

Grwp yr Economi, y Trysorlys a'r Cyfansoddiad
Economy, Treasury and Constitution Group

Cyfarwyddwr Cyffredinol - Director General



Llywodraeth Cymru
Welsh Government

Mark Isherwood MS
Chair
Public Accounts and Public Administration Committee
Senedd Cymru
Cardiff Bay
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26th September 2022

Dear Chair

During the Committee evidence session on Gilestone Farm that I attended with colleagues on 14 July, several matters arose on which I undertook to write to provide further information. These actions and a number of additional questions from the Committee were set out in your letter to me of 8 August. I address each of these points below.

Members asked about previous financial support for the Green Man festival and related companies. Some rounded estimates were provided but the Committee would welcome confirmation of a full breakdown of Welsh Government support over the period discussed during the evidence session, including funding that might have been provided by the Arts Council.

Between 2010 and 2019, Green Man and its associated companies received financial support totalling £921,000 from Welsh Government.

The full breakdown of funding from Welsh Government is as follows:

| Funding Programme | Year of Award | Total |
|--|----------------------|--------------|
| Welsh Government Major Events Grant Programme | 2010 | £175,000 |
| Welsh Government Major Events Grant Programme | 2014 | £170,000 |
| Welsh Government Commercial Sponsorship - funding linked to BBC6 Music | 2015-2016 | £276,000 |
| Welsh Government Commercial Sponsorship Support | 2016 | £50,000 |
| Welsh Government Major Events Grant Programme | 2017 | £150,000 |
| WG Tourism Product Innovation Fund | 2017-2019 | £100,000 |

During the Committee session of 14 July, it was noted that Green Man and its associated companies received financial support totalling £1.081m from Welsh Government. This figure included a payment of £160,000 made directly to the Glanusk Estate relative to capital infrastructure works at the site and was not made directly to Green Man.

In addition, Green Man Festival and its charitable arm, Green Man Trust, received funding totalling £526,111 under the Cultural Recovery Fund as part of our wider package of Covid-19 financial support available to businesses in Wales. Of this sum, Green Man Festival directly received £481,000 and Green Man Trust received £45,111 via the Arts Council for Wales.

Members also asked about the UK Government's support for festivals, citing Glastonbury and Notting Hill festivals in particular. You offered to look into this and provide further information if possible. We would ask that your response differentiates any support as part of wider COVID-related measures from more general development support.

In order to receive a full report on the UK Government's support for festivals, I believe the Committee would need formally to approach the UK Department for Digital, Culture, Media and Sport (DCMS).

Officials have however spoken to counterparts within the UK Government and have received the following information which may be of help. Please note that this is not a comprehensive list and is simply an illustration of the types of support provided to festivals in England, mainly pre-pandemic.

Arts Council England Funding:

| Project Title | Applicant Name | Related festival | Amount | Year | Type |
|---|------------------------------------|-----------------------|-----------|-----------|------------------------------------|
| Arts Council England National Portfolio Organisation Grant | Carnival Village Trust | Notting Hill Carnival | £407,360 | 2022/2023 | Grants for the Arts/Project Grants |
| Capital Investment | Carnival Village Trust | Notting Hill Carnival | £ 245,000 | 2021/22 | Capital Investment |
| Boomtown Chapter 11 | Boomtown Festival UK limited | Boomtown festival | £ 41,650 | 2018/19 | Grants for the Arts/Project Grants |
| Boomtown Fair – Chapter 10 Narrative and the Immersive Maze | Boomtown Festival UK limited | Boomtown festival | £ 32,685 | 2018/19 | Grants for the Arts/Project Grants |
| Glastonbury Commissions 2020 | Glastonbury Festivals | Glastonbury Festival | £ 14,950 | 2019/20 | Grants for the Arts/Project Grants |
| Glastonbury Commissions 2019 | Glastonbury Festivals | Glastonbury Festival | £ 14,500 | 2018/19 | Grants for the Arts/Project Grants |
| Notting Hill Carnival Pioneers Festival 2019 | Notting Hill Carnival Pioneers CIC | Notting Hill Carnival | £ 15,000 | 2019/20 | Grants for the Arts/Project Grants |

UK Government Covid Recovery Fund (CRF) Awards appear to have included the following:

- **Boomtown Festival UK Limited** received a grant of £991,864 in CRF2 (grants announced in March/April 2021).
- **Glastonbury Festival Events Limited** received a grant of £900,000 in CRF2, and a further grant of £600,000 in CRF3 (grant announced in November 2021).
- **WOMAD Ltd** received a grant of £248,006 in CRF1 and £217,336 in CRF3.

- **Carnival Village Trust** (who we understand play a key role in the organisation of the **Notting Hill Carnival**) received a grant of £250,000 in CRF2.

The Welsh Government has cited evidence of economic benefits associated with the Green Man festival. Has the Welsh Government undertaken any due diligence around figures relating to economic benefits from the existing festival and/or will it be doing so as part of its appraisal of the full business plan for Gilestone Farm?

The evidence cited on the economic benefits associated with the festival was presented to Welsh Government by Green Man following the 2018 festival. The data quoted were from the conclusions of an independent evaluation report commissioned by the Green Man Festival and undertaken by BOP Consulting, a research and consulting practice of international standing who are experts in the field of culture and the creative economy.

