lot of arrogance over the last couple of months. I've seen very little humility in the context of individuals who are prepared to engage. There's some excellent work going on, but it needs to be co-ordinated. There needs to be, I think, a far more co-ordinated approach to bring things together in order to show the value of the Welsh pound in supporting the arts and culture.

[376] **Bethan Jenkins:** Diolch.

[377] **Mr Rolph:** Medwin, could I just briefly add one short thing? Given what you've both said, I think one thing that the panel had in mind was that this was an area that actually doesn't often get that much attention. Medwin referred to remit letters. Now, the ones from the Welsh—even though we have recommendations about them and their content not being detailed enough, the letters that go with a grant from the Welsh Government to the Welsh Books Council are put into the public domain. We thought, for more openness, that the letters that go from the arts council to Literature Wales should also be put into the public domain, and we generally thought that there should be more openness and information. So, definitely, the Cabinet Secretary was our prime audience, but we thought the civil society in Wales as a whole, including you, as their prime representatives—it would be beneficial for those that wanted to know for there to be more openness and information out there about the sector, and I hope that the report, whatever else it does, also contains quite a lot of information.

[378] **Professor Hughes:** We shouldn't lose the chance of celebrating the good work that's going on.

[379] **Yr Athro Jones:** A gaf i **Professor Jones:** May I add very ychwanegu'n gyflym? briefly?

[380] **Bethan Jenkins:** Ie, jest yn fyr. **Bethan Jenkins:** Yes, just briefly.

[381] **Yr Athro Jones:** Rydw i'n meddwl ei bod yn bwysig ein bod ni hefyd yn cofio bod yr adroddiad yn cynnwys 50 o argymhellion, ac mae'r drafodaeth gyhoeddus wedi bod yn canolbwyntio ar un agwedd penodol o hynny hyd yma. Chi ydy'r cynrychiolwyr etholedig, wrth gwrs, ond byddwn i wedi disgwyl gweld mwy o drafodaeth gyhoeddus sydd yn mynd y tu hwnt i ffiniau'r drafodaeth gyhoeddus yr ydym ni wedi'i chael hyd yma.

**Professor Jones:** I think it's important that we also remember the fact that the report contains 50 recommendations, and the public debate has focused on one specific aspect of that hitherto. You are the elected representatives, of course, but I would have expected to see more public debate that goes beyond the boundaries of the public debate that we've had up to this point.

12:00

[382] **Bethan Jenkins:** Felly, pa fath **Bethan Jenkins:** Therefore, what sort

o—? Achos, yn amlwg, rydym ni wedi cael yr ymchwiliad yma ar sail yr hyn a oedd yn *demand* cyhoeddus. Beth fydddech chi eisiau i ni ei wneud yn ychwanegol i'r drafodaeth ar hyn o bryd?

[383] **Yr Athro Jones:** Mae yna gymaint o argymhellion yma, a gaf i gyfeirio, efallai, at un weddol fach, o bosibl? Rydym ni'n cyfeirio at y diffyg data sylfaenol sydd yna yn y sector i fedru gallu gwneud polisi ar sail gwybodaeth. Mae yna ryw faint o lefydd lle y gallai fwy o waith cael ei wneud i ddod â data ynghyd. Rydw i'n meddwl y gall hynny, wedyn, maes o law, arwain at fwy o drafodaeth a mwy o ystyriaeth i bob math o agweddau sydd wedi codi. Rydym ni hefyd yn argymhell—eto, mater i'r Ysgrifennydd Cabinet, ond rydym ni'n argymhell bod gwaith o'r math yma'n digwydd o fewn rhyw bedair neu bum mlynedd eto. Felly, rydw i'n meddwl ein bod wedi cyfeirio at y ffaith mai dyma'r tro cyntaf i hyn gael ei wneud, ac mae'n gorfod bod yn ddeialog parhaus, rydw i'n meddwl, ac eang.

[384] **Yr Athro Hughes:** Agwedd arall ydy'r gwaith o safbwynt y strategaeth ddigidol. Mae yna gyfle gwyach, rydw i'n credu, i weld sut mae cyhoeddwyr—sut rydym yn gallu cynorthwyo'r cyhoeddwyr. Mae angen uwchraddio sgiliau. Mae yna gyfleoedd eto, rydw i'n credu, o safbwynt yr Ysgrifennydd Cabinet dros Addysg, a sut mae modd pontio

of—? Clearly, we've had this inquiry on the basis of the public demand. What would you want us to do in addition to the current discussion?

