



Cyngor Celfyddydau Cymru
Arts Council of Wales

8 July 2011

William Powell AM
Chair
Petitions Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

Dear Mr. Powell,

Petitions: P-03-308 Save Gwent Theatre
P-03-311 Spectacle Theatre
P-03-314 Save Theatre Powys and Mid Powys Youth Theatre

Thank you for your letter of 29 June 2011 on the above.

You've asked to see the assessment reports that we produced on the business plans submitted by eight theatre companies in December 2009 as part of our Investment Review.

You've noted the confidential nature of these reports, and suggested that they needn't be published as part of your public papers. We're very grateful for this offer – we know that this would be a departure from standard practice as the Committee would ordinarily wish to publish all relevant material. However, having considered the matter very carefully, we feel that it would not be proper for us to depart from our original decision to decline your previous requests to receive this material.

I realise that this will be a disappointment for Committee members, and we would naturally wish at all times to provide you with as much assistance as possible. However, we do feel that this is an exceptional situation.

Given this, I'd like to explain why we feel that we must adhere to our original position.

Plas Bute, Caerdydd CF10 5AL
Ffôn: 0845 8734 900
Ffacs: 029 2044 1400
Minicom: 029 2045 1023
Ebost: gwybodaeth@celfcymru.org.uk
Gwefan: www.celfcymru.org.uk

Bute Place, Cardiff CF10 5AL
Tel: 0845 8734 900
Fax: 029 2044 1400
Minicom: 029 2045 1023
Email: info@artswales.org.uk
Website: www.artswales.org.uk

Swyddfeydd Lleol/Local Offices:
Caerdydd/Cardiff, Bae Colwyn/Colwyn Bay, Caerfyrddin/Carmarthen
Rhif Elusen Gofrestredig/Registered Charity Number: 1034245



Supported by
The National Lottery®
Cefnogwyd gan
Y Loteri Genedlaethol



BIDDODDWR MEWN POB
INVESTOR IN PEOPLE

1. **We owe the companies a duty of confidence** – throughout our Investment Review process we've taken particular care to explain how we would handle information produced as part of the exercise. As part of our commitment to openness and transparency, we made the decision to publish as much information as possible. And where we did not make information public, we explained our intention and rationale, and produced summary documents wherever we could. There is, therefore, a considerable body of information published on our website which is open to public scrutiny.

For obvious reasons, a company's business plan – and our assessment of that plan – is a highly sensitive document.

At companies' request, and to reinforce confidence in the process, we agreed to treat both the business plans and our assessment of them in strictest confidence. This undertaking was confirmed and published on our website. To depart from that undertaking – even to the extent suggested in your letter – would, we believe, be a significant breach of our duty of confidence. It would also, in our judgement, have a significant and detrimental impact on our future relationship with those organisations, all of whom will be our partners in the delivery of future arts activities.

2. **We would not wish to in any way to endanger companies' ability to attract future work** – the nature of the assessment reports inevitably mean that they will contain information that may be regarded as potentially detrimental to the organisations concerned, should they be released. This might include the identification and highlighting of an organisation's weaknesses, criticism of its performance (artistically and/or administratively), judgements made about the quality of governance arrangements, as well as commercially sensitive and confidential information regarding its financial affairs.
3. **We wish to protect the professional reputations of those individuals associated with these companies** – we've been meticulous in making no negative comments in public about these organisations or the individuals that manage them. You'll appreciate that within the arts, individuals' professional reputations are closely bound up with the organisations that they represent. The material in question does include highly sensitive information pertaining to organisations that, if released, could cause similar harm to both reputation of the organisation (and its staff) and its ability to continue to attract business opportunities in the future.



4. Our ability to discharge our responsibilities in the future depends on maintaining high levels of trust – it is our view that releasing these reports could cause significant harm to the Arts Council in discharging its public responsibilities as the official body for funding and developing the arts in Wales. We have worked hard to develop a trusting and open relationship with the organisations that we fund – we believe that it's in the public interest to ensure that our monitoring is informed by frank and full disclosure of all relevant information. This ensures that the necessary levels of discussion and information gathering can take place in an unimpeded fashion.

To date this has worked well. However, if we breach the trust that has been established, we would be regarded as reneging on our stated commitment to confidentiality, and that trust would be seriously undermined.

Taking these factors into account, we would therefore regard the release of the reports as constituting a significant breach of our duty of confidence to the organisations concerned.

I'm sorry that we do not feel able to agree to this particular request, but please do contact me if you feel we can assist in other ways.

*Yours sincerely,
Nick Capaldi.*

Nick Capaldi
Chief Executive