

Culture, Welsh Language and Sport Committee

CWLS(2) 10-05 (p2)

Meeting date: 19 October 2005

Meeting time: 9:00am to 12:00 noon

Meeting venue: Committee Room 2, National Assembly for Wales

Draft Budget 2006-07 To 2008-09

Purpose

1. To provide an opportunity for the Committee to comment on the draft Budget for 2006-07 (attached at annex 1) in accordance with Standing Order 21.3.
2. Standing Order 21.3 provides that each Assembly Minister who is a member of a Subject Committee shall seek its views on the draft budget and convey them to the Finance Minister.

Recommendation

3. Committee members are asked to note the information provided below and to comment on the draft budget (attached at Annex 1) and to:-
 - Reaffirm their support of their priorities for the investment in Culture, Welsh Language and Sport which were set out in the letter to me from the Chair on 3 June 2005. A copy of the letter is attached at annex 2.
 - Consider the potential for removing resources from the culture, Welsh language and sport budget to support priorities in other MEGs

Background

4. At the Culture Committee meeting on 18 May, the Committee was consulted on its budget priorities within my portfolio in accordance with Standing Order 21.2. The Committee's priorities were outlined via a letter from the Committee Chair on 3 June and these views informed discussions with the Finance Minister regarding the draft budget.

5. This budget round is the second year of a three year budget planning round. It covers the financial year 2006-07, indicative proposals for 2007-08 and in line with HM Treasury convention, 2008-09 is presented on the face of the budget, using the 2007-08 figures rolled forward.

6. Members will be aware that the Government motion on the Draft Budget was amended with the effect that the Budget was not noted and the Finance Minister has been asked to bring forward a new set of budget proposals responding to amendments made in advance of the plenary debate. A further Draft Budget is planned and will be laid no later than 15 November .

Summary and key features of the draft budget for Culture, Welsh Language and Sport

£'000s

	1999-00	2005-06	2006-07	2007-08	2008-09
DEL Baseline	60,171	118,118	122,382	131,305	131,305
Changes	-	-	1,700	2,000	2,000
Revised Total	60,171	118,118	124,082	133,305	133,305
% Growth (from 1999-2000)	-	96%	106%	122%	122%
% Annual growth	-	-	5.0%	7.4%	0%
Including AME – MEG Total	60,171	138,937	144,901	154,124	154,124

7. My portfolio fared well during last year's Budget Planning Round and this year's draft budget demonstrates another excellent investment in the Culture Portfolio. This year's draft budget proposes an overall growth in my budget from 1999-00 to 2007-08 of 122%, and an increase between 2005-06 and 2007-08 of £15.2million which is nearly a 13% increase in the Departmental Expenditure Limit.

8. My key priority for the Budget Planning Round is to promote better health among all people in Wales by encouraging them to lead more active and healthy lifestyles. The ambitious targets in the Sport and

Physical Activity strategy - Climbing Higher will particularly focus on communities of greatest need, provide the most effective and efficient delivery of mass participation across all sectors of society and achieve sustainable international success.

9. In last year's BPR, £7.8m was set aside in the Culture MEG to support the aims in Climbing Higher. This year's draft budget provides a step increase in funds of an additional £2m for 2006-07 to make sure that we have prepared the ground for the unprecedented increase in central government funding for sport and physical exercise and the contribution it makes to the health of the nation.

10. At the last Committee meeting I announced that In 2006-07 I planned to give an extra £710k to help raise physical activity through mass participation in priority sports and through Dragon Sport in secondary schools. The increase in Dragon Sport will provide more opportunities for extra curricular sport and physical activity for children and young people of secondary school age by delivering more community based coaches, leaders and volunteers in co-ordinated local programmes.

11. This funding will also provide new opportunities for mass participation in sport and physical activity, particularly for children and young people, and help achieve our target of a minimum increase in physical activity of 1% a year. The programme enables priority governing bodies of sport and other voluntary organisations such as the Boys and Girls Clubs of Wales to further develop community based participation initiatives, especially in deprived communities - where the need is greatest.

12. The draft budget also made provision for taking forward recommendations from the Committee's report on 'Art and Sport in Community Regeneration' and the forthcoming report on 'Dance in Wales' - £250k next year and £500k the year after. This fund will be implemented in cooperation with the Social Justice portfolio with specific targeting of Communities First areas, with more community performances and specific work with disadvantaged groups such as homeless people.

Performance against commitments made in Wales: A Better Country

13. We are using the resources to deliver these commitments as follows:

13.1 Free access to local authority swimming pools for children in school holidays and older people. We are building on our very successful Free Swimming schemes for young and older people, by allocating an additional £1m each year from 2006-07 to this Top 10 Manifesto Commitment. The extra money will extend the scheme to those who stand to benefit the most such as those living in deprived communities and those with specific health conditions who would benefit from regular physical activity in a controlled environment. This presents a clear opportunity to develop the scheme and the partnership with local government that underpins it in a way that can make a real difference in communities of greatest need.