**Professor Jones:** There are so many recommendations here, may I refer to one relatively small one? We do refer to the lack of fundamental data in the sector to be able to make policy based on information. There are some areas where more work could be done to bring forward data. I think that that, then, could ultimately lead to more debate and more consideration being given to all kinds of aspects that have arisen in the report. We also recommend—again, this is a matter for the Cabinet Secretary—that work of this kind should happen within four or five years again. So, I think we have referred to the fact that this is the first time that this has been done and it does have to be a continuous dialogue, I think, and wide-ranging.

**Professor Hughes:** Another aspect is the work in terms of the digital strategy. There's an excellent opportunity, I think, to see how publishers—how we can assist publishers. There's a need to upskill here. There are opportunities again, I think, in terms of the Cabinet Secretary for Education, looking to bridge that process and look at new

peth o'r gweithgaredd hwnnw gyda skills in order to develop an  
datblygu sgiliau newydd, er mwyn ecosystem that is key for small  
datblygu'r *ecosystem* allweddol publishers in rural Wales.  
bwysig ar gyfer gweisg bach yng  
nghefnwlad Cymru.

[385] **Bethan Jenkins:** Diolch. Mae **Bethan Jenkins:** Thank you. Suzy  
gan Suzy Davies gwestiwn. Davies has a question.

[386] **Suzy Davies:** Yes. Just to make the point that one of the hurdles that  
we've got to get over before we consider the report is its credibility, and  
that's the attack that's been made and we're trying to deal with at the  
moment. So, it's not that we're not looking at those at all.

[387] I just wanted to go back to something that Medwin Hughes was  
saying, that a lot of the attention, in putting this report together, was about  
the economic impact and the value of the Welsh pound. You mentioned that  
a few times. Going back to Dawn's question about participation and  
Literature Wales's social impact, I take your point that it was referred to, but,  
presumably, then, from what you've said, that wasn't actually a key area of  
interest for the panel anyway, because you were looking at economic impact.  
And while I would argue that social impact eventually leads to economic  
impact—

[388] **Professor Hughes:** No. We were very focused in the context of the  
terms of reference of the Cabinet Secretary. And, if I refer to that document,  
it relates very clearly to two specific points, if I could just—

[389] **Suzy Davies:** Okay, because I want to ask you the question about what  
that says.

[390] **Professor Hughes:** Sorry. The main aims of Government in supporting  
the publishing industry and literature in both languages: what are we seeking  
to achieve? That was culturally, socially and economically, and, in the context  
of the report, we were very keen to put those markers down. The justification  
of using the Welsh pound clearly has to relate to those policy areas.  
Hopefully, in the context of the report, we have put markers down there that  
have regard to culture, society, access and also the economic.

[391] **Suzy Davies:** Okay. Well, thank you for clarifying that. Can you just  
give me a little bit of steer? Who are the key stakeholders you spoke to about

those aspects in particular? And, with the e-survey, in the level of responses that came back, how much emphasis was put on participation and social impact as opposed to—?

[392] **Professor Hughes:** Well, we welcomed the—

[393] **Suzy Davies:** Just a rough guide.

[394] **Professor Hughes:** Yes. I think I've mentioned this before. We welcomed the enormous amount of background information that we had from Literature Wales. Clearly, in their role, what they're doing in the context of that activity, as we've noted in the report—the writing squads, all that activity—is excellent work. So, we had received that information. We also received, in the context of the 800 consultations, representations from different organisations that, in their evidence, showed the value of literature or publishing in those contexts. We also considered and we received evidence from individual self-publishers who saw the value of activities within communities. So, there was a range of different evidence that was brought to the table.

[395] **Suzy Davies:** Okay. I'd like one more question, but it's fine.

[396] **Bethan Jenkins:** I have to move on now, sorry. Jeremy Miles.

