

# Agenda – Culture, Welsh Language and Communications Committee

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Meeting Venue:

Committee Room 2 – Senedd

Meeting date: 8 January 2020

Meeting time: 09.30

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- 1 Introductions, apologies, substitutions and declarations of interest**
  
- 2 Scrutiny of the Welsh Government Draft Budget 2020–21 – Deputy Minister for Culture, Sport and Tourism**  
(09.30–10.30) (Pages 1 – 36)  
Dafydd Elis–Thomas AM, Deputy Minister for Culture, Sport and Tourism  
Jason Thomas, Director Culture, Sport and Tourism  
Huw Davies, Head of Finance, Culture, Sport and Tourism
  
- 3 Scrutiny of the Welsh Government Draft Budget 2020–21 – Minister for International Relations and the Welsh Language**  
(10.30–11.30) (Pages 37 – 61)  
Eluned Morgan AM, Minister for International Relations and the Welsh Language  
Bethan Webb, Deputy Director, Welsh Language
  
- 4 Paper(s) to note**
  - 4.1 Arts Council of Wales response to Count me in! Tackling poverty and social exclusion through culture, heritage and the arts report**  
(Pages 62 – 65)
  
  - 4.2 Further information from ITV following scrutiny session**  
(Pages 66 – 67)



- 4.3 Welsh Government response to Community Radio in Wales Report**  
(Pages 68 – 71)
- 4.4 Welsh Government response to Count me in! Tackling poverty and social exclusion through culture, heritage and the arts**  
(Pages 72 – 76)
- 5 Motion under Standing Order 17.42(vi) to resolve to exclude the public from the remainder of this meeting**
- 6 Private: Discussion of Evidence**  
(11.30–11.40)
- 7 Private Debrief: Discussion on the Letter from Chair of Assembly Reform Committee**  
(11.40–12.00) (Pages 77 – 78)

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**Memorandum on the Culture Draft Budget Proposals for 2020-21**

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**1.0 Introduction**

This paper provides information to the Committee regarding my spending plans as the Deputy Minister for Culture, Sport and Tourism – in respect of the Culture and Heritage budgets within my portfolio, as set out in the detailed Draft Budget published on 16 December 2019. It also provides an update on specific areas of interest to the Committee.

Culture and Heritage enriches lives and connects us to the world. Our current vision for culture has been shaped by the Well-being of Future Generations Act, and Prosperity for All. The strategic priorities are set out in Priorities for the Historic Environment and Light Springs Through the Dark, which we intend to revise in 2020 to ensure they are up to date and in line with wider government priorities and remain responsive to current challenges. Culture is also central to the new strategy for tourism Welcome to Wales: Priorities for the Visitor Economy 2020-25 due to be launched in the New Year. In line with the Well-being of Future Generations Act, the 2020-21 plan has also been shaped by the eight cross-cutting priority areas. Culture and heritage resources makes a significant contribution particularly for early years, skills and employability, better mental health and poverty.

Our culture teams (Cadw, Museums, Arts, Archives and Libraries) support our delivery partners – the Arts Council of Wales, National Museum of Wales, the National Library of Wales and the Royal Commission on the Ancient and Historical Monuments of Wales - who between them reach a huge audience in Wales and internationally.

Wales loves culture. Thousands of people have benefited from free entry to our national museums. The National Museum of Wales is the largest provider of education outside the classroom in Wales – over 180,000 school students enjoy education activities each year. Through Cadw, the Welsh Government also delivers services directly to the public. Each year over 2.4 million people visit the 130 monuments in state care, whilst Cadw also supports 35,500 owners and occupiers who care for historic buildings and sites across Wales.

The music and literature of Wales and our iconic castles shape our identity and tell the story of Wales to the world. Libraries, museums, archives,

heritage sites and arts venues across Wales enable thousands to enjoy and engage with our culture.

As well as being important in its own right, our culture protects and enhances our quality of life. Culture creates jobs in heritage, traditional building construction and repair, and the arts. Our cultural attractions help sustain the 11,500 businesses in the tourism industry, and arts in Wales power our Creative Industries. Our culture is central to the Wales brand and promoting Wales internationally through the emerging new International Strategy.

Culture also brings society together. Volunteering at a museum, library, archive, arts initiative or heritage site can help people gain new skills and friends, and even the confidence to apply for jobs. Digital volunteers across Wales are helping to save our heritage through the Cynefin initiative.

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

### **2.1 Summary of Budget Changes**

The 2020-21 Draft Budget provides a one year spending plan for both revenue and capital. **Annex A** provides a detailed breakdown of the Draft Budget figures by Action, and by Budget Expenditure Line (BEL) within each Action.

An overview of the Draft Resource and Capital budget allocations for Culture and Heritage (including Annually Managed Expenditure (AME)) are summarised in **Tables 1** and **2** below.

#### **Resource Budget**

**TABLE 1: OVERVIEW OF RESOURCE BUDGET (Including AME)**

<b>Culture &amp; Heritage</b>	<b>2019-20 First Supp Budget £'000</b>	<b>Baseline Adjustment £'000</b>	<b>2020-21 Revised Baseline £'000</b>	<b>Change £'000</b>	<b>2020-21 New Plans Draft Budget £'000</b>
Support for Culture and the Arts	67,594	(27)	67,567	2,492	70,059
Media and Publishing	3,649	0	3,649	81	3,730
Support for the Historic Environment	13,517	0	13,517	1,252	14,769
<b>Total Resource</b>	<b>84,760</b>	<b>(27)</b>	<b>84,733</b>	<b>3,825</b>	<b>88,558</b>
Museums & Libraries Pension	3,013	0	3,013	0	3,013
<b>Total AME</b>	<b>3,013</b>	<b>0</b>	<b>3,013</b>	<b>0</b>	<b>3,013</b>
<b>TOTAL</b>	<b>87,773</b>	<b>(27)</b>	<b>87,746</b>	<b>3,825</b>	<b>91,571</b>

### **Baseline Adjustments:**

There is a reduction of **£0.027m** in respect of non-recurrent funding in 2019-20 from the Department for Culture, Media and Sport for the Lloyd George Museum.

### **Additional allocations:**

- Additional funding of £1.525m with a 2.2% increase for each of the bodies funded within the portfolio (Arts Council of Wales, National Museums of Wales, National Library of Wales, Royal Commission on the Ancient and Historic Monuments of Wales, Books Council of Wales and the National Botanic Garden of Wales) to support pay and pension requirements in some of the bodies, and to provide additional funding for their sectors;
- Additional non-cash budget of **£2.205m** to cover additional depreciation charges in Cadw and the National Museums - (Note that the Cadw near cash budget remains flat and that pay increases will need to be funded from the increased income stream which remains strong); and
- An additional **£0.095m** for the National Library of Wales reprioritised from the wider portfolio to cover the costs of the occupation of part of their building by the Royal Commission.

### **Annually Managed Expenditure**

Annually Managed Expenditure (AME) budgets of £3.013m supports provision for any pension charges which may be necessary in respect of the pension schemes of the National Museum of Wales (budget of £2.391m), and the National Library of Wales (budget of £0.622m).

### **Capital Budget**

**TABLE 2: OVERVIEW OF CAPITAL BUDGET**

<b>Culture &amp; Heritage</b>	<b>2019-20 First Supp Budget £'000</b>	<b>2020-21 Plans as per 2019-20 Final Budget £'000</b>	<b>Change £'000</b>	<b>2020-21 New Plans Draft Budget £'000</b>
Support for Culture and the Arts	7,674	4,051	10,765	14,816
Media and Publishing	30	30	750	780
Support for the Historic Environment	5,470	8,841	100	8,941
<b>TOTAL</b>	<b>13,174</b>	<b>12,922</b>	<b>11,615</b>	<b>24,537</b>

Significant additional allocations of £11.615m will support our ambitions for long term investment in culture and heritage and summarised as follows:

**TABLE 4: CAPITAL INVESTMENTS**

Organisation	£'000	Project
National Museum	2,500	Capital maintenance
	350	Customer relationship management system
National Library	2,115	Capital maintenance
	400	IT system & servers
Creative Wales	5,000	Film production and other investment in creative industries
Arts Council of Wales	400	Investment in arts projects (including Robert Owen Commemoration Project)
Books Council of Wales	750	New integrated IT and distribution operating system
National Botanic Garden of Wales	100	Maintenance and energy efficiency funding
<b>TOTAL</b>	<b>11,615</b>	

## 2.2 Final out-turns for the 2018-19

Final out-turn figures for 2018-19 were broadly in line with budget. Some underspends across the International Relations and Welsh Language MEG, totalling some £0.7m, were reallocated to sponsored bodies in order to help fund the cost of pay settlements.

## 2.3 Forecast out-turn figures for 2019-20

Forecast out-turn figures for 2019-20 are in line with budgets.

## 3.0 Response to Specific Information Requested by the Committee

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

Key priorities for each Partner Organisation are set out in their Remit Letters, which they use as a basis for their Operational Plans and key performance indicators. My officials monitor progress against these plans at Quarterly Monitoring meetings and other meetings as necessary.

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

#### **Poverty: The Fusion Programme**

Arts, culture and heritage play a role in preventing poverty. Participating in cultural activities (such as volunteering at a museum or playing music) can boost skills, self-esteem, learning and aspiration, particularly in areas experiencing economic disadvantage. The recommendations in Baroness Andrews' Culture and Poverty report have been progressed through our [Fusion: Creating Opportunities through Culture](#). This innovative programme brings together social providers and cultural organisations to create opportunities targeted to the needs of particular groups. The Culture, Welsh Language and Communications Committee has recently published a report which offers eight recommendations related to the Fusion programme. These will be considered along with current work to determine the future shape of the programme.

We are currently reviewing the allocation of funding for Fusion given the recent Committee report and other feedback on the programme. I currently expect to spend at least £300k in 2020-21.

#### **Mental Health**

Over the past generation there has been a shift from a medical model of health to one that recognises the role and importance of communities in health. The portfolio supports healthy communities, and healthy places through opportunities to volunteer and to take part in cultural activities, and also through supporting local community facilities such as libraries, archives, museums and heritage sites.

There is now good evidence to support the positive impacts participation in arts and culture can make to mental health. Literature reviews by the Arts Council of Wales [Arts and Culture in Criminal Justice and Wellbeing](#) noted positive physical and psychological patient outcomes from music interventions in a variety of hospital settings.

Our own recent study [the arts and health landscape in Wales](#) identified more than 200 projects across the country that are proving effective in preventing illness, helping maintain good mental and physical health as well as aid recovery.



The [2018 evaluation](#) of the Timebanking scheme (which Cadw takes part in) showed that for 83% of participants, taking part improved overall quality of life and 52% felt less isolated and lonely.

### **Poverty, Skills & Employability – Creative Wales**

There is evidence that well paid work is the best route out of poverty and the greatest protection against poverty for those at risk. By investing in Creative Wales, we continue to create opportunities for individuals and families with initiatives and targeted investment across Wales. This will build resilience in the economy. All projects are assessed by independent panels. Value for money is measured rigorously through a range of measures, including:

- Welsh spend (used primarily in production projects for film & TV).
- Job creation outputs (used primarily in digital and tech based projects).
- Skills outputs – a range of skills improvements are mandated on production projects.
- Bespoke KPIs including investment induced, new products and services introduced, enterprises assisted, IP created and retained in Wales.