The Welsh Government does not plan to undertake further analysis around the findings of this independent report per se, as the evidence primarily relates to the Green Man *Festival* itself and not the wider activities being proposed for Gilestone Farm. The Welsh Government is, however, undertaking robust due diligence work in respect of the potential economic impact of the proposed activities at Gilestone Farm and the finances of Green Man group structure and its associated companies.

On sporting rights, you indicated in your evidence that 'Rights of this sort apply on many properties, especially in rural areas and over large areas of land, and we are in discussions with the individual, and that was part of the process of purchasing the farm'. The Committee has seen a copy of a letter to the First Minister dated 8 July 2022, the apparent purpose of which was to ensure the Welsh Government was aware of the sporting rights. It could be interpreted from your evidence that there were discussions with the owner of the rights as part of the purchase process, but the letter to the First Minister would suggest otherwise. We would therefore ask you to clarify whether you were referring simply to the sporting rights issue having been identified during the purchase process, but without any actual discussions having taken place at that point with the owner of the rights.

Through the due diligence exercise carried out prior to the purchase of Gilestone Farm, Welsh Government officials were made aware of the existence of fishing and shooting rights held by a third party. No separate contact was made with the beneficiary of those rights prior to the acquisition as this did not form a core part of the purchasing process. As part of forming an in-principle position on the finalised Green Man business plan, an assessment will be made on how the third party ownership of said rights could impact on the proposed activities. Appropriate discussions with the beneficiary of the rights will then take place as needed.

Your evidence paper suggests that it was in February 2022 that Green Man first brought Gilestone Farm to the Welsh Government's attention. However, in response to a previous Written Question (WQ85337) about meetings in relation to Gilestone Farm, the Welsh Government referenced a meeting between officials and members of the Green Man Festival/Plant Pot Ltd on 22 October 2021. We would welcome clarification of the scope of that meeting and whether Gilestone Farm was, in fact, already under discussion at that point. We would also like to confirm the Welsh Government's understanding of how those associated

with Green Man became aware that Gilestone Farm would potentially become available before notifying the Welsh Government of this in February 2022.

The meeting in October 2021 was to discuss options after the Welsh Government had found no suitable sites within its land database to support Green Man's plans. Green Man then appointed an external agent to search for suitable sites. Following this exercise, Green Man made Welsh Government officials aware of the potential availability of Gilestone Farm in a video call in February 2022.

Also during the evidence session, members questioned whether the Welsh Government had been aware of the apparent marketing of Gilestone Farm in February 2020 (the marketing materials the Committee has received were dated as last updated in February 2020). Your responses indicated the Welsh Government's belief that the property had not been on the open market at that time. We would welcome any further confirmation of this from your dialogue with the previous owner.

The previous owner e-mailed Welsh Government officials in June 2022 to advise the property has not been on the open market since it was purchased by him and has never been advertised or promoted in any public forum.

According to the previous owner, a small number of interested parties made direct enquiries and so a set of basic particulars were produced for direct mailing to them as and when required. These particulars were produced in late 2015 and were sent to a very small number of people in 2016.

Since then, the particulars have only been sent to one individual and their agent in early 2020. The documentation was sent out for information only and with an accompanying letter noting the asking price was then £4.25 million.

We also raised concerns regarding the suitability of leasing Gilestone Farm as a site to a commercial festival company and potential environmental impact. For example, the Gilestone Farm site is known to be home to protected wildlife such as bats and curlews, is adjacent to a Special Area of Conservation and is understood to lack suitable access. During our evidence session we referred to concerns about the level of engagement and consultation by the Welsh Government on these matters. You stated that the Welsh Government would be undertaking a series of detailed checks, through the due diligence process on the detailed business plan put forward by Green Man, and that will involve consideration of environmental factors. Please could you provide further details of this process including who you will be consulting with, when and how.

The Welsh Government carried out its standard due diligence processes on the property prior to purchasing. Further robust due diligence is currently being undertaken in relation to the full Green Man business plan and will include an assessment of any potential constraints on the activities Green Man may wish to undertake at the site, taking into account environmental and other considerations.

Once the business plan has been appraised and the due diligence process completed, a decision will be made as to whether to proceed to the next phase with Green Man. If an in-principle decision is taken to proceed, we plan to consult with a number of statutory regulatory

bodies and offer the local community the opportunity to comment on the proposals before any final decision is made. If a final decision is taken not to proceed, further options will be considered for the property, including placing it on the open market.

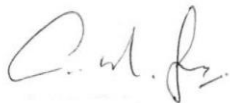
Future consultations around the use of the site by Green Man could include the local authority, community council, Brecon Beacons National Park Authority (as the relevant planning authority) and other stakeholders relevant to the activities proposed within the business plan.

Regarding wildlife, officials met the previous owner in August 2022 and he confirmed he was unaware of any historical evidence of curlews on the site.

I trust the above information provides the clarity that the Committee is seeking, but please do let me know if you have any further questions. We will, of course, keep the Committee informed of relevant developments and as the Welsh Government makes decisions on the future of the site.

With best wishes.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A. Slade', written in a cursive style.

Andrew Slade
Director General
Economy, Treasury and Constitution