

Monday, 13 February 2017

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

Dear Bethan,

Scrutiny of the Arts Council of Wales

Thank you for your invitation to meet with the Committee last week.

I undertook to provide the Committee with additional information on three issues:

1. Public Procurement Regulations in Wales
2. The Arts Council's leverage of additional funding
3. The Committee's Music Services Inquiry

Public Procurement Regulations in Wales

The Procurement requirements that apply to public sector bodies in Wales are set out in "Managing Welsh Public Money".¹ It says:

"It is important to secure value for money through sound procurement and commissioning. Public sector organisations should acquire goods and services through fair and open competition, acting on appropriate advice."

In June 2013, the Welsh Government wrote to all Welsh Government Sponsored Bodies drawing their attention to the "Wales Procurement Policy Statement".² This Policy Statement requires the advertisement of all contracts over £25,000 on the Government website, Sell2Wales.

¹ <http://gov.wales/funding/managing-welsh-public-money/?lang=en> (Annex 4.5)

² <http://gov.wales/topics/improving-services/better/vfm/publications/procurement-policy-statement/?lang=en>

Plas Bute, Caerdydd CF10 5AL
Ffôn: 0845 8734 900
Ffacs: 029 2044 1400
SMS: 07797 800504
Ebost: gwybodaeth@celf.cymru
Gwefan: www.celf.cymru ...

Bute Place, Cardiff CF10 5AL
Tel: 0845 8734 900
Fax: 029 2044 1400
SMS: 07797 800504
Email: info@arts.wales
Website: www.arts.wales



Swyddfeydd Lleol/Local Offices:

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

Rydym yn croesawu gohebiaeth yn y Gymraeg a'r Saesneg, ni fydd gohebu drwy gyfrwng y Gymraeg yn arwain at oedi.
We welcome correspondences in Welsh and English, corresponding in Welsh will not lead to a delay.

The Welsh Government's Remit Letter specifies the purposes for which Welsh Government funding has been allocated to the Arts Council. The Remit Letter for 2016/17³ contains the following requirement:

"I would expect to see the Arts Council provide, either itself or through appropriately tendered contracts with expert providers, advice and assistance covering a range of topics. These would include governance, skills analysis, business planning, fundraising, income generation, exploitation of intellectual property, maximising tax reliefs, internal audit, etc."

Funding Leverage

Committee members wished to know how the Arts Council uses the public funding it receives to increase the size of the arts economy in Wales.

The majority of the Welsh Government funding allocated to the Arts Council supports a nation-wide network of 67 organisations, the Arts Portfolio Wales. Last year these organisations achieved over 3.74million attendances, with a further 1.14million people engaging in participatory activities. This is work taking place in all parts of Wales, across all art-forms and genres and in both languages.

The Arts Portfolio Wales is sustained through funding partnerships that we have established with a range of other organisations. These include Arts Council England, the BBC, universities, and in particular local authorities. Over the five years 2011 to 2016 local authorities contributed £42.65million to the funding partnership with the Arts Council.

Arts Council investment enables the Portfolio to raise significant levels of additional earned income.

Public funding allocated by the Arts Council underpins a significant cultural economy in Wales that creates opportunities for people to enjoy and take part in the arts, that sustains jobs and that generates economic activity. Additional income earned by the Arts Portfolio Wales over the period 2011 to 2016 exceeded £335million, excluding local authority partnership funding. (Funding information for the period 2011-2016 is summarised in an appendix attached to this letter.)

The Arts Council also raises income through its own direct activities. Between 2011 and 2016 we raised £5.665 million. This included income earned from conferences, seminars, our arts purchase loan scheme "Collectorplan", our touring scheme "Night Out", and European and international activities.

³ http://www.arts.wales/c_governance/remit-letter

Financial leverage is an important aspect of these initiatives. For example, "Collectorplan" generates fee income directly for the Arts Council. However, between 2011 and 2016 it also generated more than 4,700 sales of artists work to a value of over £3.54million.

The Committee's Music Services Inquiry

You asked whether we had any views on the Committee's Inquiry into Music Services.

We are aware that evidence already given to the Committee has included information on the Welsh Government commissioned Music Services Task and Finish Group, National Youth Arts Wales and Creative Learning through the Arts. The Arts Council is involved with all of these.

The current state of local authority music services across Wales presents significant challenges, many of which the Committee has been exploring. As you have already heard, reductions in local authority funding are creating an uneven pattern of activity across Wales. There is, therefore, a very real danger that access to musical tuition could be denied to those who can least afford the cost.

The Task and Finish Group report contains pragmatic recommendations that point towards complementary methods of service delivery. In our view Government funding – whether delivered nationally or locally – will still be necessary to sustain schools-based music services. But we do believe that there are collaborative models that might enable the resources that do exist to stretch further.

This is clearly a complex issue, and we would be happy to provide a specific note to the Committee on this matter. We will aim to get this to you within the next week. And if you would like us to attend a future meeting, we would of course be pleased to do so.

*Yours,
Nick Capaldi*

Nick Capaldi
Chief Executive

Appendix

Arts Portfolio Wales:

Additional income levered by Arts Council investment

	2015/16*	2014/15	2013/14	2012/13	2011/12
Total Arts Council funding	26,587,092	27,900,913	28,362,333	28,385,880	28,061,317
Total Additional Public Sector funding levered	7,564,634	9,856,327	13,718,947	13,548,642	15,766,469
Total Earned Income	58,352,557	68,459,909	69,435,464	70,415,460	68,753,976
Total Income	92,504,283	106,217,149	111,516,744	112,349,982	112,581,762

* Figures for 2015/16 are estimates based on management accounts.
Figures for earlier years are taken from audited accounts.