### **3.3 Information on allocations (and their location) in your portfolio to provide for legislation which has the potential to impact in the financial year 2020-21 as relevant to Arts, Culture and Heritage.**

There is one area of the portfolio where new legislation applies, namely the implementation of the **Historic Environment (Wales) Act 2016**. Information on allocation is outlined in paragraph 4.1 below.

### **3.4 Implications of the UK exit from the EU on the Arts, Culture and Heritage portfolio and how the Welsh Government will manage any predicted impact.**

The Committee considered the implications of Brexit on areas within its remit at its meeting on 18 October 2018. The paper for that session set out the possible consequences of Brexit including:

- **Loss of funding for major projects.**
- **Loss of funding for collaborative projects** which will affect sector bodies, universities and others, and for **skills development**, particularly in creative industries.
- **Impact on the sector markets** – Welsh artists and others rely on the ability to showcase their offer internationally, whilst 45% of cultural industries export to the EU.
- **Regulatory impact** - the biggest impact is likely to be on digital records, intellectual property and copyright. The EU does not regulate the historic environment and although there are some implications for cultural property

we are not facing the same scale of legal or regulatory challenges as for example, the natural environment.

- **Potential impact of financial volatility** (such as the value of the pound) – impossible to quantify but potential increased costs for example paper costs for publishers have already risen by 25%.

The paper also set out the steps we were taking to help mitigate some of the difficulties such as: **engaging with organisations** in the sector to understand the impact of Brexit, get intelligence on their experiences and work together to prepare for the practical implications of leaving the EU; **work with agriculture and across Welsh Government** to ensure culture, heritage and historic environment are taken into account in new arrangements; **develop new networks** and relationships both in Europe and around the world to promote culture in Wales, working with the British Council, the European Heads of Heritage forum and others; Liaise with the **UK Government DCMS** in relation to cultural property regulations and new statutory instruments; and, work collaboratively within Welsh Government and with our stakeholders and partners to **raise the international profile of Wales**. Creative industries will be a pillar of the new international strategy and the new funding of £5m will assist in building resilience in the economy.

#### **4.0 Specific areas**

##### **4.1 Historic Environment Strategy and Implementation of Historic Environment (Wales) Act**

###### *Allocations and commentary in respect of the implementation of the Historic Environment Act.*

The Historic Environment (Wales) Act 2016 aims to:

- Give more effective protection to listed buildings and scheduled monuments;
- Improve the sustainable management of the historic environment; and
- Introduce greater transparency and accountability into decisions taken on the historic environment.

The costs for the Act compared to the Regulatory Impact Assessment (RIA) are summarised in following table:

**TABLE 5: COSTS COMPARISON TO THE RIA**

<b>Conserve, protect, sustain and promote access to the historic and natural environment Action</b>									
<b>2016-17 Costs £'000</b>		<b>2017-18 Costs £'000</b>		<b>2018-19 Costs £'000</b>		<b>2019-20 Costs £'000</b>		<b>2020-21 Costs £'000</b>	
<b>RIA</b>	<b>Actual</b>	<b>RIA</b>	<b>Actual</b>	<b>RIA</b>	<b>Actual</b>	<b>RIA</b>	<b>Budget</b>	<b>RIA</b>	<b>Budget</b>
<b>230</b>	<b>221</b>	<b>220</b>	<b>181</b>	<b>197</b>	<b>156</b>	<b>197</b>	<b>200</b>	<b>197</b>	<b>200</b>

The majority of the Act was implemented in 2016 and 2017. Work continues on the implementation of the statutory register of historic parks and gardens and heritage partnership agreements, and subject to making the required statutory instruments it is anticipated that these provisions will be implemented in 2020.

## 4.2 Cadw

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

The final income figure for 2018-19 was £7.7m. Income figures have increased very significantly since 2013-14 when the income level was £4.8m. This has been the result of a number of initiatives to attract more visitors to sites, including investment in the facilities, together with price increases.

The income budget for 2019-20 was set at £8.1m. Current forecasts suggest that this figure will be exceeded, and that the year-end actual figure is currently estimated at some £8.2m. Cadw has restructured its charges for the various elements of its commercial operations, which should bring further benefits in the future. Further moderate admission price and membership increases are planned at monuments for next year. Cadw admission prices, even at the key world heritage sites of Conwy and Caernarfon, currently £9.90 per adult), remain considerably lower than attractions in other countries such as Edinburgh Castle £17.50 and Dover Castle £20.90.

Cadw was allocated additional capital of £10.1m profiled over 2018-19 to 2021-22 to invest in sites to develop the visitor experience and increase income levels in the future. There are ambitious plans for the development of the castles at Caerphilly and Caernarfon; together with digital interpretation and development of retail and catering facilities at a number of sites.

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

### Allocations towards funding for owners of historic assets

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

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

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

Cadw has the following grant schemes:

- **Listed Building Grants**

Currently Cadw prioritises grants for the repair and restoration of listed historic community assets such as village and community halls, institutes, libraries, and historic places of worship which are open for wider community use. Eligible buildings will typically include listed community assets that are at risk, schemes offering enhanced public access and opportunities for skills development and training, and schemes which deliver benefits to communities or stimulate regeneration opportunities.

Privately owned residential properties will not normally be eligible, since they tend not to provide the widest possible benefits as set out in the national strategy.

- **Ancient Monument Grants**

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

We consider grant applications for works of preservation, maintenance and management of ancient monuments. Public access and interpretation of ancient monuments is also be considered. The precise works will vary depending on whether the monument is the remains of a stone castle or a field monument, such as a pre-historic earthwork.

Grant requests are assessed against criteria including the necessity and urgency of the works, appropriateness of proposals, scale of expected impact, value of match funding and level of community benefit. Wider community benefits which can be achieved by conservation projects include provision of interpretation, holding open days or participating in open doors events, providing training opportunities, and involvement of volunteers. We would also expect that reasonable public access to the site is provided.

In 2018-19, Cadw committed £0.832m towards grant offers to owners of historic assets, comprising £0.221m to monuments and £0.611m to listed buildings (including war memorials). The nature of the repair and restoration to the fabric of historic assets means that the commitment of grant payments may occur over more than one financial year for any one grant. In 2018-19 the capital spend for grant payments amounted to £0.615m. The forecast spend for 2019-20 is £0.7m.

### **4.3 National Museum of Wales and National Library of Wales**

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

My officials continue to monitor the financial positions of the National Museums and National Library of Wales closely and provide regular reports for my consideration. Both bodies receive annual Grant-in-Aid funding and make a significant impact in delivering the priorities in *Prosperity for All*.

In 2020-21 the National Museums funding is £20.618m and the National Library of Wales £10.835m. Additional revenue allocations have been made of £0.487m and £0.214m respectively to help meet increases in pay and pension costs. In addition, the National Library of Wales's baseline budget has been increased by £0.095m to reflect the costs of the Royal Commission occupying office and storage space at the National Library of Wales site in Aberystwyth.

Free entry to the National Museum of Wales sites remains a commitment. This is an important policy in terms of removing barriers to participation in cultural activities for people from disadvantaged backgrounds and/or those on

low incomes. It also encourages repeat visits and community use of our National Museum of Wales sites and facilities. The National Museum of Wales, despite not charging, has proven particularly effective at income generation – generating over £5m additional revenues last year (from retail, catering, events, onsite activities, commercial hire and paid for exhibitions etc). Given the recent developments at St. Fagans, which was awarded the prestigious Art Fund Museum of the Year award, we expect this to continue and grow.

Capital funding for both bodies relate to the challenges of operating in historic buildings, the need to keep our national collections safe, and the requirement to provide continued and safe public access whilst maintenance work is ongoing. The National Museum of Wales has to manage these challenges across seven different sites. Capital maintenance funding is not just about fixing existing issues – although there is currently a backlog of capital maintenance work. It is also about supporting work streams which will improve visitor experience and increase the bodies' ability to generate additional revenue from their refreshed and upgraded public spaces. Additional capital funding, as summarised in table 4, is allocated to the National Museums £2.850m and to the National Library of Wales £2.515m

### **4.3 Museums, Archives, and Libraries**

#### *Allocations and commentary in respect of the local museums, archives and libraries sector.*

In 2020, I will be providing a statement on my priorities for culture, including across local museums, archives, and libraries. Programme funding will support the local sector, enabling them to deliver on the priorities identified within the statement. Museum, archive and library services delivered at a local level have faced challenging times. Despite that, they have continued to deliver a range of services to the diverse population of Wales.

#### **Museums**

Support continues and will continue to be offered to museums to meet and maintain the UK Museum Accreditation Standard. This is a key area of work to ensure the public receive high quality services and that the portable heritage of the nation is properly protected. The latest survey noted a fall from 42% to 37% of the population visiting our museums. Museums are discretionary services and, as such, those within local authorities have faced a challenging few years. This has extended to our independent museums, many of which traditionally received help and support from their local authorities.

## **Archives**

Archive services are a key part of our cultural landscape, providing a record of our nation and a source of evidence. We will continue to support the UK Archives Accreditation standard in Wales and ensure our services meet the requirements of the increasing shift towards digital record keeping.

## **Libraries**

Public libraries deliver an extensive range of activities for communities, families and individuals, and with 1.4 million library members, they reach almost 50% of the population. The latest bulletin from the National Survey for Wales found that 34% of those surveyed had used a library in the last 12 months. Libraries engage with partners to support digital inclusion, skills, early years reading and learning, health and wellbeing, and social inclusion - particularly for older people; as well as providing access to culture, information and technology.

My officials will continue to monitor the provision of public library services through the Welsh Public Library Standards to ensure that a 'comprehensive and efficient' service is provided by local authorities, as required by the Public Libraries and Museums Act 1964.

## **Capital Investment**

There is a need for capital investment across the local museums, archives and libraries sector. Our Capital Transformation Grant programme is open to the local sector and provides over £1.4m capital funding each year. Thirteen museums and ten libraries have submitted an Expression of Interest for the 2020-21 fund, putting in bids totalling £3.58m.

I want to ensure that the sector is supported in its work and to encourage the development of a more strategic approach to local museum, archive and library services across Wales. We need to encourage partnership working to make the best use of Welsh Government investment. My statement on cultural priorities will define how this is taken forward and attach budget allocations to the programme strands.

## **4.4 Arts and the Arts Council of Wales**

### **Allocations and commentary in respect of the Arts Council of Wales**

Grant in aid funding of £32.042m in 2020-21 includes an additional allocation of £0.696m (2.2%) to help meet increases in pay and pension costs across the sector. It also includes non cash of £0.119m for depreciation. The funding supports international work and assisting arts organisations to

prepare for Brexit. The increase in capital provision to £0.755m includes £0.4m to provide funding for projects.

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

Increasing levels of access and participation in the arts is continues to be a priority in the Remit letter. The Arts Council of Wales uses most of its grant-in-aid to core fund 67 key strategic arts organisations and we expect them to continue to prioritise access and engagement work. The five year [Corporate Plan 2018-23: For the Benefit of All](#) emphasises the commitment for an increased focus on access, equalities and diversity and identifies ‘Promoting Equalities’ as the foundation of a clear commitment to reach more widely and deeply into all communities across Wales. It has a dedicated Equalities Monitoring Group chaired by a Member of its Council, and all its strategies and programmes undergo extensive equality impact testing.

The organisation is undertaking first consultation phase of its Investment Review 2020. This process is used to select the group of organisations that will make up its future Arts Portfolio Wales, following similar reviews in 2010 and 2015. This first consultation phase completes in January 2020. The focus of the Investment Review is to enable more people in Wales to enjoy and take part in the arts, and for funded activity to increase the diversity of participants by reaching more widely across Welsh society and attracting a diverse range of visitors.