[397] **Jeremy Miles:** Thank you, Chair. Can I take us to the question of governance, which, really, in a sense, is at the heart of a number of the points that the panel makes in its report, subject to what you've just said about the breadth of the recommendations? I'm sure we'd all agree that it's an area where, because of the particular sensitivity of these sorts of areas, points should be compelling and evidenced when they're made in relation to governance, rather than based on personal impressions and subjective impressions. So, can I just take you to the note that you submitted, Professor Hughes, in relation to the most recent report, the signed statement that you've provided to the Cabinet Secretary, I think, or perhaps to this committee? In it, you, as the report itself did, rely on evidence from the arts council in relation to your broader concerns as you've set them out in relation to governance. We've heard this morning from the arts council in terms that could hardly have been clearer that they refute the allegation the panel makes that Literature Wales is not a fit recipient of public funds. They also made the point that the evidence that the panel drew upon, apparently, in making its judgments, was evidence submitted in 2015 and that they had

provided subsequent evidence to the panel that they felt did not get the attention and the balance and the weight that it deserves. I wonder if you could comment on that.

[398] **Professor Hughes:** Yes. We also had the opportunity to listen to our colleagues in the arts council this morning. I particularly noted your question in relation to when was evidence presented. I was pleased to note, for the first time, that Literature Wales has no 'red risk' tag, as it were, linked to any of its activity. The question was asked, I think by yourself, 'Did you inform the panel of that?' in the context of activity, if I remember the question. When we received evidence—

[399] **Jeremy Miles:** I did not ask that question, Chair. I just asked whether they provided you evidence that accorded with the broad thrust of their evidence to us this morning, and they said that they had.

[400] **Professor Hughes:** Thank you. We met them the last time in October. When we met them in October they confirmed at that particular stage that they were still at a red risk. They said, 'They're improving; they're 80 per cent there', but, when we met them, they told us they were at red risk.

[401] **Jeremy Miles:** So, you would dispute the evidence they gave us this morning.

[402] **Professor Hughes:** Yes. When they met us in October, they did not tell us there, 'This institution is not now in red risk'.

[403] **Jeremy Miles:** And on the question of red risk, there's a broader point, isn't there, about individual examples of red risk and the broader question of governance. The point that I put to them this morning was: did they agree with the allegation that you made, which, effectively, is that Literature Wales were not a proper recipient of funds because of the scale of the governance issues? And they gave a clear impression in their response that they had made it clear to you that that was not a concern.

[404] **Professor Hughes:** Well, they confirmed that there were issues. They confirmed that they were dealing with them. They said, as they noted today, that this a young organisation, and they said they're about 80 per cent there.

[405] **Jeremy Miles:** Does that appear anywhere in the panel report, that you felt satisfied that they were 80 per cent there, based on that subsequent

conversation?

[406] **Professor Hughes:** We heard what they said. But we then had to question in the context of, 'Right, based upon the collective evidence, is there something that we feel wasn't appropriate?'

[407] **Jeremy Miles:** To go back to my original point—I think you agreed with it—it's important to be kept compelling and evidence-based when you're making allegations in relation to governance that go to the heart of any organisation's resilience. You didn't feel it was appropriate to give that fuller picture in the report.

[408] **Professor Hughes:** Well, I think the report gives an honest view based upon the evidence that we considered. What did we have in front of us? We received a significant amount of evidence from different organisations, from the arts council. The accusation's been made by Literature Wales that there is no substance and no evidence base at all to these statements linked to questions or concerns about governance or areas with that activity. Well, what we have shown in the context of our response is that we did base our deliberations, measured deliberations, upon concerns that were expressed by organisations. We have noted in the Cabinet Secretary's report, we have said, and we have alluded to, that the arts council said that 'These are ongoing issues, they are being dealt with, we are dealing with them'. That is within the response. But we were still concerned in the context of the culture, and that's why we're noting that. We were not, definitely not, told in the context of—and I know this is not your point, about the red risk. We were clearly told, in the context of that last meeting, this is an organisation that is developing, that we note that, but the status of it, the formal status of it, was red risk. The first time we have heard in the context of an arts council of any changes to that is today, and there's just one other thing that I think is worth noting: when the arts council noted their concerns to the Cabinet Secretary on the contents of the report, and it's a very detailed engagement where they refer to risk, in that representation made to the Cabinet Secretary, asking us to confirm, there is no mention of any changes to the context of the classification of risk of this organisation.