By 2008-09, the total investment in Free Swimming by the Assembly Government will have reached £25m.

13.2 Biggest investment in Welsh Language – additional £28m funding from 2003-06 through Iaith Pawb. Last year's BPR settlement made sure that we met our commitment on the Welsh Language and this year's draft budget means that we are maintaining our investment levels. By 2006/07 we will have allocated £40.6million additional money to the Welsh Language above the 2002/03 baseline, of which £25.5m is in the Culture MEG.

13.3 Developing Library Services – provide modern community services which support lifelong learning and are accessible to everyone. CyMAL: Museums Archives and Libraries Wales was established in April 2004 as a new policy division of the Welsh Assembly Government based in Aberystwyth. CyMAL published its Initial Prospectus in April 2004 and an Action Plan in January 2005. Its overall aim is, working in partnership, to improve and develop local museums, archives and libraries leading to better services for existing users and innovative services to attract new users. CyMAL has a total baseline budget over the next 3 years of £3 million per year, of which £2m is for programme funding.

13.4 Examine potential for a new Gallery for Welsh Art and National Digital Gallery for visual arts. I am awaiting the outcome of the work commissioned by the National Museums & Galleries of Wales (NMGW) and Arts Council of Wales (ACW) on the potential for a new Gallery for Welsh Art.

The National Library of Wales (NLW) is leading a working group with NMGW and ACW to look into the potential for a National Digital Gallery. The Group's Terms of reference have been defined and agreement has been reached on the websites to be evaluated and the criteria to be employed. A survey amongst users and stakeholders was commissioned and responses have recently been processed and analysed and I am due to receive the final report later this year.

13.5 Attracting major sporting and cultural events. We have developed, in collaboration with key partners, a strategic framework for assessing requests for Welsh Assembly Government funding to support events. This framework has been used to assess several 'bids'. We have established a task and finish group to develop a coherent approach to managing a Team Wales events programme following the mergers of WDA and WTB.

13.6. There will be further announcements over the coming weeks

Committee Priorities for 2006-07

14. I am pleased that the budget for 2006-07 and the indicative budget for the following two years allow me to address the key priorities of the Committee set out in the Chair's letter to me of 3 June 2005. I have set out a response to each one below:-.

Taking account of the Committee report on 'Art and Sport in Community Regeneration', Welsh Writing in English and forthcoming report on 'Dance in Wales'.

We have earmarked an extra £250k in 2006-07 and £500k from 2007-08 to support the recommendations in the Committee's reports on Art, Sport and Community Regeneration', and 'Dance in Wales'. And by the end of this financial year we will have injected £1½million pounds into the Welsh Writing in English initiative. We have made sure that there is £250k in the Culture MEG baseline for the next three years to continue that support.

A larger percentage of the budget to be allocated to Culture

2006-07, the Culture MEG will rise by 5% (in relation to 2005-06) which is the 4th highest MEG increase and by 7.4% in 2007-08 (in relation to 2006-07) which is the second highest MEG increase. Both increases are well above inflation.

ASPB Running Costs

The National Library and Royal Commission on the Ancient and Historical Monuments of Wales have been given an extra £80k / £137k in 2006-07 and £310k / £200k in 2007-08 to enable pay and conditions of staff keep pace with those in the wider public sector and enable them to retain and recruit staff with appropriate skills.

More transparency in the way the Culture Fund is set out in the budget.

The new budget structure based on Spending Programme Areas provides much greater detail by showing separately the current expenditure for Welsh Language, Sport and Culture. The capital and revenue budgets are also shown separately thereby providing figures by subject area.

Reconsider the corporate planning round timetable to allow Committees more influence on funding decisions, particularly for ASPBs.

An Assembly Government-wide integrated Operation Planning and Budgeting system is being developed and we expect the new system to be introduced later this year. The new system aims to match up budget setting and outcome planning and this better alignment will help inform the timetable to enable Committees to have greater influence on the funding decisions.

Contact point

Paul Massey, Directorate for Culture, Welsh Language and Sport, x 5821.

Annex 1 – BPR2005 Draft Budget for Culture, Welsh Language and Sport Main Expenditure Group (MEG)

£000

REVENUE BUDGET - Departmental Expenditure Limit

Expenditure Groups	2005-2006 Original Plans	2006-2007 Draft Budget	Difference between 2005-2006 and 2006- 2007	2007-2008 Indicative Plans	2008- 2009 Indicative Plans
National Museums and Galleries of Wales - Running Costs	20,641	21,522	881	22,259	22,259
National Museums and Galleries of Wales - Current Receipts	-958	-958	-	-958	-958
National Galleries and Museums of Wales - Depreciation/Cost of Capital	5,123	5,756	633	6,737	6,737
National Library of Wales - Running Costs	8,909	9,839	930	10,069	10,069
National Library of Wales - Current Receipts	-250	-250	-	-250	-250
National Library of Wales - Depreciation/Cost of Capital	3,100	3,400	300	3,600	3,600
Arts Council for Wales - Running Costs	2,237	2,305	68	2,305	2,305
Arts Council for Wales - Depreciation/Cost of Capital	410	402	-8	319	319
Publishing - Welsh Books Council Running Costs	1,019	1,019	-	1,019	1,019
CyMAL	3,000	3,000	-	3,000	3,000
Culture Fund - Current Expenditure	27,834	29,562	1,728	29,894	29,894
Culture Fund - Current Receipts	-175	-175	-	-175	-175