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

The Arts Council of Wales is a key strategic partner in the Fusion programme, supporting organisations to participate by providing practical advice and brokering introductions between Fusion partners and artists/arts organisations in their areas. Where relevant, it publicises opportunities and disseminates information via its e-news, website and to Arts Portfolio Wales clients.

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

The Arts Council of Wales’s Resilience Programme ensures that cultural organisations are more business-focused, professional in their management and operation, and able to develop and manage their activities to ensure long-term stability and financial security in a challenging financial climate. This £2m fund has supported 57 of the 67 Arts Portfolio Wales organisations to share best practice, models of delivery and pilot different approaches to long term sustainability. This has proved hugely beneficial for the 85% of the Art Council of Wales’s core revenue portfolio who are signed-up to the programme.



## 4.5 Media and broadcasting

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

Funding of £3.730m in 2020-21 includes an additional allocation of £0.081m (2.2%) to provide additional funding for the sector to continue initiatives such as editorial and marketing posts within a number of publishing houses. The majority of publishing houses are located in rural and post-industrial disadvantaged areas in north and west Wales and therefore make a positive contribution to the economy of these areas as well as the Welsh language. The BCW has a key role in delivering the Welsh Government's Welsh Language Strategy and the goal of a million Welsh speakers by 2050.

The BCW will also receive additional capital funding of £0.75m (total project £1m) to implement a new software system at its distribution centre. The upgrade is unavoidable as the existing outdated system has a number of known limitations and is being retired by the current supplier in 2022. This will be a significant boost to the BCW and the whole publishing industry in Wales.

The publishing industry in Wales contributes to the majority of our Well-being goals especially *A Wales of vibrant culture and thriving Welsh language*, *A prosperous Wales* and *A Wales of cohesive communities*. The BCW has a vital role in delivering the Welsh Government's strategic agenda including promoting the Welsh language and literary skills. These, in turn, contribute to social-cohesion, well-being and tackling child poverty, as well as supporting economic benefits within the creative industries.

Key Welsh language initiatives are Golwg 360, the Welsh-language daily on-line news service, and support for Welsh-medium news and current affairs publications *Golwg*, *Barn* and *Y Cymro*. The BCW funding also maintains the English-language magazine *The Welsh Agenda* and the on-line publications *Nation.Cymru* and *Click on Wales* which cover several areas including current affairs/culture. The Welsh Government's commitments in terms of broadcasting also includes staff resource funding to support the priorities.

### Independent Community Journalism Fund

The Independent Community Journalism Fund (Fund) was launched on 1 April 2019 to provide revenue grant funding to independent community publications, also known as hyper-local publications, based in Wales to support the sustainability, development and growth of their publication. The Two Year Budget Agreement with Plaid Cymru provided £0.1m in 2019-20

and is managed within the Economy and Transport MEG. The Fund is fully committed.

All applications are fully evaluated by a Welsh Government panel to assess the eligibility criteria. Each eligible applicant also provides consent to share their application with the Centre for Community Journalism (C4CJ). The C4CJ acts in an advisory capacity as experts in the field of hyper-local journalism. However they are not part of the approval process.

Expected outcomes of the grant funding include:

- Increased readership and a widening of the reach of publications.
- Increased advertising to increase revenue streams.
- Technical improvements to websites, upgraded platforms and development of new online services.
- Staff development through training and attendance at industry conferences.
- Increased headcount and improved productivity by taking on new staff.
- Business growth and improved professionalism through expansion into new office space.

#### **4.6 Creative Wales**

##### *Allocations and commentary in respect of any funding for the development of Creative Wales*

In recognition of the creative industries as one of the fastest-growing parts of the Welsh economy for nearly a decade, Welsh Government has committed to setting up Creative Wales as an internal agency, to further support the growth of the sector in Wales.

Creative Wales will respond to industry growth and the changing landscape of the sector to offer a streamlined, dynamic and innovative service underpinned by a small number of key priorities, which include:

- Developing the skills and talent base in Wales.
- Improving standards and working in partnership.
- Simplifying the models of funding to respond quickly and flexibly to sector needs.
- Expanding support to broader sub sectors such as digital, music and publishing.
- Marketing and promotion of the creative industries in Wales to the world.

An additional £5m of capital has been allocated to deliver Creative Wales's strategic priorities. The revenue budget allocation of £1.708m will also be

prioritised to deliver on the new strategic ambitions of Creative Wales. Both will be subject to the usual due diligence and budget process.

#### **4.7 Support for film and television production**

*The latest review and projected revenue figures, and occupancy rates for Pinewood Studios since the commencement of the Management Services Agreement in November 2017.*

In November 2017, Welsh Government and Pinewood entered into a Management Services Agreement for the operation of the Wentloog studio facilities. Under the terms of the agreement, Pinewood manage the Pinewood Studio on behalf of Welsh Government and act as agents.

Running costs for the studio equate to circa £1.185m per annum. During the earlier part of the agreement period, rental figures have been around £0.46m per annum.

In March 2019, Welsh Government entered into a Stage Agreement with Bad Wolf Studios Wales to rent the entire vacant space at the studio for twelve months, with the option to enter into a further two year agreement. The studio is now occupied 80% by Bad Wolf Studios Ltd, consisting of the main studio space, and 20% by tenants of the Media Hub – small office spaces let to supply chain companies in the sector. Under this agreement, running costs of the studio are covered and a small profit is made.

Pinewood has now served notice on the current agreement, which will end on 31 March 2020. The Welsh Government is currently exploring options for future management of the studio following exit.

In response to Recommendation 6 in the report of the National Assembly for Wales Public Accounts Committee on the Welsh Government's relationship with Pinewood, the Welsh Government committed to providing an update on the latest financial performance and income projections. This will also be shared with the Culture, Welsh Language and Communications Committee.

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

The overall Media Investment Budget Investments stands at £15.106m, and the amount recouped to date is £5.054m. The investment has generated a total Welsh spend to date of £25.112m. Receipts on the Media Investment Budget continue to be received by Welsh Government. A summary of the individual loans investments, the funding recouped to September 2019, and the balance of each project that has been supported by the Media Investment Budget is included at **Annex B**.

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

The total value of offers at September 2019 is £27.959m with anticipated spend £333.748m.

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

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

Bad Wolf Studios have an approved loan of £9m with £4.5m paid to date. No repayments are due. The anticipated Welsh spend is £133m.

## 2020-21 Draft Budget – Culture &amp; Heritage – Detailed Breakdown

Action	Budget Expenditure Line	2019-20 First Supp Budget £'000	Baseline Adjustment £'000	2020-21 Revised Baseline £'000	Change £'000	2020-21 New Plans Draft Budget £'000
Support for Culture and the Arts	Arts Council of Wales	31,346	-	31,346	696	32,042
	National Museum of Wales	21,618	-	21,618	1,487	23,105
	National Library of Wales	10,835	-	10,835	309	11,144
	Museums, Archives and Libraries	2,087	(27)	2,060	-	2,060
	Creative	1,708	-	1,708	-	1,708
<b>Total</b>		<b>67,594</b>	<b>(27)</b>	<b>67,567</b>	<b>2,492</b>	<b>70,059</b>
Media and Publishing	Books Council of Wales	3,649	-	3,649	81	3,730
<b>Total</b>		<b>3,649</b>	<b>-</b>	<b>3,649</b>	<b>81</b>	<b>3,730</b>
Support for the Historic & Natural Environment	Cadw	11,206	-	11,206	1,205	12,411
	Royal Commission on the Ancient and Historical Monuments of Wales	1,730	-	1,730	34	1,764
	National Botanic Garden of Wales	581	-	581	13	594
<b>Total</b>		<b>13,517</b>	<b>-</b>	<b>13,517</b>	<b>1,252</b>	<b>14,769</b>
<b>Total Resource</b>		<b>84,760</b>	<b>(27)</b>	<b>84,733</b>	<b>3,825</b>	<b>88,558</b>
Museums & Libraries Pension	National Museum of Wales	2,391	-	2,391	-	2,391
	National Library of Wales	622	-	622	-	622
<b>Total AME</b>		<b>3,013</b>	<b>-</b>	<b>3,013</b>	<b>-</b>	<b>3,013</b>
<b>TOTAL RESOURCE</b>		<b>87,773</b>	<b>(27)</b>	<b>87,746</b>	<b>3,825</b>	<b>91,571</b>

Action	Budget Expenditure Line	2019-20 First Supp Budget £'000	2020-21 Plans as per 2019-20 Final Budget £'000	Change £'000	2020-21 New Plans Draft Budget £'000
Support for Culture and the Arts	Arts Council of Wales	355	355	400	755
	National Museum of Wales	1,669	697	2,850	3,547
	National Library of Wales	2,705	580	2,515	3,095
	Museums, Archives and Libraries	2,430	1,430	-	1,430
	Creative	515	989	5,000	5,989
<b>Total</b>		<b>7,674</b>	<b>4,051</b>	<b>10,765</b>	<b>14,816</b>
Media and Publishing	Books Council of Wales	30	30	750	780
<b>Total</b>		<b>30</b>	<b>30</b>	<b>750</b>	<b>780</b>
Support for the Historic & Natural Environment	Cadw	5,360	8,731	-	8,731
	Royal Commission on the Ancient and Historical Monuments of Wales	15	15	-	15
	National Botanic Garden of Wales	95	95	100	195
<b>Total</b>		<b>5,470</b>	<b>8,841</b>	<b>100</b>	<b>8,941</b>
<b>TOTAL CAPITAL</b>		<b>13,174</b>	<b>12,922</b>	<b>11,615</b>	<b>24,537</b>

## PROJECTS FUNDED BY THE MEDIA INVESTMENT BUDGET

Project	Investment Value £m	Amount Recouped to September 2019 £m	Net Gain / (Loss) to Date £m	Welsh Spend to Date £m
<b>Under Pinewood Management</b>				
Take Down	3.144	1.090	(2.054)	1.089
Their Finest	2.000	2.050	0.050	1.618
The Collection	1.750 <sup>1</sup>	0.235	(1.515)	5.187
Show Dogs	1.566 <sup>2</sup>	0	(1.566)	4.338
Journey's End	0.850	0.631	(0.219)	0.903
Don't Knock Twice <sup>3</sup>	0.630	0.609	(0.021)	0.641
Minotaur	0.026	0	(0.026)	N/A <sup>4</sup>
Lionel the First	0.025	0	(0.025)	N/A <sup>5</sup>
<b>Total</b>	<b>9.991</b>	<b>4.615</b>	<b>(5.376)</b>	<b>13.776</b>
<b>Under Welsh Government Management</b>				
Trampires <sup>6</sup>	2.000	0	(2.000)	1.621
Eternal Beauty	1.050	0.364	(0.686)	1.255
Bang	0.350	0	(0.350)	2.562
Tiny Rebel	0.318	0	(0.318)	0.260
Goose Green	0.025	0	(0.025)	N/A <sup>7</sup>
Almost Never (formerly True Believers) <sup>8</sup>	0.622	0	(0.622)	2.118
Six Minutes To Midnight <sup>9</sup>	0.750	0.075	(0.675)	3.520
<b>Total</b>	<b>5.115</b>	<b>0.439</b>	<b>(4.676)</b>	<b>11.336</b>
<b>Overall Total</b>	<b>15.106</b>	<b>5.054</b>	<b>(10.052)</b>	<b>25.112</b>

<sup>1</sup> The investment value includes £600,000 of grant funding from the Media Investment Budget

<sup>2</sup> The investment value includes £362,000 of grant funding from the Media Investment Budget

<sup>3</sup> Don't Knock Twice also received £75,000 of grant funding under the Welsh Government's Business Finance scheme.