[409] **Mr Rolph:** Could I just—

[410] **Jeremy Miles:** If I may—. So, in October 2016, what was your understanding of what that red risk was?

[411] **Professor Hughes:** Our understanding was the same as noted within the document that was presented by the arts council: it was a generic statement of red risk. We heard this morning that there were sub-classifications. That was not offered a view at all by the arts council. Our understanding of the red risk is that there are issues that need to be addressed, there are issues, ongoing issues, that the red risk itself is only a marker of the context of the relationship.

[412] **Jeremy Miles:** I understand that. Was there—*[Interruption.]* If you would—. So, the conversation in October 2016 was along the lines of you being told by the arts council there's a red risk in the context of a set of judgments you were making about governance—

[413] **Mr Rolph:** Can I correct, please? We were not told there was 'a red risk'; we were told, without it being explained further, that, in the arts council's approach, the organisation was at red risk. It was the only national organisation in that category. Now, to us, that sort of said something. It didn't give us a conclusion, but it meant, 'There's something we need to think about here.'

[414] **Jeremy Miles:** Okay, you take me on to my point: you didn't enquire what the red risk was.

[415] **Professor Hughes:** No, we had received information. The arts council had presented information to us—officer views—of what those red risks included, and there were areas there of concern about process, some of those areas that I've noted in the contents of my response to the Cabinet Secretary. The question for us then was to triangulate that information and to see whether it was fair and whether there was other information being presented in that area.

[416] **Mr Rolph:** Could I—? Tŷ Newydd comes into this, because Tŷ Newydd was discussed at that meeting, and I think that the arts council have referred to Tŷ Newydd having been a red risk in the past, but not now. That is an area where we disagreed with what we were told by the arts council. The arts council told us at that meeting that Tŷ Newydd was stable.

[417] **Jeremy Miles:** So, you were talking about the specifics of red risk; you just said you were talking in broad terms about—

[418] **Mr Rolph:** No, no, this is what has come out subsequently. It's only



today, I think, that we've heard that Tŷ Newydd was a red risk; it wasn't differentiated before.

[419] **Jeremy Miles:** Okay, so perhaps that's not—. Okay, let's leave that question of Tŷ Newydd to one side. I'm trying to get to the heart of what you were told was the red risk at that meeting, essentially. What was the cause of it?

[420] **Professor Hughes:** We were told by the arts council that, 'This is an organisation that is going through a process of changes, there are red risk issues, there are issues of concern that we are dealing with'. So, there was a collective range of issues. They ranged from processes, they ranged from areas that have been identified within the report that we have presented to the Cabinet Secretary.

[421] **Jeremy Miles:** Is there a note of that meeting that was kept?

[422] **Professor Hughes:** There were minutes of the meeting.

[423] **Jeremy Miles:** Are those in the public domain at this point?

[424] **Mr Rolph:** I suggest you ask the secretariat.

[425] **Jeremy Miles:** Okay. What do you feel it was about your investigation around the question of governance generally that hasn't been picked up by auditors, the Charity Commission, Companies House?

[426] **Professor Hughes:** There's a difference between the procedural issues that would be considered by auditors and charities, and the issues about culture, organisational culture.

[427] **Jeremy Miles:** But these are governance questions we're talking about now.

[428] **Professor Hughes:** Well, issues of governance—what we saw in the context of our deliberations were concerns about processes of engagement. Governance covers also the test and challenge between the relationship of a board and officers. We saw evidence of that from the arts council. We reflected on that. We reflected upon the annual monitoring statements from the arts council. We reflected upon the formal review of the arts council, where they noted issues. We reflected upon the specific recommendations

noted or, not recommendations, comments, by the arts council about the relationship of board/challenge/officer. All of those were in the context of our deliberations.

12:15

[429] And there's one other thing I can say on that, in the context of that I was very interested in hearing last week, in the context of representation, when you asked the question about governance and risks and registers, in the context of the response of the chair. I think the response there was, 'Oh yes, that's a form that needs to be filled in'. Well, yes, it needs a form to be filled in, but the ownership of those sort of issues are so important for a board, and the full understanding of those issues. It's more than just what you can cover in the context of, as you've said, an accountant, or from charities. Managing that relationship, governor/officer, is so important. And these were the issues that had been identified by the arts council.

