



Ein cyf/Our ref : MA – P/DET/0021/18

Bethan Jenkins AM
Chair
Culture, Welsh Language and Communications Committee
National Assembly for Wales

12 January 2018

Dear Bethan

Welsh Government Draft Budget 2018-19

Thank you for your letter dated 1 December 2017 following my attendance at your Committee to discuss the Draft Budget. I respond to the matters you raise as follows:

1. Investment in the arts sector across Wales

Levels of arts funding across Wales do vary. There are many reasons for this. Some of this is historical. In local authority areas which have traditionally been strong supporters of the arts, one sees a more developed arts infrastructure of artists and arts organisations, which itself attracts inward investment from the Arts Council and other public/private sector sources. So for example, Powys Council has for many years received one of the higher per capita levels of income. However, with year-on-year reductions in local authority spending on the arts, this is clearly a concern.

Spending in Cardiff as the capital is inevitably higher on a per capita basis than other parts of Wales, as it is for capital cities in other countries. However, all national companies in the arts undertake activity across Wales, spreading the benefit of this investment.

The critical mass of population and business organisations in capital cities does make it more feasible that large-scale internationally significant activity can be sustained. Wales' national companies not only provide excellent work for the people of Wales, they are also our international ambassadors, helping to attract tourists to Wales.

The Arts Council analyses very carefully where it allocates its spending. The Council has recently adopted an explicit strategy to reach further into communities which have perhaps not benefited from arts funding as they should. This will almost certainly see a shift in where resources go to, over time.

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

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

I will not therefore be specifically raising this issue with the Arts Council as I believe it is fully aware of the requirements in this area. However, my officials and I will be monitoring this situation closely over the coming months and years, to ensure that investment is going to where it is most required, for maximum impact and benefit.

2. Widening access and increasing Income

Reducing dependency on public funding whilst also increasing access is challenging. However, it is perfectly possible to develop strategies which protect access for those who can least afford to cover costs.

Where ticket sales are concerned, this requires a more careful and differentiated sales strategy. Many companies are already adopting such strategies, charging the market rate for those who can afford to pay the full price, and offering concessionary or discounted ticket to others. These companies are providing access to performances at little or no cost and, in some cases, are offering more structured engagement, such as Sherman Theatre's *Sherman 5*, which is an extensive programme of support targeted at communities from some of the most disadvantaged areas of Cardiff.

Other organisations have adopted other innovative strategies. A group of theatres in the Valleys have, for instance, adopted *Timebanking* schemes as a way of recompensing voluntary time donated by residents, by offering free tickets.

There is no 'one-size fits all' solution to this issue. Each organisation will need to consider what works for them, and the Arts Council of Wales is providing support and guidance to ensure they do this in a sustainable manner.

3. Youth Arts

I do not wish to give the impression that this is either consistent across the board or sufficiently developed that we may rest on our laurels here.

Youth organisations tend to be very effective at raising funds, although this tends to be very local. Some organisations have been effective at attracting sponsorship and Trust funding. For example, Ballet Cymru, based in Newport, has secured funding from the Paul Hamlyn Foundation to promote dance activity with children and young people. Also, the national youth ensembles, working under the umbrella of *National Youth Arts Wales*, have managed to raise sponsorship for their activities.

Again, the Arts Council, through its 'Resilience' programme, is ensuring that arts organisations have the knowledge and skills to ensure they make the most of all potential funding opportunities.

4. National Museum and Library Capital Spending

It was important to allocate this funding to enable the National Library and the National Museums to start to address significant capital maintenance issues on their sites. In the event, it became clear that the work to plan and procure this would take longer than one year, and therefore some of the funding was transferred to Transport budgets, to enable them to deliver some road schemes earlier. The funding has therefore been put to good use, and the amount will be 'repaid' from transport budgets to culture budgets in the future. We will continue to refine our financial planning and monitoring processes for capital projects. In addition, planning has already been undertaken to ensure that in future, other capital projects within the culture portfolio can be taken forward should funding become

available – specifically in Cadw, on conservation projects and also projects which will improve the visitor offer and lead to increased income generation.

5. National Art Gallery and Football Museums

Feasibility studies on a National Contemporary Art Gallery and a National Football Museum are under way, and any decision as to the allocation of the £5 million in 2019/20 will be based on the findings that come from those studies. I look forward to hearing from both consultants in early 2018 with their interim conclusions.