<sup>4</sup> Development funding does not include a Welsh Spend commitment

<sup>5</sup> Development funding does not include a Welsh Spend commitment

<sup>6</sup> Trampires also received £652,572 of grant funding under the Welsh Government's Business Finance scheme.

<sup>7</sup> Development funding does not include a Welsh Spend commitment

<sup>8</sup> In production or production has only recently completed.

<sup>9</sup> In production or production has only recently completed.

## WELSH SCREEN FUND INVESTMENT

Financial Year of Offer	Name of Production Company (SPV*)	Production Title (Wales Screen Fund)	Value of Offer £m	Anticipated Spend £m
2012/13	Tonto Films and Television Ltd	Da Vinci's Demons Series 1	0.495	3.823
2012/13	Urban Myth Films	Atlantis Series 1	0.250	4.026
2012/13	Pesky Productions Ltd (Boj & Buddies)	Boj & Buddies	0.200	1.003
2012/13	Fiction Factory (Hinterland Films Ltd)	Hinterland Series 1	0.215	3.691
2012/13	Tonto Films and Television Ltd (DVDS2)	Da Vinci's Demons Series 2	0.990	15.000
2013/14	Avanti Media Group	Wonder World	0.127	0.763
2013/14	Urban Myth Films	Atlantis Series 2	0.250	4.026
2013/14	Lime Pictures Limited	Rocket's Island	0.143	0.966
2013/14	Mirror Productions	Petroleum Spirit	0.051	0.358
2013/14	Modern Television	A Poet In New York	0.053	0.855
2013/14	Adastra Creative and Shrinking Cap Productions Ltd	Grandpa in my pocket	0.129	1.612
2013/14	Three Stones Media (The Rastamouse company)	Rastamouse Series 4	0.145	0.885
2013/14	Pure Grass Films Ltd (Drake Equation Ltd)	The Drake Equation	0.740	5.208
2014/15	Lime Pictures Limited	Rocket's Island Series 4	0.070	0.700
2013/14	Lupus Films	Toot the Tiny Tugboat / Ethel & Ernest	0.550	3.034
2013/14	Green Bay Media Ltd	Castle Builders	0.045	0.320
2013/14	YJB Films (From a Jack to a King Ltd)	From a Jack to a King	0.100	1.229
2013/14	Hartwood Television Ltd	Lady Chatterleys Lover	0.125	0.813
2014/15	Gritty Realism Productions Ltd	Heart of Darkness	0.150	1.794
2014/15	TCFTV UK Productions	The Bastard Executioner	2.500	10.000
2014/15	Cwmni Da Cyf	Country Fair	0.125	1.019
2014/15	Animortal Studio (Trampires Ltd)	Trampires	0.674	6.738
2014/15	Tiger Aspect Productions (Tiger Aspect (D&F) Ltd)	Decline and Fall	0.100	1.800
2014/15	RF Movie Productions Ltd	Robin Friday - The Movie	0.200	1.950
2014/15	Touchpaper Television Ltd	Coming up	0.080	0.809
2014/15	Fiction Factory Films Ltd (Hinterland Films 2 Ltd)	Hinterland 2	0.304	5.300
2014/15	Fiction Factory Films Ltd (Hinterland Films 3 Ltd)	Hinterland 3	0.250	4.210
2015/16	Bad Wolf Ltd	Bad Wolf Productions	9.000	133.000
2015/16	Hartwood Films (Sherlock TV Ltd)	Sherlock Season 4	0.240	2.409
2015/16	Heel Stone Pictures Ltd	Crossing the Border	0.202	2.519
2015/16	Ninth Floor UK Productions Limited	Will Season 1	1.500	18.761
2015/16	Lookout Point Ltd (Pinewood	The Collection	0.600	5.500



Financial Year of Offer	Name of Production Company (SPV*)	Production Title (Wales Screen Fund)	Value of Offer £m	Anticipated Spend £m
	Films 14)			
2015/16	Red & Black Films (Don't Knock Twice Ltd)	Don't Knock Twice	0.075	0.630
2015/16	Vertigo Television Ltd	Britannia VFX	1.100	11.149
2016/17	Beakus Ltd	Toggle Top	0.076	0.944
2016/17	Cloth Cat Animation Ltd (Clothcat LBB Ltd)	Luo Bao Bai	0.225	3.183
2016/17	Riverstone Pictures (Showdogs Ltd)	Showdogs	0.362	4.737
2016/17	Vox Pictures (Keeping Faith Ltd)	Keeping Faith	0.328	4.250
2016/17	Green Bay Media	Mountains and Life	0.030	0.540
2016/17	New Pictures (Requiem Productions Ltd)	Requiem	0.400	5.016
2016/17	Severn Screen Ltd (Apostle Films Ltd)	Apostle	0.385	5.767
2017/18	World Productions (BTK 2016 Ltd)	Born to Kill	0.200	2.500
2017/18	The Forge Entertainment Ltd	Kiri	0.200	2.382
2017/18	Coracle Pictures Limited (Denmark)	Denmark	0.085	1.383
2017/18	Rondo Media Cyf	The Wall	0.045	0.363
2017/18	Touchpaper Television Ltd	4Stories	0.040	0.631
2017/18	Illuminated Productions Ltd	The Rubbish World of Dave Spud	0.090	0.906
2018/19	Eleven Film Ltd	Schooled	0.485	3.879
2018/19	Boom Cymru	15 days	0.089	1.074
2018/19	Dream Horse Films Limited, Popara Films Ltd and Popara Films (DH) Limited	Dream Horse	0.350	4.384
2018/19	JJ Productions Ltd (Short Form Film)	Jamie Johnson Series 4	0.156	1.927
2018/19	Mad as Birds Ltd and Reliance Entertainment Productions Six Ltd	Six Minutes To Midnight	0.400	3.879
2018/19	Keeping Faith (Series 2) Productions Ltd (Vox Pictures)	Keeping Faith Series 2	0.300	4.654
2018/19	Hat Trick Productions	Warren	0.109	1.304
2018/19	Monterey Productions Ltd (HBO)	Brooklyn	0.220	2.412
2018/19	GOL Production Ltd (Pulse Films)	Gangs of London	0.350	4.209
2018/19	Iele Productions	Merched Parchus	0.041	0.444
2018/19	Blacklight TV	4Stories series 2	0.102	1.574
2019/20	All That Limit	Brave New World	2.000	20.000
2019/20	Joio	Bang Series 2	0.190	2.300
2019/20	JJ Productions Ltd (Short Form Film)	Jamie Johnson Series 5	0.060	1.827
<b>TOTAL (excluding withdrawn offers)</b>			<b>27.959</b>	<b>333.748</b>

\*Offer subsequently withdrawn

# Agenda Item 3

Document is Restricted

## Culture, Welsh Language and Communications Committee

**Date:** Wednesday 8 January 2020

**Time:** 10:30-11:30am

**Title:** Evidence paper to inform scrutiny of Draft Budget 2020-21 from the Culture, Welsh Language and Communications Committee

### Purpose

1. To provide information in relation to the Welsh language budget proposals as outlined in the Draft Budget 2020-21 published on 16 December 2019. It also provides an update on specific areas of interest to the Committee.

### Strategic Direction

2. In July 2017, we launched our Welsh language strategy: [Cymraeg 2050](#) setting out our vision to reach a million Welsh speakers by 2050 and increase the percentage of the population who speak Welsh daily from 10% to 20% by 2050. The strategy has three main themes:
  - Theme 1: Increasing the number of Welsh speakers
  - Theme 2: Increasing the use of Welsh
  - Theme 3: Creating favourable conditions – which entails securing the right infrastructure and context to enable themes 1 and 2 to happen.
3. Census results show that in 2011 there were approximately 562,000 Welsh speakers. During the process of drafting the *Cymraeg 2050* strategy, the projection for the number of Welsh speakers by 2050 (i.e. the number of Welsh speakers that was predicted if the prevailing patterns and trends regarding the Welsh language and the population had continued until 2050, with no further intervention to increase the number of speakers), was 666,000.
4. Reaching a million speakers therefore necessitated a step-change in order to see the requisite increase. The approach in the strategy follows a vision to increase the number of speakers, increase use of the language, and improve the infrastructure using a life-course approach followed in other administrations with minority languages such as Catalonia.
5. Previous Welsh Government strategies for the language focussed on maintaining the number of speakers. However, the target of a million speakers is deliberately pioneering. Its aim is to change people's mind sets and work towards a situation where the language is truly thriving and used in all aspects of the daily lives of fluent Welsh speakers, those who may be reluctant to use the language and new speakers.
6. The strategy provides a trajectory for the journey to a million speakers (a trajectory was developed alongside the strategy to demonstrate one possible path of reaching a million Welsh speakers by 2050, based on the policy intentions included in the strategy).

7. The *Cymraeg 2050: Work Programme 2017-21* published in tandem with the strategy, sets out what we will do during this Assembly to lay the foundations. We also publish annual action plans detailing our plans for the year ahead and annual reports detailing what we have achieved during the past year. More information on the milestones included in the Work Programme is included at paras 33-46. We are in the process of establishing Prosiect 2050 to give added impetus to efforts to deliver the *Cymraeg 2050* strategy. In July, the Committee published a report following its inquiry into ‘Supporting and Promoting the Welsh Language’, and provided recommendations as to the next steps. In August, I announced that funding had been agreed to employ experts to lead and advise Prosiect 2050, a new multi-disciplinary unit which will work with partners across Wales and beyond to help deliver our goals together. Prosiect 2050 will be tasked with:

- co-ordinating the planning for our route to a million speakers, from early years through Welsh-medium statutory education provision to post-compulsory education to Welsh for adults;
- doubling the use of Welsh by creating new initiatives, and evaluating current initiatives; and
- supporting policy areas across the Welsh Government to contribute to the maintenance of our Welsh-speaking communities and to the increased use of Welsh, in alignment with *Cymraeg 2050*.

8. The Welsh Government’s Programme for Government as well as the Well-being of Future Generations (Wales) Act 2015 support the vision in *Cymraeg 2050*.