[430] **Jeremy Miles:** Just finally on this point, because I don't want to belabour the point, the assessment that you've just given of the relationship between the board and the senior management team, was that based, essentially, on the conversation that you'd had with the arts council and the submission they'd made to you about the red risk?

[431] **Professor Hughes:** No. It was based upon our reading of the evidence presented from the arts council, the various documents. It was also based, I think, upon looking and listening to the comments from the chief executive when she attended the meeting, and of trying to understand the relationship in the context of that partnership. It was based upon hearing words from the chair, 'Oh, the officers can speak on my behalf'. The sum total of that creates, I think, an opinion.

[432] **Jeremy Miles:** Well, this is the heart of it, isn't it, I mean—

[433] **Professor Hughes:** And coming to a judgment then, a measured judgment, based upon what we have considered and the evidence that we have received.

[434] **Jeremy Miles:** Okay. Well, the committee will just need to reflect on the role of impression and evidence in forming that view. But, finally, before I finish, given the explosive nature of any sort of allegation around governance, and the impact of it, would it not have been appropriate to go

back to the question of process, even on that one point, to give the opportunity for a comment to be made, or an observation to be made, so that you could be absolutely certain that you had the full picture before that went into the public domain?

[435] **Professor Hughes:** Well, I think, in the context of what we did, we had that discussion, in the context of the panel and officers, and that was the framework that we agreed upon. If I may, if I could just make one other comment, and I think this has come up on so many occasions, about 'not fit', we'd said they were not fit for public funding: it's a big statement.

[436] **Jeremy Miles:** Absolutely.

[437] **Professor Hughes:** The actual words that we used: Literature Wales 'did not contain the right composition'—and by 'Literature Wales', the board—

[438] 'did not contain the right composition of skills and experience to run a body spending public money.'

[439] That is a different statement to saying they're not fit to run, not fit for public funding. And, as we heard in evidence from themselves last week, the chief executive noted that they were still looking for something at board level for finance. So, our comment was—. It's the BBC and Literature Wales who have said that. The actual text, for the record: Literature Wales

[440] 'did not contain the right composition of skills and experience to run a body spending public money.'

[441] It was not telling them that they're not to fit to receive public funds.

[442] **Jeremy Miles:** Okay. Diolch yn fawr.

[443] **Mr Rolph:** Could I just say, Chair? If we had felt at any point that we had uncovered—and we weren't accountants or those sorts of people. If we had felt that there were serious concerns about the continued receipt of public money by Literature Wales, we would have raised it very quickly with the Cabinet Secretary, and left it to the Welsh Government and the arts council to think about what to do with that. But it did not go—. This straw man that has been constructed—. It's not the only one. We did not say that. And, indeed, our recommendations would envisage what's represented by

the vast majority of the funding still going to Literature Wales. We wouldn't have said that if we didn't have any confidence that Literature Wales was fit to receive public funding.

[444] **Bethan Jenkins:** Okay.

[445] **Professor Hughes:** And it's worth noting that we didn't suggest in any way that Literature Wales should come to a close—not in anywhere did we say that.

[446] **Bethan Jenkins:** Rydym ni **Bethan Jenkins:** We need to move on angen symud ymlaen yn awr—rydym now—we've already gone over our yn barod wedi mynd dros amser—i'r time—to the proposed transfer of cynnig i drosglwyddo swyddogaethau functions from Literature Wales to Llenyddiaeth Cymru i Gyngor Llyfrau the Welsh Books Council, and that Cymru, ac, felly, mae hynny'n begins the theme that Martin has dechrau ar y thema y mae Martin started on, and Suzy has questions wedi cychwyn, ac mae gan Suzy on this. gwestiynau ar hyn.

[447] **Suzy Davies:** Okay. I do have one question on the last thread, if that's okay. The first thing is just an observation to say that when, in October 2016, the Arts Council of Wales came to you and said that Literature Wales were improving, you didn't delve down further. You yourself represent an enormous institution and know that there's no such thing as a red risk. There'll be a range of indicators and I think that it's a disappointment on my part that that wasn't drilled into at the time.