TOTAL Culture (Revenue)	70,890	75,422	4,532	77,819	77,819
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REVENUE BUDGET - Departmental Expenditure Limit					
Sports Council for Wales - Running Costs	1,654	1,837	183	1,837	1,837
Sports Council for Wales - Depreciation/Cost of Capital	1,579	1,579	-	1,579	1,579
Sport and Active Wales Fund - Current Expenditure	14,891	18,151	3,260	24,241	24,241
Sport and Active Wales Fund - Current Receipts	-2,938	-2,938	-	-2,938	-2,938
TOTAL Sport and Active Wales (Revenue)	15,186	18,629	3,443	24,719	24,719
-	-	-	-	-	-
Welsh Language Board - Running Costs	3,629	3,629	-	3,629	3,629
Welsh Language Board - Depreciation and Cost of Capital	163	173	10	161	161
Bilingual Wales Fund - Current Expenditure	8,968	9,742	774	9,742	9,742
Bilingual Wales Fund - Current Receipts	-200	-200	-	-200	-200
TOTAL Bilingual Wales (Revenue)	12,560	13,344	784	13,332	13,332
-	-	-	-	-	-

CADW - Depreciation and Cost of Capital	498	498	-	498	498
CADW - Current Expenditure	8,374	8,374	-	8,374	8,374
CADW - Receipts	-3,280	-3,280	-	-3,280	-3,280
RCAHM - Running Costs and Current Expenditure	1,535	1,672	137	1,735	1,735
RCAHM - Depreciation and Cost of Capital on the Civil Estate	54	54	-	54	54
RCAHM - Depreciation and Cost of Capital	80	80	-	80	80
TOTAL Historic Wales (Revenue)	7,261	7,398	137	7,461	7,461
Total Resources - Culture, Welsh Language and Sport	105,897	114,793	8,896	123,331	123,331

CAPITAL BUDGET - Departmental Expenditure Limit

Expenditure Groups	2005-2006 Original Plans	2006-2007 Draft Budget	Difference between 2005-2006 and 2006- 2007	2007-2008 Indicative Plans	2008- 2009 Indicative Plans
Culture Fund - Capital Investment	8,606	4,138	-4,468	4,041	4,041
Culture Fund - Capital	0	1,686	1,686	1,768	1,768
Culture Fund - Capital Investment Receipts	-500	-500	-	-500	-500
TOTAL Culture (Capital)	8,106	5,324	-2,782	5,309	5,309
-	-	-	-	-	-

Sport and Active Wales Fund - Capital Expenditure	1,175	775	-400	1,225	1,225
Sport and Active Wales Fund - Capital Receipts	-55	-55	-	-55	-55
TOTAL Sport and Active Wales (Capital)	1,120	720	-400	1,170	1,170
-	-	-	-	-	-
Bilingual Wales Fund - Capital Investment	177	177	-	177	177
TOTAL Bilingual Wales (Capital)	177	177	-	177	177
-	-	-	-	-	-
CADW: Capital Expenditure	2,640	2,890	250	3,140	3,140
RCAHM: Capital Expenditure	178	178	-	178	178
TOTAL Historic Wales (Capital)	2,818	3,068	250	3,318	3,318
Total Capital - Culture, Welsh Language and Sport	12,221	9,289	-2,932	9,974	9,974

Resource Budget - Annually Managed Expenditure

Expenditure Groups	2005-2006 Original Plans	2006-2007 Draft Budget	Difference between 2005-2006 and 2006-2007	2007-2008 Indicative Plans	2008-2009 Indicative Plans

National Museums and Galleries of Wales - Provision for Pensions	15,463	15,463	-	15,463	15,463
National Library of Wales - Provision for Pensions	5,356	5,356	-	5,356	5,356
TOTAL Culture (AME)	20,819	20,819	-	20,819	20,819
Total Resource - Annually Managed Expenditure	20,819	20,819	-	20,819	20,819

Culture, Welsh Language and Sport - Summary	2005-2006 Original Plans	2006-2007 Draft Budget	Difference between 2005-2006 and 2006-2007	2007-2008 Indicative Plans	2008-2009 Indicative Plans
Revenue DEL	105,897	114,793	8,896	123,331	123,331
Capital DEL	12,221	9,289	-2,932	9,974	9,974
Total DEL	118,118	124,082	5,964	133,305	133,305
-	-	-	-	-	-
Annually Managed Expenditure	20,819	20,819	-	20,819	20,819
-	-	-	-	-	-
Total Culture, Welsh Language and Sport	138,937	144,901	5,964	154,124	154,124