### 2020-21 Draft Budget Allocations

9. The 2020-21 Draft Budget provides a one year spending plan for both revenue and capital. The total Welsh Language budget is £37.216m: revenue £36.831m and capital £0.385m. To note that the Minister for Education has responsibility for Welsh medium and bilingual education which is supported with a revenue budget of £12.675m. The tables below provide an overview of the total Welsh Language budgets by portfolio:

<b>TABLE 1: Overview of the Revenue Budget – Total Welsh Language</b>						
<b>Action</b>	<b>Budget Expenditure Line (BEL)</b>	<b>2019-20 First Supp Budget £'000</b>	<b>Baseline Adjustments £'000</b>	<b>2020-21 Revised Baseline £'000</b>	<b>Change £'000</b>	<b>2020-21 New Plans Draft Budget £'000</b>
<b>International Relations and Welsh Language MEG</b>						
Welsh Language	Welsh Language	20,949	-	20,949	-	20,949
	Welsh Language Commissioner	3,157	-	3,157	50	3,207
<b>Total</b>		<b>24,106</b>	<b>-</b>	<b>24,106</b>	<b>50</b>	<b>24,156</b>

Education MEG						
Welsh in Education	Welsh in Education	14,325	(500)	13,825	(1,150)	12,675
<b>Total</b>	<b>TOTAL</b>	<b>14,325</b>	<b>(500)</b>	<b>13,825</b>	<b>(1,150)</b>	<b>12,675</b>
<b>Overall Total</b>		<b>38,431</b>	<b>(500)</b>	<b>37,931</b>	<b>(1,100)</b>	<b>36,831</b>

TABLE 2: Overview of the Capital Budget – Total Welsh Language					
Action	Budget Expenditure Line (BEL)	2019-20 First Supp Budget £'000	2020-21 Plans as per 2019-20 Final Budget £'000	Change £'000	2020-21 New Plans Draft Budget £'000
Welsh Language	Welsh Language Commissioner	-	-	385	385
<b>Total</b>		-	-	<b>385</b>	<b>385</b>
<b>Overall Total</b>		-	-	<b>385</b>	<b>385</b>

10. Within the International Relations and Welsh Language MEG, additional funding has been provided to the Welsh Language Commissioner: revenue funding of £0.05m to support staffing costs and capital of £0.385m to implement a new IT system.
11. Within the Education MEG, the Welsh in Education budget is £12.675m for 2020-21. The budget includes a transfer of funding of £1.650m within the MEG for Welsh Language practitioner training, due to the responsibility for the Sabbatical scheme and CYDAG now falling to the Teacher Development and Support BEL. In addition, £0.5m removed from the baseline in relation to funding allocated in the Two Year Plaid Cymru Budget agreement for bilingual education resources has been reinstated for 2020-21. This funding will ensure the continuation of the ongoing programme to commission Welsh-medium and bilingual teaching and learning resources in support of the new curriculum and post-16 vocational qualifications.
12. The Welsh in Education budget for 2020-21 therefore includes continuation of additional £1.5m funding allocated in 2018-19 as a result of the two year Budget agreement with Plaid Cymru: £0.5m as stated above to improve provision of bilingual education resources and £1m for Mudiad Meithrin to increase Welsh-medium childcare provision.
13. The final outturn for 2018-19 for Welsh Language was £37.838m. In 2019-20 the forecast outturn is £38.431m in line with the allocated budget.
14. I must also note that the aim is to mainstream *Cymraeg 2050* into all Welsh Government portfolio areas and there is expenditure on the language embedded in delivery within many other ministerial portfolios.

## Part 1: Commentary on Budget Expenditure Line (BEL) allocations

### Welsh Language BEL

15. The purpose of the Welsh language BEL is to support *Cymraeg 2050* in relation to increasing the use of Welsh and securing the right infrastructure.
16. Funding within the Welsh Language BEL has been maintained at £20.949m for 2020-21. As outlined in the table above, the baseline for 2020-21 includes the continuation of £5m funding for *Cymraeg Gwaith / Work Welsh* initiative and promotion allocated in the Two Year Budget Agreement with Plaid Cymru. The budget primarily supports partnership activities including:
  - **Cymraeg for Kids** – to support parents, prospective parents and other family members in using Welsh at home, transmit Welsh to their children, and to support children’s linguistic development in a social and educational context. Further detail is provided at para 37;
  - The delivery of Welsh-language training through the **National Centre for Learning Welsh**. Further detail is provided at para 47.
  - Delivering the **Welsh Language Technology Action Plan**;
  - Increase **language use within communities** for example through providing grants to the Mentrau Iaith, Merched y Wawr and the Young Farmers;
  - Delivery of the **Siarter Iaith / Welsh Language Charter** programme;
  - Fund additional expertise in language planning as part of **Prosiect 2050**;
  - Fund **Business Officers** within the community and the new **Welsh language helpline** for small businesses;
  - Fund the **Welsh Language Tribunal**;
  - **Research**, evaluation and marketing in respect of the Strategy.

### Welsh Language Commissioner BEL

17. The budget supports the Welsh Language Commissioner who has wide ranging functions and powers which include:
  - Working towards ensuring that the Welsh language is treated no less favourably than the English language;
  - Implementing the Welsh language standards system;
  - Conducting inquiries into matters relating to the Commissioner's functions;
  - Investigating alleged interference with an individual’s freedom to communicate in Welsh;
  - Promoting and facilitating the use of the Welsh language with a view to increasing language use – especially within the third and private sectors.

### Welsh in Education BEL

18. The BEL supports actions related to Welsh-medium and Welsh language education within *Cymraeg 2050*, which includes:

- Funding for Mudiad Meithirn to increase Welsh-medium childcare provision as a pathway onto Welsh medium education;
- The planning of Welsh-medium education to include implementing recommendations made within the Rapid Review of the Welsh in Education Strategic Plans (WESPs) and developing new regulations;
- Commissioning of teaching and learning resources;
- Funding for the Coleg Cymraeg Cenedlaethol and the development of post-16 Welsh-medium provision.

## Part 2: Other information

### Information on how the delivery of the Welsh Language portfolio and associated outcomes are monitored and evaluated to demonstrate value for money

19. In terms of ensuring value for money, clarity over how we use our resources effectively is central to delivering the priorities set out in Taking Wales Forward and Prosperity for All. I have well-established processes in place to ensure that resources are used effectively for the purposes intended.
20. For this administration, progress in delivering the short term targets outlined in the *Cymraeg 2050 Work Programme for 2017-21* will be a measure of progress towards achieving the aims of *Cymraeg 2050*. Progress as a whole is **monitored** annually through a process which includes the publication of an annual Action Plan at the beginning of the financial year, followed by an Annual Report at year's end to report back on the actions detailed in the Action Plan. Regular reviews to monitor expenditure and outcomes are undertaken to ensure that any available resources are reprioritised to deliver the strategy.
21. The Welsh Language Partnership Council plays a role in advising on progress towards the 2050 target and the efficacy of our programmes and interventions. Officials have also set up a Cymraeg 2050 Programme Board within the Welsh Government in order to mainstream the strategy in each of the Government's policy areas, and to assess risks and identify steps to mitigate them.
22. Additionally, we are in the process of establishing Prosiect 2050 to give added impetus to efforts to deliver the *Cymraeg 2050* strategy as detailed above at paragraph 7. This is in line with the recommendations made in the report that the Committee published in July following its inquiry into 'Supporting and Promoting the Welsh Language'.
23. In terms of evaluation, the findings of a research study published in 2017: [Welsh Language Transmission and Use in Families](#) are being used to inform the next stages of policy development. We will review the funding allocation to Welsh language transmission and use in families when we consult on the new language transmission policy in 2020.
24. The [Process Evaluation of Cymraeg for Kids: Final Report](#) was published in February 2019. The aim of the evaluation was to examine whether the

programme had been designed in a way that enabled its objectives to be met, and to assess how the programme was being implemented in its current form. Its findings and recommendations encompassed the programme's aims and objectives, structures and processes, and partnership working. Since April this year, the report's recommendations have fed into the process of further developing the programme. We will consider opportunities to further strengthen the programme in future to ensure that the support for families under the Cymraeg for Kids programme fully aligns with other developments in Welsh-medium education.

25. Two evaluations are currently under way: one of the Siarter Iaith / Welsh Language Charter, and one of the Welsh Language Sabbatical Schemes for education practitioners. The findings of the evaluation of the Siarter Iaith are intended to inform the design and delivery of a redesigned Siarter Iaith that is being developed by WG in collaboration with the four regional education consortia. The study is due to be completed in February 2020. The evaluation of the Welsh Language Sabbatical Scheme has two aims. The first is to examine how, and to what extent, the Sabbatical Scheme contributes to change in the way that Welsh is taught or used as a medium of teaching in schools. The second aim is to assess the contribution of the Sabbatical Scheme to professional development provision for practitioners to develop their Welsh language skills or to teach through the medium of Welsh. The evaluation findings will provide the basis for the strategic development of the Sabbatical Scheme and practitioner training in future. This evaluation is due to report in 2020.
26. In addition to these evaluations, a research study on the relationship between the Welsh language and the economy is currently nearing completion. The aim of this study is to provide an assessment of the evidence available on the relationship between language and the economy, and of the methods and approaches that have been used in these studies. It is intended for the findings of this review (to be published in the New Year) to inform future research activity.
27. Regarding **preventative spend**, we are investing in audience insight research to learn more about the public's behaviours and attitudes towards the language. This will shape our marketing strategy, the way we target our audience, and ensure that we are engaging with the right audience with the right message. This will also mean that we will be spending our budget more effectively, driving better results, and will feed into partners' marketing strategies, with the aim of creating a 'one voice' approach to promote the Welsh language, thereby reducing duplication of work and spend on developing messages, branding and resources. The aim is that this work will also prepare the ground for other initiatives, making people more favourably disposed to campaigns such as encouraging parents to consider Welsh language education for their children, transmission in the family etc.
28. Furthermore, our target of increasing Welsh language early years provision by 40 nursery groups by 2021 has the potential to reduce spend on promotion among older age groups, as they help individuals establish robust language



practices at an early age. In this respect, Cylchoedd Meithrin contribute to nurturing the conditions which create new Welsh speakers by immersing children in the language and its culture, and by helping to feed Welsh-medium schools. This spend on the early years prepares the ground for further interventions in the shape of, for instance, the Siarter Iaith (which has the aim of establishing Welsh-language use among school children from an early age).

29. The digital landscape is also a game-changer for the Welsh language, several elements of which could be considered as preventative spend. Our Welsh Language Technology Action Plan is now a year old. The Plan involves ensuring Welsh language digital components are created and maintained so that they can be used and reused widely by all organisations and individuals. The spread of Welsh language technology is also essential for the normalisation of the Welsh language and enabling people to use it in their day to day lives.
30. The Plan was launched in an Oral Statement on 23 October 2018, and deals with three key areas:
  - **Welsh Language Speech Technology** – Welsh language speech to text recognition and text to speech synthesis;
  - **Computer-assisted translation** – sharing and reusing English<>Welsh text translations via ‘translation memory’ technology;
  - **Conversational Artificial Intelligence** – machines would *understand* the Welsh language (in addition to *recognising* it).
31. We will be working cross government and with our public sector partners to increase the use of Welsh language technology in order to make significant savings in relation to translation.
32. As a Government, we are committed to using the Well-being of Future Generations (Wales) Act to improve how we make decisions about the social, economic, environmental and cultural well-being of Wales. Our goal is to ensure we reflect the sustainable development principle and our spending plans aim to achieve a balance between short and long-term priorities.

**Information on allocations (and their location) in the International Relations and the Welsh Language portfolio to support the Cymraeg 2050 Welsh Language Strategy, in particular, allocations to achieve the ‘milestones’ as set out in the Work Programme 2017-2021.**

33. I have included some information on how allocations support *Cymraeg 2050* in previous sections of this paper. I will now refer specifically to the milestones included in the *Cymraeg 2050* Work Programme for 2017 – 2021.
34. Not all milestones fall within my portfolio. However in relation to each one, expenditure is allocated appropriately to drive an increase towards these milestones.

35. Information about individual milestones is set out below. Information about milestones that are within the Minister for Education's portfolio are listed in the next section from paragraph 40-46.
36. I meet with the Minister for Education regularly to discuss the synergies and overlap between our portfolios where the Welsh language is concerned.