[448] My main question, though, is: in October 2016, when the arts council came with this more positive evidence, can I say—and I think that you've mentioned it, Mr Rolph, that that was triangulated with other evidence—what was the date of the evidence with which that was triangulated? Because it would be quite easy for evidence of 2015 to come in basically saying, 'Literature Wales is a basket case', but then you are given an opportunity to test that again, when a significant witness says, 'It was a basket case, but now it's less of a basket case'. That old evidence wasn't tested against that new assertion. Possibly because you just didn't have time—I accept that. But what are you triangulating it with?

[449] **Mr Rolph:** The key thing in October 2016 was that we were told—and we may now regret with hindsight not drilling down more into that—that the

body was unique amongst national organisations, or national companies as they're described, in being at red risk. We were all—

[450] **Suzy Davies:** That was just an observation. It was my other question that I wanted you to answer: which evidence were you triangulating this new evidence with—that there was an improvement in Literature Wales?

[451] **Professor Hughes:** I think it's worth us being clear in what the arts council was saying: they were not coming in and making a new presentation—'things are better'. They were saying, 'This is a continual process; they're working through issues'.

[452] **Suzy Davies:** It was 80 per cent there, I think you said.

[453] **Professor Hughes:** Yes, they were working through the process.

[454] **Suzy Davies:** That sounds massively improved within a year.

[455] **Mr Rolph:** We did ask them. They couldn't give us a sense of how long it was going to take and they were stressing what a new organisation it was. So, we had visions of nine or 10 years. How much further into public expenditure before people were more satisfied? At a level, there was a reasonable expectation—not that we were saying that they weren't fit to receive public money, but just in terms of whether what the public were getting for that money could improve. We also triangulated with the arts council's attitude to Tŷ Newydd. And, again, that's another straw man. We haven't said what the media and Literature Wales have said we've been saying about Tŷ Newydd—but I don't know if we'll have time for that.

[456] **Suzy Davies:** All right, thanks. I'll just move on to my main question, if that's okay. Literature Wales told the committee that the panel asked the Welsh Books Council whether they were interested in taking on more responsibilities before having met Literature Wales. Is that accurate?

[457] **Professor Hughes:** No.

[458] **Suzy Davies:** Okay. Why do you think Literature Wales might have said that? How would they know? Were Literature Wales asked the same question in reverse, incidentally?

[459] **Professor Hughes:** We focused upon the organisations. We wanted to

understand about the organisations and the wider picture in the context of publishing and literature. We did not ask, 'Do you want to take this activity' or 'Would you like to take that?' or 'Would you like to share this?' That was not the nature of the engagement.

[460] **Suzy Davies:** So, there was no request made of either the Welsh Books Council or Literature Wales on whether they were able to take on additional responsibilities, generic or—

[461] **Professor Hughes:** You asked the question last week to the chair of the Welsh Books Council. You had a very focused answer. Again, I would concur with that answer: we did not.

[462] **Suzy Davies:** Okay, thank you. I'll leave my other questions, if that's okay.

[463] **Bethan Jenkins:** Are you sure?

[464] **Suzy Davies:** I'm just curious—you know, I'm conscious of the time.

[465] **Bethan Jenkins:** No, I'm going up to half past.

[466] **Suzy Davies:** Okay, that's fine. In that case, can I just ask you about the Wales Book of the Year award? You may have heard what the arts council mentioned in response to my last question to them in the previous session. The report says that Literature Wales displays 'palpable lack of enthusiasm' for the Wales Book of the Year award. On what was that statement based?

[467] **Professor Jones:** We looked at the evidence that was around at the time as well during that period. We looked at the responses to the public questionnaire that we had. We looked at the evidence that was provided through documents and meetings. So, these were the areas where we sought our evidence for those—

[468] **Suzy Davies:** Have you been to any of the award events to have a sense of it yourselves?

[469] **Professor Jones:** I have, yes. I've been to a number of them. We were aware as well during that period that there was very little publicity in the bookshops during the book of the year of that year.

[470] **Suzy Davies:** That one year—are we basing this decision on performance in one given year?

[471] **Professor Hughes:** No. We received evidence, we listened to the publishers and we received information from the survey. There was a wide range of views on the effectiveness or not. I heard the comment last week about is the panel interested in dinners—no, we're not interested in attending dinners for book of the year. But, we did reflect and listen to the views of the publishers. That, for me, was very important. We haven't spoken a lot about the publishers. What I was very impressed with was the real commitment of the small publishers in Wales that are really working hard.