6. St Fagan's National Museum of History

The Welsh Government committed £7 million to support the redevelopment of St Fagan's. This major project is also funded by the Heritage Lottery Fund (HLF). Substantial financial support is also being provided through applications to a number of Trusts and Foundations, and from other sources including donations and contributions from individuals. I am aware that fundraising activity has taken place and is continuing throughout the project.

The overarching aim of the St Fagan's project is to transform it into a world-class national museum of history driven by the needs of its users. I am pleased that St Fagan's has remained open throughout the construction work with over 2,000 organisations and community groups engaged in the redevelopment. Volunteering, training, work placements and apprenticeship programmes were delivered during the construction process and beyond. The construction company, Kier, delivered a Community Benefit Plan which, measured against the Value Wales Tool Kit, states an overall investment into the economy of £27million through the construction contract alone. It is anticipated that the redeveloped site will boost overall visit figures across the seven museum sites to around 2 million.

The current position is as follows:

- *Bryn Eryr* Iron Age Farmstead building was completed and opened to the public in July 2016, and received visits from over 14,000 pupils in the first year.
- New visitor facilities opened in the Main Building and *Gweithdy* in July 2017.
- The Centre for Learning and the workshop space in *Gweithdy* opened in September 2017, with over 12,000 users to date.

Final stages

- Gallery exhibitions in the Main Building and *Gweithdy* will open in October 2018.
- A Collections Access Area, to provide access to the Museum's reserve collections and archival resources, will open in October 2018.
- *Llys Llywelyn* will open in October 2018, with the sleepover facility in March 2019.
- St Fagan's' seventieth anniversary will be celebrated throughout 2018.

7. Future of Cadw

I am pleased to say that the Business Case for the Future of Cadw was published on 6 December – link attached:

<http://gov.wales/topics/culture-tourism-sport/historic-environment/heritage-services-review/?skip=1&lang=en>

Cadw is to be re-established as a single division under the Director of Culture, Tourism and Sport within the Economy, Skills and Natural Resources Group. The business case sets out in full the business improvements, flexibilities and operational freedoms for Cadw which Ministers have approved. In summary these are:

- An internal operating board for Cadw

The establishment of an internal Operating Board, comprising Non Executive Members, Civil Servants from the Welsh Government – from Cadw, together with Finance and HR departments, as well as staff representation, delegated by the Cabinet Secretary to support the Chief Executive/Deputy Director and oversee the work of Cadw.

- A formal system of delegations and internal “freedoms”

A formal scheme of delegation to the Cadw Board and officers including financial, operational, HR, procurement and other delegations which will enable Cadw to function effectively and efficiently within a proper internal control framework, and with full accountability to Welsh Ministers.

- A two to three year business plan and budget

A two to three year budget, delegated to the Cadw Board by Welsh Ministers, tied to a business plan, setting out operating and investment goals and parameters for the organisation as a whole.

- Making best use of the Strategic Partnership

Taking forward the partnership between Cadw, TUS, Amgueddfa Cymru/National Museums of Wales, the National Library of Wales and the Royal Commission on the Ancient and Historical Monuments of Wales. This will deliver on the commitment by Ministers to ensure that the sector works together. It brings together TUS, the Welsh Government and national bodies in line with the new ways of working in the well-being objectives, and provides greater flexibility as partners have access to structures such as charitable status and established trading subsidiaries.

- Continuing to explore innovative service delivery models

Whilst the overall structure of Cadw should remain stable, there will continue to be a need to explore opportunities to deliver some services differently or in partnership with others, internally and externally.

- Develop heritage skills inside and outside government

Develop heritage skills in Wales which enable the Welsh Government to recruit and retain heritage skills, and support the skills which contribute to *Prosperity for All*.

- Raising awareness of the value of the historic environment in Wales

Supporting the sector to develop an action plan to show how the historic environment can contribute to *Prosperity for All* and the wellbeing goals.

- A stronger policy and strategic presence for culture and the Historic Environment

A stronger senior policy presence will be put in place to promote culture and the historic environment across Welsh Government as one of Wales’ key economic assets and sectors.

- A stronger Cadw

Cadw will be a single body under one Deputy Director/Chief Executive. It will be united as a single entity, but with a stronger operating structure, which will look to strengthen heritage and commercial skills, customer services and public engagement, based on a workforce plan developed in consultation with staff.