**Milestone: a small increase in language transmission rates in families by the 2021 Census, continuing the trend seen between 2001 and 2011**

37. To support this aim, we have invested £0.73m in the Cymraeg for Kids programme in 2019-20. This is the first of a four-year contract, and we aim to continue funding at the same level in 2020-21. The objectives of the programme are to support parents, prospective parents and other family members in introducing and using Welsh at home and transmitting Welsh to their children, and to support children's linguistic development in a social and educational context.

**Milestone: Keeping a close eye on indicators of language use associated with the initial target of increasing daily use from 10 per cent of the population to 11 per cent by 2021**

38. All of the interventions in my portfolio, and therefore all corresponding budget allocations, ultimately have the aim of increasing the use of the language, and are evaluated and monitored to ensure that they are fit for this purpose. This is true of both the Welsh Language BEL (2020-21: £20.949m) and Welsh Language Commissioner BEL (2020-21: £3.592m). Under the new Memorandum of Understanding between the Welsh Government and Welsh Language Commissioner, as well as regulating the standards, the Commissioner has the role of increasing use of the language.
39. Projects and partners funded under the Welsh Language BEL to increase the use of the language include:
  - The Mentrau Iaith;
  - The National Eisteddfod;
  - The Urdd;
  - Young Farmers Clubs;
  - Community projects (Cymdeithas Eisteddfodau Cymru and Merched y Wawr);
  - Local Newspapers (Papurau Bro);
  - A network of business officials to promote the Welsh language in the private sector;
  - Bangor University's ARFer project, to increase interpersonal communication and confidence in the use of Welsh in the workplace via behavioural pledges;
  - A fund to promote the use of the Welsh language in the post-16 sector;
  - A fund allocated to Welsh Education Consortia to promote the informal use of the Welsh language (Siarter Iaith);

- Cymraeg for Kids;
- Small festival fund;
- Dydd Miwsig Cymru.

As we are concerned at the possible impact that Brexit could have in particular on some of our heartland areas, we are determined to ensure that we give more support to provide opportunities to use Welsh in more social and workplace settings. The budget will be reviewed in year once we know the final Brexit outcome.

**Information on allocations (and their location) in the Minister for Education's portfolio to support Cymraeg 2050, and in particular, to support and develop Welsh-medium education.**

40. Allocations for activities within the Minister for Education's portfolio, that support *Cymraeg 2050*, sit within the Welsh in Education BEL, located in the Education MEG. As outlined in paragraph 11, the budget stands at £12.675m for 2020-21. The change is primarily due to a transfer of £1.650m within the MEG following the transfer of responsibility for the Sabbatical Scheme and CYDAG to the Teacher Development and Support BEL. CYDAG undertake a programme of activities to support the development of Welsh-medium education in support of the Welsh in Education Action Plan. The Welsh Language Sabbatical Scheme has a central role in continuing to develop the current workforce's Welsh language skills and ability to teach through the medium of Welsh.
41. Activities funded from the allocation include the development of Welsh-medium and bilingual early years provision, the development and implementation of the Welsh in Education Strategic Plans (WESPs), support for FE colleges and training to enable tutors and assessors to teach and train learners bilingually, support the development of Welsh-medium HE provision and lead on post-16 development. Other activities include the development of teaching and learning resources to support the teaching of Welsh and other subjects through the medium of Welsh, as well as bilingual resources to support the new curriculum.

**Milestone: Aim to support the expansion of Welsh language early years by 40 new groups by 2021**

42. An additional £1m per year has been allocated to Mudiad Meithrin in 2018-19 and 2019-20 to enable it to undertake work specifically focussing on developing new early years settings in areas of Wales with a current lack of Welsh-medium provision as an access point to Welsh-medium education (see para 46-47 below for further details). This funding is being maintained for 2020-21.

**Milestone: Keeping an increase in the percentage of learners in Welsh-medium education, from 22 per cent (based on 7,700 seven-year-old learners in 2015/16) to 24 per cent (about 8,400) by 2021**

43. Funding of £100,000 from Welsh in Education BEL is allocated to support work on the Welsh in Education Strategic Plans (WESPs). Under this work stream, *The Welsh in Education Strategic Plans (Wales) Regulations 2019* were laid on 5 December 2019 setting out new arrangements for the preparation and implementation of Welsh in Education Strategic Plans. New provisions include the introduction of longer term Plans (10 years) as well as Plans that are prepared on the basis of clear, ambitious targets. These targets have been calculated in such a way as to demonstrate the contribution every individual local authority needs to make in order to support the Welsh Government's *Cymraeg 2050* education milestone targets. These Regulations will come into force on 1 January 2020.
44. Responses to consultation on the Welsh in Education Strategic Plans (Wales) Regulations ("the 2019 Regulations") called for opportunities to discuss WESP implementation and good practice at a national level. The first ever national WESP conference is being planned for March 2020 and will be one for the first conferences to be held in Welsh Government's new conference facility, "Yr Hafod" in Cardiff.
45. Furthermore, a review of school designations according to their provision of Welsh has been underway, in accordance with recommendations made by the WESP Advisory Board in May 2019. The aim is to consult on high level options to redefine school designations according to the provision of Welsh over the coming months. This may lead to revision of the School Organisation Code and potentially new guidance around school designations. The final report, with recommendations to improve the current system is due to be submitted by the end of December 2019. **Early indications suggest that we are on track to reach the 2021 milestone of 24% learners in Welsh-medium Education.**

**Milestone: support growth in the number of teachers in Wales who can teach Welsh or teach through the medium of Welsh by 2021 as follows:**

- 3,100 primary teachers who can teach through the medium of Welsh (from a baseline of 2,900 in 2015/16);
  - 600 secondary teachers who can teach Welsh (from a baseline of 500 in 2015/16);
  - 2,200 secondary teachers who can teach through the medium of Welsh (from a baseline of 1,800 in 2015/16).
46. The Welsh in Education: action plan 2017-21, published in December 2017, sets out our direction for the development of compulsory Welsh-medium and Welsh language education over the next four years, in line with the vision of *Cymraeg 2050* and *Our national mission*. The Minister for Education leads on the implementation of activities and actions in response to the education priorities identified within the action plan, for example increasing the number of teachers, curriculum development and support for learners with additional learning needs. The Education MEG will continue to provide support for these activities in 2020-21. I will shortly be publishing figures in relation to progress against this target in the *Cymraeg 2050* Annual Report for 2018-19.

### **Part 3: Specific areas**

#### ***Updates on allocations in 2020-21 budget***

#### **Information on the allocation of £13.21m for the National Centre for Learning Welsh and associated projects.**

47. A total of £13.21m was allocated from the Welsh Language BEL to the National Centre for Learning Welsh in 2019-20. This allocation was split £8.810m to fund the 11 providers who deliver the training courses, £2.5m for the Cymraeg Gwaith / Work Welsh initiative and £1.9m to maintain the running costs of the Centre. This funding has enabled the Centre to continue to offer opportunities for individuals to learn Welsh and develop their confidence in using their Welsh language skills. This includes:

- offering a wide range of opportunities across five levels for learners across Wales via the Centre's network of 11 providers;
- working with partners, including S4C, BBC Radio Cymru and the Welsh Books Council, to strengthen support for learners;
- further develop the Cymraeg Gwaith / Work Welsh initiative, offering tailored training to build Welsh language skills in the workplace.

We are currently discussing opportunities to mainstream the Cymraeg Gwaith work across Welsh Government portfolio areas, as well as considering further efficiencies with the National Centre for Learning Welsh in order to release some funding for other priority areas, whilst maintaining opportunities for learners.

#### **An update on the £3.22m allocated to develop Welsh-medium education and bilingual early years' provision, and information on any evaluation or assessment made as a result.**

48. Funding of £3.03m, which includes an additional £1m per year for 2018-19, 2019-20 and 2020-21, has been allocated from the Welsh in Education BEL to Mudiad Meithrin enabling it to strengthen its support for Welsh-medium early years provision as an access point into Welsh medium education. As well as supporting its existing membership, this funding has also allowed Mudiad Meithrin to establish a programme focusing specifically on creating new early years settings in areas of Wales with a current lack of Welsh-medium provision. Twelve new Cylchoedd Meithrin have been established in 2018-19, and a further 14 new Cylchoedd Meithrin are due to be established by March 2020.

49. As part of its monitoring processes, Mudiad Meithrin gathers data from each of its member settings regarding numbers of children attending as well as their progression to Welsh-medium education. This information is shared with local authorities to feed into planning cycles. According to the most recent data, 12,773 children attended its Cylch Meithrin and day nurseries. 88.1% of children transferring from these settings to education progressed to Welsh-

medium education – the highest proportion since this data began to be gathered – evidencing the importance of this work in increasing access to Welsh-medium education.

50. The remaining £0.19m has been provided to Cwlwm – a consortium of five leading organisations representing providers in the childcare and play sectors – to develop the use of Welsh in childcare and play settings. This has included working in collaboration with the National Centre for Learning Welsh to identify practitioners to participate in the ‘Camau’ Welsh language training programme and support their use of Welsh in delivering childcare and play services. We aim to ensure 600 practitioners across a wide range of settings will participate in this programme by March 2020.

### **Information on the allocation of £3.17m for the commissioning of bilingual learner resources and outcomes.**

51. Funding of £3.17m is allocated from the Welsh in Education BEL to ensure the provision of:
  - resources to support the teaching and learning of Welsh as a subject;
  - resources to support the teaching and learning of other subjects through the medium of Welsh;
  - bilingual resources to support qualifications and the new curriculum.
52. Work in ensuring Welsh-medium textbooks and revision books are available for all of the revised WJEC general qualifications at GCSE, AS and A level will continue. Budget will also be allocated to ensure provision of resources for vocational qualifications such as sports, business and childcare.
53. With the publication of a new curriculum in January 2021, we will continue to ensure that Welsh language and bilingual resources are available to support its delivery. Priority areas currently include computing / coding, Welsh oracy, Welsh dimension in particular in STEM subjects and Welsh writing in English.
54. Budget will be allocated to provide resources to support Welsh-medium apprenticeships in agriculture, construction, health and social care, and childcare.
55. To support practitioners and learners in Welsh-medium schools and further education colleges, funding will be provided to maintain and further develop the online terminology portal ‘Termiadur addysg’, ensuring that terminology for use in education and qualifications are up to date and standardised.

### **Details regarding the allocation of £0.73m for ‘Cymraeg for Kids’ and how it has been utilised.**

56. The ‘Cymraeg for Kids’ programme, within the Welsh Language BEL, has continued to support families to use Welsh at home, transmit Welsh to their

children, and support children's linguistic development in a social and educational context, with the aim of increasing the number of children in Welsh-medium childcare. Funding has been maintained in 2020-21.

57. A new contract for delivery of local activities and offering advice and support for the target audience at the heart of this programme commenced in April 2019. The £0.73m allocated to this contract in 2019-20 will aim to offer 3,000 activities, providing a platform for Cymraeg for Kids officers to hold 13,000 one-to-one discussions with parents and prospective parents during the year. Intensive support has been aligned to areas where new early years provision is being developed to provide a clear pathway from birth to Welsh-medium childcare and onwards to Welsh-medium education.