[472] I think, from a book of the year context, that sort of activity—there were some concerns. How could that be amended? How could that be changed? To be fair, Literature Wales have undertaken their own review of that. All of this came together in taking that collective view: we have the celebration of the book, we have the publication of books, we have the need to maximise the impact of the book and the economic value of it, what's the best way to bring the connectivity of that together? Would it be better to see them working in a more co-ordinated and structured way? Hence the nature of the discussion on how can we see and maximise the impact of that.

[473] **Suzy Davies:** I understand, because you've explained the evidence, which is what I was looking for. Have you had similar evidence, then, to say that the Welsh Books Council would be capable of taking on that additional work?

[474] **Professor Hughes:** Have we what, sorry?

[475] **Suzy Davies:** Have you had equivalent evidence to show that the Welsh Books Council could take on the task instead?

[476] **Professor Hughes:** Well, we didn't ask in the context of equivalent evidence, because if we had done that we'd have asked the question in the context of the books council: 'Are you interested in doing this? Can you do it?' What we considered was, looking to the bigger picture, how we see the value of this connectivity. We have made a recommendation. The recommendation may not be supported. If it is supported, clearly, there's an opportunity then for officers to consider those issues of capacity, but we didn't go down to ask the question.

[477] **Suzy Davies:** That's fine. Thank you.

[478] **Bethan Jenkins:** Thank you. Very last question, Lee Waters.

[479] **Lee Waters:** Excuse me, Chair, I have a number of questions I'd like to ask, if that's okay.

[480] **Bethan Jenkins:** Well, we have to finish at half past, I'm sorry, because people have to leave.

[481] **Lee Waters:** Well, you've given other Members the courtesy to pursue their questions—

[482] **Bethan Jenkins:** I'm sorry. I'm sorry, no. We have to finish at half past, I'm afraid.

[483] **Lee Waters:** Well, I have a number of questions I'd like to ask.

[484] **Bethan Jenkins:** Well, I won't be allowing it to go past half past twelve.

[485] **Lee Waters:** Well, that's not reasonable, Chair.

[486] **Bethan Jenkins:** Well, it is reasonable, I'm sorry. People have things to do for lunchtime commitments, so we have to finish then.

[487] **Lee Waters:** Well, if you could answer my questions crisply then, I'd appreciate it. Did you hear the evidence of the chief executive of the arts council when he said that you quoted liberally from the instances where they had been critical but you weren't as even-handed in quoting from the evidence where they said they performed well?

[488] **Professor Hughes:** Yes, I heard the evidence.

[489] **Lee Waters:** And your response to that?

[490] **Professor Hughes:** I don't agree with that. We tried to offer, in the evidence—. There were specific comments made that there was no evidence about concerns of governance or whatever. We included the evidence to show that we had considered it.

[491] **Lee Waters:** Okay, well, the record can reflect that clearly. You say in



your conclusions that the Welsh Books Council should gain significant extra functions, and in order to be able to discharge them they would need to do a number of things. Can you just briefly remind us of the current gaps in the Welsh Books Council you identified that they need to rectify in order to take on these functions effectively?

[492] **Professor Hughes:** You use the words 'gaps' and 'rectify'; those weren't in the context of our recommendations. We identified a number of areas for them to consider in the context of reflecting upon processes and activities. Those are within the recommendations. I haven't got those in front of me.

[493] **Lee Waters:** There were a number, weren't there, of areas they needed to develop.

[494] **Professor Hughes:** Yes.

[495] **Lee Waters:** So, on the basis of those considerable developments the Welsh Books Council would need to do, how did you reach a judgment that they were the fit body to do that, being as they currently weren't in a position to fulfil those?

[496] **Professor Hughes:** You use the words 'weren't in a position to fulfil those'. We came to the view that, in the context of that organisation, those issues of development were issues of development of an organisation that was critically reflecting ongoing on development. That is no different to any organisation—

[497] **Lee Waters:** You don't seem to be applying similar standards to the Welsh Books Council and to Literature Wales.

[498] **Professor Hughes:** I think we are. I think we saw a difference in the context of the maturity of the organisations and, based upon that, there was a difference.