- A period of stability

A period of five years to enable Cadw to put in place the new structure and business improvements through a phased implementation plan, and to deliver these improvements.

8. Heritage skills base

Cadw has previously recruited and trained craft apprentices within its workforce along with supporting heritage skills bursary trainee placements with the Tywi Centre, Llandeilo. The skills and work experience gained from such training opportunities has secured permanent employment within other areas of the heritage sector for former bursary placements.

Indeed, Cadw has also been able to provide its own apprentices with full time employment within its teams on successful completion of their training.

Cadw recognise the skills issues facing the industry and, as such, has been working closely with the review of Construction Skills currently being undertaken by Qualification Wales to ensure that heritage skills requirements are addressed within curriculum frameworks going forward.

Cadw has recently undertaken a review of conservation craft skills across its teams and is developing a succession planning framework to ensure adequate timescales for succession recruitment, and subsequent transfer of skills, prior to retirement of its specialist crafts staff. Cadw officials have opened discussions with the Human Resources Department within the Welsh Government on the integration of craft apprenticeships within the Welsh Government's annual Modern Apprenticeship intake. Currently, this focuses on an NVQ Level 3 in Business Administration, although it is anticipated that this could be extended to encompass Heritage Skills within future intakes. Cadw are working with training providers on the development of a suitable NVQ Level 3 for this initiative.

A copy of the Strategic Skills Partnership Agreement made with Historic England, Historic Environment Scotland and the Construction Industry Training Board is attached as requested, at Annex A.

9. Media Forum

I am not persuaded that creating another forum or group would deliver additional benefit. I want to simplify ways of working across my portfolio and be consistent in doing so, in line with the recent winding down of a number of Economy and Transport Advisory Boards. I am looking to continue to build upon the strong relationships which already exist between the Welsh Government and external organisations. I will meet various individuals and groups relevant to my portfolio responsibilities and take advice from them accordingly. Further to discussion at the recent Committee meeting, I can confirm that establishing an independent media forum was not a commitment in the Welsh Government's Programme for Government.

10. Other issues

You also asked for a note on the following:

How the £100,000 designated for the implementation of the recommendations of the local museums services review will be distributed:

The Expert Review of Local Museum Services delivered its ten recommendations in 2015. Progress on taking these forward has been taking place, but is necessarily slow due to the current issues facing the sector. My officials are now in a position where the work can move forward and detailed planning is underway. A revised allocation of £80,000 has been identified to take forward this work in 2018-19. In particular:

Recommendation 1: Regional working

Regional collaboration is fundamental to the long term future of local museums. It can only be taken forward if the organisations which run those museums commit to working differently. In 2016-17 my officials in Museums, Archives and Libraries Division (MALD) coordinated discussions with officers from 5 local authorities in mid and west Wales.

Together, they have committed to examine the practicalities of working effectively on a regional basis and have identified the need for support from an experienced person to action the findings of the preliminary study currently under way. Approximately £45k of the budget has been identified for this.

Recommendation 5: Collections Wales

The Review recommended bringing together information about objects in museum collections to enable them to be cared for and managed strategically across the nation. Currently, information is being gathered which will provide specific data about types of collections and information held about them, which will allow officials to identify a programme of work which will be taken forward in partnership with the museum sector. My officials have identified that £25k will enable work to begin on a strategic cross-Wales collections programme.

Recommendation 8: Impact of admission charges

Following the *Fusion* principles, MALD will be collaborating with the UK museums sector, building on the review of admission charging practice and policy, to fully understand the impact of charging on the diversity of museum audiences and how the development of audiences is developed whether or not a charge is levied. It is expected that Wales' share of this will be approximately £10k, though the final detail is yet to be determined.

How many businesses have received funding from Business Wales in the last 5 years that meet the definition of "businesses in hyperlocal news"? How much has this funding been, what was it for, and how was this split between capital and revenue funding?

To confirm, Business Wales has not supported or provided funding to any businesses in hyperlocal news in the last five years. However Business Wales, including Social Business Wales support, can be accessed by individuals wanting to start a hyperlocal journalism business, and existing businesses or social enterprises involved in this work can access information, advice and guidance to support their business.

Yours sincerely



Yr Arglwydd Elis-Thomas AC/AM

Y Gweinidog Diwylliant, Twristiaeth a Chwaraeon
Minister for Culture, Tourism and Sport