### **Allocations and commentary in respect of the budget allocation for the Welsh Language Commissioner in 2020-21.**

58. The Welsh Language Commissioner's revenue allocation for 2020-21 is £3.207m which allows the Commissioner to fulfil his duties. The Commissioner's budget for 2019-20 was £3.157m. An additional £0.05m has been allocated to support the pay award.
59. In 2020-21, an additional capital allocation of £0.385m will support essential upgrades to the IT system. This will include adopting an IT model that uses a cloud rather than a physical structure and upgrading the wi-fi system and hardware to build resilience. These changes will take time to embed and implement, but I am confident that this investment will result in some revenue savings over time as the Commissioner will be able to reduce expenditure on IT contractors and licenses. I will also be asking the Commissioner to ensure that this investment results in efficiency savings, and that it reduces the body's carbon footprint by reducing the need for travel between offices.

### **Capital expenditure in relation to the Welsh Medium Capital Grant: Progress relating to the £46m of capital expenditure allocated to support the growth of Welsh medium education, and additional capital of £5m allocated for the development of Pantycelyn Hall**

60. To support the milestone of increasing the percentage of learners in Welsh-medium education, we are driving forward the delivery of capital projects funded through the combined Welsh medium Capital and Childcare offer Grant Fund of £46m announced during 2018-2019 (£32.81m from the Welsh Medium Capital Grant and £13.02m from the Early Years Capital Grant). This injection of grant funding is supporting 46 projects across 20 local authorities which will, when all projects are realised, lead to an additional 2,818 school and childcare places for Welsh-medium learners. This funding boost will go some way to support the increase in provision needed to respond to the *Cymraeg 2050* ambition.
61. Funding of £5m was awarded to the Neuadd Pantycelyn development and £2.75m for the Urdd outdoor adventure camps, making a total of £53.75m to

support Welsh education. The Pantycelyn Project has £0.13m outstanding on its budget – it is anticipated that this funding will be claimed in January 2020 on completion of the project. Work on the Urdd's outdoor adventure camp at Glanllyn has begun – to date, no funding has been claimed against this project.

62. These projects will provide a huge boost for the Welsh language in the areas concerned. For example:

- a third Welsh-medium school in Monmouthshire;
- new Welsh-medium primaries in Merthyr Tydfil and Torfaen (linked to a secondary school);
- expansion of existing Welsh-medium primary provision to cope with demand in e.g. Wrexham, Flintshire, Cardiff, Neath Port Talbot, Caerphilly;
- provision of Welsh-medium childcare to support early language acquisition and attract further learners to the Welsh-medium sector in e.g. Rhondda Cynon Taf, Bridgend, Conwy;
- innovative Welsh language centre in Denbighshire linked to childcare provision and support for Welsh second language learners;
- support for centres who work with incomers in Gwynedd and Carmarthenshire.

63. Two projects that were placed on the reserve list have now been approved, these being a seedling school in Tredegar, Blaenau Gwent and a seedling school at the Pillgwenlly site in Newport.



## **Arts Council of Wales response to Count me in! Culture, Welsh Language and Communications Committee report on Tackling Poverty and social exclusion through culture, heritage and the arts**

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We welcome the opportunity to speak to the Committee about this important area of work. We would endorse the Committee's conclusions and recommendations, as outlined in the report published in November.

This response focuses on the report recommendations rather than the detailed commentary.

**Recommendation 1.** *The Welsh Government should commission a wholesale evaluation of the Fusion programme which assesses the original objectives, funding and evaluation.*

We agree.

We support the proposal to undertake a more detailed evaluation of the Fusion programme. We also agree with the proposed focus for this review, as outlined on pages 16 and 17 of the report. We would stress the importance of exploring a co-production approach moving forward. We believe that a joint approach to defining and delivering programmes of work will more effectively deliver the kind of longer term development that has impact. We also support the view that there should be a better understanding of, and more consistent approach to, the work of the Fusion Co-ordinators. Better clarity through a shared job description would ensure these important posts remain focussed on facilitating the delivery of the programme.

The evaluation methodology would benefit from a review. Assessing the impact of this work and these kinds of interventions is challenging. We would recommend that key partners work together to explore and determine what the objectives and outcomes should be and, in partnership with relevant expertise devise a more bespoke evaluation framework around this.

**Recommendation 2.** *The Arts Council of Wales should ensure that all members of Arts Portfolio Wales (its revenue-funded organisations) work with the different communities they serve to design their programme of activities.*

We agree.

The organisations that make up the Arts Portfolio Wales vary in the scale and locus of their work. Some are major national and international organisations, others are smaller and operate on a more local basis. All have a contribution to make to this recommendation.

There are organisations within our Arts Portfolio that already work closely with different communities in the design and creation of work. We acknowledged in our presentation to the Committee that there is more that could be done across the portfolio of organisations, as a whole. We are committed to working with them to develop this approach.

***Recommendation 3. The Welsh Government should guarantee funding for the Fusion programme to provide security of tenure for the Fusion Co-ordinators.***

We agree.

We support proposals to continue with a Fusions programme and we would be keen to be a key/lead partner in this. However, our vision would be for a revised programme that addresses the key points identified by the Committee and that seeks to develop and embed principles of co-production, ownership and asset-based community development. We would also wish to see any new programme development explicitly embracing the '5 Ways of Working' set out in Well-being legislation.

***Recommendation 4. The Welsh Government should work with the Arts Council of Wales to annually review progress against their outcomes in the Corporate Plan 2018-2023 in terms of widening access to the arts. The Welsh Government should report on this to the Committee.***

We agree.

We review our progress against the corporate plan and currently report on progress through the monitoring of our annual operational plan. This takes place during quarterly meetings held with Welsh Government officials.

***Recommendation 5. The Welsh Government, via the Arts Council for Wales, should require all arts and cultural bodies in receipt of public funding to set***

*out their objectives for tackling poverty and social exclusion in their strategic plans. Those in receipt of funding should also set out how they intend to co-design creative activities and content with these target audiences.*

We agree.

***Recommendation 6.*** *Increasing access to the arts, culture and heritage venues for those in poverty or at risk of social exclusion should be considered as one of the strategic objectives of Transport for Wales. The Welsh Government should explore options for Transport for Wales to enter into partnerships with cultural organisations for specific events and/or venues to make accessing their activities free or subsidised. These pilot schemes should be reported on to the Committee.*

We support this recommendation.

Although not directly a recommendation for the Arts Council, we know this to be a significant issue. Suggestions made during our presentation to the Committee that this could be the responsibility of the cultural institutions themselves. The costs to these organisations would be considerable and in our view beyond their remit. Working with communities to create and develop artistic and creative work is a more appropriate way for the cultural bodies to engage people. That said, any other community-based initiatives that could reduce travel costs would, we believe, have a real benefit.

***Recommendation 7.*** *The Welsh Government should increase the funding for the Fusion programme to allow participants to claim incidental costs such as transport.*

We agree.

***Recommendation 8.*** *The Welsh Government should report to the Committee on the proposals for developing a qualitative data set on the Fusion programme and the timetable for incorporating it into the evaluation methodology*

We agree.

We support this recommendation and would refer back to our response under recommendation 1 above.

Arts Council of Wales  
22 November 2019

# Agenda Item 4.2



**CYMRU WALES**

21st November 2019

Mared Llwyd  
Deputy Clerk  
Culture, Welsh Language & Communication Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff CF99 1NA

Dear Mared,

My thanks for your letter to my colleague Andy Collinson highlighting the committee's request for further information following our evidence session of 10th October 2019.

The first area covered 'the reform required to address the decrease in the value of the ITV Cymru Wales licence.'

The measures that I had in mind were those outlined in section nine of our written evidence to the committee, entitled 'Wales, Westminster and a Globalised World.' This outlined some of the challenges facing ITV and other commercial public service broadcasters from global organisations such as Google and Facebook. It also outlines ITV's response by innovating and investing (9.5). We identified how we are growing our global content production business, our video on demand, innovating in advertising and entering the video subscription on demand market developing Britbox in partnership with the BBC.

We also highlighted the need for radical reform to the current PSB settlement. This includes:

- New legislation to maintain the prominence of PSB onto new global platforms (Par 9.9)
- A fair system allowing PSBs to monetise that prominence and build a direct relationship with viewers (Par 9.10)
- A new inclusion regime which guarantees PSB universality whilst allowing the broadcasters to negotiate fair commercial terms with platforms. (Par 9.10)
- A long term commitment from the UK Government and Ofcom to offer spectrum to Digital Direct Television facilitating the ongoing popularity of Freeview (Par 9.11)

Such measures help maintain the long term value of the ITV Cymru Wales licence as part of the wider commercial PSB sector.

Secondly, you ask: 'what more could be done to ensure there is more Welsh content with a higher profile?' On this, I promised to come back to the committee with three bullet points. Can I suggest the following as a starting point?

- Empowering Creative Wales to offer strategic leadership to the sector, taking in issues such as training and diversity - maintaining the best that we have and getting us to work in partnership for the greater economic and cultural good of the nation and the Welsh creative sector!
- Widening the already very successful efforts that have made Wales a go-to destination for high end film and television. In particular, support the growth of returning series and high volume ongoing series which offer the bread and butter work that can form the bedrock of a commercial content production sector.
- Remove some of the barriers to production which face production teams when arranging location filming. Programmes such as Coast & Country, which celebrate the Welsh countryside are regularly charged hundreds of £s in filming fees by Welsh Government connected organisations. This means that we feature those locations less often when there could be a much greater benefit to Wales if those locations were highlighted for viewers.

I hope that these thoughts are of assistance to the committee. I look forward to liaising again in the near future as the committee starts its consideration of the future of public service broadcasting and the possible devolution of the sector.

Yours Sincerely



**Phil Henfrey, Head of News and Programmes**  
ITV Cymru Wales

# Agenda Item 4.3

Yr Arglwydd Elis Thomas AC/AM  
Y Dirprwy Weinidog Diwylliant, Chwaraeon a Thwristiaeth  
Deputy Minister for Culture, Sport and Tourism



Llywodraeth Cymru  
Welsh Government

Bethan Sayed AM  
Chair of the Culture, Welsh Language and Communications Committee  
National Assembly for Wales  
Cardiff Bay  
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[Bethan.Sayed@assembly.wales](mailto:Bethan.Sayed@assembly.wales)

10 December 2019

Annwyl Bethan,

Thank you for your letter dated 23 October with a copy of the Committee's report on community radio in Wales.

As a Government we fully recognise the importance of the community radio sector in Wales. Community radio provides a key service for local residents. In addition to reflecting the issues affecting people and their communities, local radio stations also contribute towards improving the lives of their listeners through a variety of initiatives such as holding local events, training initiatives working with schools/universities and fundraising for local charities.

We therefore welcomed the symposium for community radio stations in Wales arranged by the Committee on 20 June. It was disappointing that the Welsh Government was not invited to attend.

I attach the Welsh Government's response to the Committee report

Yn gywir,

**Yr Arglwydd Elis-Thomas AC/AM**  
Y Dirprwy Weinidog Diwylliant, Chwaraeon a Thwristiaeth  
Deputy Minister for Culture, Sport and Tourism

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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.

## **Written Response by the Welsh Government to the Culture, Welsh Language and Communications Committee's short report into community radio in Wales**

**December 2019**

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We welcome the findings and offer the following response to the recommendations in the report.

**Recommendation 1. The Welsh Government should fund a community radio body for Wales. The body would offer practical support to stations, perform a representative role and co-ordinate cross station co-operation and knowledge sharing. Practical support might include performing common tasks for stations like HR, marketing or grant writing. The body should also help forge links between community stations and other interested bodies like commercial and BBC radio.**

### **Response: Reject**

The Welsh Government has not received any representations from the sector to establish a community radio body for Wales. We fully expect Ofcom to provide advice on a number of the issues outlined in this recommendation. The sector should contact Ofcom Wales officials as well as the Ofcom Board Member for Wales if it feels that appropriate support is not being provided. Ofcom of course already administers a Community Radio Fund on behalf of DCMS and as we said in our response to the Committee's report on radio last year our understanding is that Ofcom Wales officials already promote the availability of this fund to relevant community radio stations on a regular basis.