[499] **Lee Waters:** It seems to me, based on your evidence to date and the other evidence we've had, that you started off this review with some concerns about Literature Wales, and those concerns were compounded by the tone that the chief executive took in the meeting—

[500] **Professor Hughes:** [*Inaudible.*]

[501] **Lee Waters:** Sorry, I'm just repeating what you said earlier.

12:30

[502] **Professor Hughes:** [*Inaudible.*]

[503] **Lee Waters:** Can I just develop my point? You had concerns about the tone, you had concerns about the relationship between the chief executive and chair and the delegation of powers and you were concerned about the fact that the chair of Literature Wales wasn't able to meet with you.

[504] **Professor Hughes:** Your first statement that we started this review from X: that is not true. We started this review asking the question: what are the broad parameters of considering investment in publishing and literature? We then considered that and then we started to take evidence. We didn't go into this review saying, 'Right, we're going to focus on these issues and concerns.' That wasn't the purpose of it. Those areas came out of the initial discussions. We didn't start with a position in the context of Literature Wales—those areas, looking at the books council. The purpose of the review was to offer an honest, independent view to the Cabinet Secretary: why is Welsh Government doing it, are we getting the value out of it and what's the relationship between organisations? When we started to unpick the relationship between the organisations then all of these issues started to appear. We didn't start the review from that context.

[505] **Lee Waters:** The trouble is, as you've said, there are lots of interesting policy questions that have been raised in this and these are all now being lost, as you've said yourself, because of the perception that you've given of carrying out a fairly clumsy hatchet job on Literature Wales.

[506] **Professor Hughes:** Can I say that, in the context of the perception, we presented a report with over 50 recommendations? It is true that the noise, the information over the last couple of months has focused on Literature Wales. That wasn't was of our making of starting—

[507] **Lee Waters:** You don't accept any responsibility for that, do you?

[508] **Professor Hughes:** We were asked to do an honest piece of work to offer advice to the Cabinet Secretary. We take full responsibility for that report. We've spent a significant amount of time considering the evidence

and we stand by that report. That report offers a platform to consider now a range of recommendations for the Cabinet Secretary to take forward. Clearly, from the public perception, the focus has been on one particular organisation. We stand by what we said in the report. We have not seen anything, based upon the evidence we received—and that's the important thing for me. That is our measured judgment and we stand by it.

[509] **Lee Waters:** Okay. It seems I'll have to leave it there. Thank you.

[510] **Bethan Jenkins:** Diolch yn fawr iawn am eich tystiolaeth yma heddiw. Rŷm ni'n gwerthfawrogi'r amser rŷch chi wedi'i roi i ddod mewn, ac rwy'n siŵr y byddwn ni mewn cysylltiad yn y man gyda mwy o wybodaeth am yr adroddiad a sut mae'n datblygu. Diolch yn fawr iawn i chi am ddod mewn.

**Bethan Jenkins:** Thank you very much for your evidence here today. We appreciate the time you have given to the committee and I'm sure we'll be in touch soon with more information about the report and how it's developing. Thank you very much for attending.

12:32

### **Papurau i'w Nodi** **Papers to Note**

[511] **Bethan Jenkins:** Eitem 6, papurau i'w nodi. Mae un papur i'w nodi: 6.1, yr adolygiad annibynnol o gymorth ar gyfer cyhoeddi a llenyddiaeth yng Nghymru: tystiolaeth ychwanegol. A oes unrhyw sylwad gan Aelodau ar hynny?

**Bethan Jenkins:** Item 6, papers to note. We have a paper to note: 6.1, the independent review of support for publishing and literature in Wales: additional evidence. Are there any comments from any Members? No.

[512] Nid ydym ni'n mynd i fynd mewn i sesiwn breifat y tro yma, ond byddwn ni'n trafod yr hyn oedd wedi cael ei roi fel tystiolaeth ar ôl i'r Ysgrifennydd Cabinet ddod mewn i roi tystiolaeth ar y mater yma, os ydy hynny'n iawn gyda phawb. Diolch yn fawr iawn.

We're not going to go into a private session today, but we will discuss what has been provided to us as evidence after the Cabinet Secretary has provided evidence on this issue, if that's okay with everybody. Thank you very much.

04/10/2017

*Daeth y cyfarfod i ben am 12:33.*  
*The meeting ended at 12:33.*