**Financial Implications** – None

**Recommendation 2. The Welsh Government should place more government advertising, particularly public information campaigns, with Community Radio stations and provide guidance to other public sector bodies in Wales to draw their attention to the possibilities of using the sector more.**

### **Response: Accept in Principle**

As we have previously informed the Committee, the marketing and communications agencies on the Welsh Government's Framework tender to deliver campaign work across all government portfolios. The Welsh Government wrote to all agencies reminding them to include community radio stations when developing media plans for all Welsh Government campaigns. This can either be as part of the advertising mix or through suitable creative involvement of the stations, whichever is judged to provide the best audience engagement. In addition, agencies have also been asked to provide details to the Framework manager of engagement work along with advertising value they undertake on any Welsh Government campaigns. This will enable the Welsh Government to gather these details and values on a six-monthly basis.

Since our last update to the Committee on this issue in April 2019, Welsh Government Communications officials have continued to engage with its agencies and Welsh Government staff responsible for running its campaigns and purchasing advertising space. Since April 2019, the Welsh Government has and is in the process of using community stations to advertise the following campaigns:



- Organ Donation
- Childcare Offer
- Fly tipping campaign
- Children's Homelessness campaign

As part of its remit in relation to community radio, we would expect Ofcom to encourage other public bodies in Wales to make more use of the community radio sector.

**Financial Implications** – Any costs are drawn from existing programme budgets.

**Recommendation 3. The BBC should actively engage with community radio to give access to the output and promote the use of their Local Democracy Reporting Service.**

**Response: Not a recommendation for the Welsh Government**

This is matter for the BBC but we naturally encourage co-operation wherever possible when delivering news services, including the Local Democracy Reporting Service.

**Financial Implications** – None

**Recommendation 4. The BBC and commercial radio should work with community radio to develop a pathway for community radio volunteers to gain experience at their radio stations as a means of developing talent across Wales.**

**Response: Not a recommendation for the Welsh Government**

This is matter for the BBC. We welcome the co-operation that already exists between the BBC and a number of community radio stations in Wales and this should continue and possibly be expanded.

**Financial Implications** – None

**Recommendation 5. The BBC should offer community radio stations preferential rates and first refusal when selling off radio equipment they no longer use.**

**Response: Not a recommendation for the Welsh Government**

This is matter for the BBC to consider.

**Financial Implications** – None

**Recommendation 6. Radio Joint Audience Research (RAJAR) should develop a less complex and cheaper audience survey that community radio could use. Stations that chose to use this new service should then be able to access the advertisers that place adverts using RAJAR ratings.**

**Response: Not a recommendation for the Welsh Government**

It is vital that the community radio sector receives robust evidence data to ensure that it delivers appropriate services for its listeners and attracts appropriate advertising revenue. It

is for the community radio sector to discuss with RAJAR and other organisations to ensure that appropriate monitoring arrangements are developed for the sector.

**Financial Implications** – None

**Recommendation 7. Ofcom should simplify the grant process for community radio stations.**

**Response: Not a recommendation for the Welsh Government**

This is a matter for Ofcom. Our understanding is that Ofcom Wales already liaises closely with community radio stations in Wales. Community radio stations in Wales should raise any concerns about Ofcom's grant process with Ofcom Wales officials in the first instance, as well as the Ofcom Board Member for Wales.

**Financial Implications** – None

**Recommendation 8. Ofcom should work with community radio to develop access for community stations to affordable Digital Audio Broadcasting (DAB).**

**Response: Not a recommendation for the Welsh Government**

The community radio sector in Wales should discuss with Ofcom how the sector could benefit from broadcasting on DAB.

**Financial Implications** – None



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref MA-P/DET/5481/19

Bethan Sayed AM  
Chair of the Culture, Welsh Language and Communications Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

17 December 2019

Dear Bethan,

I am writing to you in response to the recent 'Count Me in' report published by the National Assembly's Culture, Welsh Language and Communications Committee (CWLC) on 'The Role of Arts and Culture in Addressing Poverty and Social Exclusion'. The report has focused at looking into how publicly-funded bodies can use culture to tackle poverty and social exclusion in Wales. I appreciate the interest shown by the committee in this area and welcome the recommendations made within the report.

You will have directly received a response from the Arts Council Wales (ACW) with regards to the specific areas of the report that they have responsibility for. ACW will be working in partnership with Welsh Government towards meeting those recommendations and I attach the Welsh Government's response to the Committee report.

Poverty and social exclusion are themes that are of great personal interest to me and I am pleased that the committee has shown interest in and supported the brilliant work of the Fusion Programme. I look forward to seeing the results and benefits of my responses to your recommendations made within the report. I will update the committee as they progress.

Yours sincerely,

**Yr Arglwydd Elis-Thomas AC/AM**  
Y Dirprwy Weinidog Diwylliant, Chwaraeon a Thwristiaeth  
Deputy Minister for Culture, Sport and Tourism

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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.

## Written Response by the Welsh Government to the Culture, Welsh Language and Communications Committee's report 'Count me in'

December 2019

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We welcome the findings and offer the following response to the recommendations in the report.

The Fusion programme has been a huge success since its creation which the committee has acknowledged, and we welcome the findings and offer the following response to the recommendations in the report. ACW will be working in partnership with Welsh Government towards meeting those recommendations.

**Recommendation 1. The Welsh Government should commission a wholesale evaluation of the Fusion programme which assesses the original objectives, funding and evaluation.**

**Response: Yes.**

Amgueddfa Cymru - National Museum Wales, with support from The Welsh Government's Knowledge and Analytical Services, has already undertaken a number of reviews of the Fusion programme: <https://gov.wales/review-fusion-challenge-grants-programme>; <https://gov.wales/research-fusion-creating-opportunities-through-culture-programme-0>; <https://gov.wales/evaluation-pioneer-areas-pilot-year-0>

The Welsh Government has also initiated the commissioning of a further independent review of the Fusion programme. This will utilise, where possible, findings from the previous reviews and existing monitoring data to ensure value for money.

**Financial Implications** – No new funding required. Any costs will be drawn from existing programme budgets.

**Recommendation 2. The Arts Council of Wales (ACW) should ensure that all members of Arts Portfolio Wales (its revenue-funded organisations) work with the different communities they serve to design their programme of activities.**

**Response: Not a recommendation for the Welsh Government.**

This is a matter for the Arts Council Wales.

It is our understanding that ACW agrees with the recommendation and that there are organisations within ACW's Arts Portfolio that already work closely with different communities in the design and creation of work. ACW acknowledged in its presentation to the Committee, that there is more that could be done across the portfolio of organisations, as a whole, ACW is committed to working with them to

develop this approach. We expect ACW to do this as it takes forward its 2020 Investment Review.

**Financial Implications** – None for Welsh Government.

**Recommendation 3. The Welsh Government should guarantee funding for the Fusion programme to provide security of tenure for the Fusion Co-ordinators.**

**Response: Yes.**

All participants had funding agreed for a set period April 2019 – March 2020, as part of their applications to be part of the Fusion Programme. The Welsh Government is currently developing a new programme structure and will consider the length and terms of funding as part of the programme's development. Stakeholder engagement sessions are scheduled for January and February 2020.

However, as with all Government funding, funding is dependent upon the budgetary cycle and allocations of relevant funding.

**Financial Implications** – Funding for the programme is dependent upon budget allocations and consideration versus other priorities.

**Recommendation 4. The Welsh Government should work with the Arts Council of Wales to annually review progress against their outcomes in the Corporate Plan 2018-2023 in terms of widening access to the arts. The Welsh Government should report on this to the Committee.**

**Response:** This is primarily a matter for the Arts Council of Wales.

It is our understanding that ACW agrees with the recommendation. ACW meets regularly with the Welsh Government to discuss its performance, including widening access and participation in the Arts, and an update has been provided in 2018 and 2019 within the Welsh Government's Budget Scrutiny reply to CWLCC. We will ask ACW to also report back more fully on progress on a yearly basis to the CWLCC and the Welsh Government.

**Financial Implications** – None for Welsh Government

**Recommendation 5. The Welsh Government, via the Arts Council of Wales, should require all arts and cultural bodies in receipt of public funding to set out their objectives for tackling poverty and social exclusion in their strategic plans. Those in receipt of funding should also set out how they intend to co-design creative activities and content with these target audiences.**

**Response: Yes.**

The Welsh Government, via the ACW, will require all arts and cultural bodies who are in receipt of ACW funding, to set out their objectives for tackling poverty and social exclusion in their strategic plans. Cultural bodies include Amgueddfa Cymru – National Museum Wales and the National Library of Wales. Those in receipt of funding should also set out how they intend to co-design creative activities and content with these target audiences.

The Welsh Government will ensure that relevant other bodies in receipt of public funding, especially Amgueddfa Cymru - National Museum Wales and the National Library of Wales, include objectives for tackling poverty and social inclusion in their strategic plans and will actively encourage national arts and cultural bodies to co-design creative activities and content. New major capital projects, such as the contemporary art gallery and football museum, will be required to include objectives for tackling poverty and addressing social inclusion in their development plans.

**Financial Implications** – None.

**Recommendation 6. Increasing access to the arts, culture and heritage venues for those in poverty or at risk of social exclusion should be considered as one of the strategic objectives of Transport for Wales. The Welsh Government should explore options for Transport for Wales to enter into partnerships with cultural organisations for specific events and/or venues to make accessing their activities free or subsidised. These pilot schemes should be reported on to the Committee.**

**Response: Yes, in principle**

Welsh Government is exploring pilot schemes under the Fusion programme in 2020/21. This includes exploring options with Transport for Wales (TfW) to enter into partnerships with cultural organisations for specific events and/or venues to make accessing their activities free or subsidised in a similar manner to the successful programme with Cadw.

Cadw agreed a partnership with Transport for Wales offering a 2-for-1 admission ticket promotion until December 2020. Any visitor showing a valid TfW ticket for the specific route will receive 2-for-1 admission deal into Cade sites. The partnership includes Cadw poster adverts in train stations across Wales and reciprocal promotion across social channels and websites. Transport for Wales is also advertising the promotion across Cadw's digital screens at 7 sites.

**Financial Implications** – We will determine the funding and resources required to support this recommendation.

**Recommendation 7. The Welsh Government should increase the funding for the Fusion programme to allow participants to claim incidental costs such as transport.**

**Response: Yes.**

The Welsh Government is exploring options to provide funding for the Fusion programme to allow participants to claim incidental costs such as transport costs and is currently planning to trial small scale pilots during 2020/2021 subject to funding.

**Financial Implications** – We are determining the funding and resources required to support this recommendation.

**Recommendation 8. The Welsh Government should report to the Committee on the proposals for developing a qualitative data set on the Fusion programme and the timetable for incorporating it into the evaluation methodology.**

**Response: Yes**

The Welsh Government is working on proposals to develop a qualitative data set on the Fusion programme and a timetable for incorporating it into the evaluation methodology. The independent review we will commission will include an analysis of the qualitative data that has already been collected by Fusion areas as well as collect new qualitative data in the form of case studies.

**Financial Implications** – We are determining the funding and resources required to support this recommendation.

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