

Enjoying and Taking Part in the Arts



Inquiry by the National Assembly for Wales Communities and Culture Committee:

Accessibility of arts and cultural activities in Wales

Written evidence from the Arts Council of Wales

September 2010



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Foreword

"Imagine Wales. And when you've done that – pictured it, heard it, enjoyed it, read about it, celebrated it – try to think of our country without song, the spoken word on stage and screen, without poetry and novels, and dance and sculptures and ceramics and paintings and images, and all of the living traditions that are making our contemporary culture so potentially dynamic. In raw fact, as well as in our imagination, there's no human Wales without Art, just as there's no Heritage to pass on generation by generation without Creativity...

We're ambitious for the arts in Wales. Our vision is of a creative Wales where the arts are central to the life of the nation, a place where our best talents are revealed, nurtured and shared. So our vision looks to the future of what the arts in Wales could be. It's about creative ambition, human possibility...

We're taking the long view, looking to where we could be, ten or more years from today. But there'll be no Wales to imagine afresh tomorrow if we don't properly support the Arts in the here and now. We believe that the arts should be an absolute priority for the Senedd and the Government of Wales. And in these testing times, the relatively small sum currently committed to the Arts should be enhanced, not in spite of but precisely because of the current economic buffeting.

How you tack with the wind rather than against it is the way to steer the course ahead... We talk of the things we believe in and the things we want to do... A vision constrained by low or base ambition is no vision at all. Aim high, and we might just be surprised by what we can achieve. The life-affirming, hopeful, exciting, and who knows – even transformational."

Dai Smith
Chair, Arts Council of Wales

An extract from *Imagine...*
the Arts Council of Wales's Vision for the arts (2009)

Introduction

More people are enjoying and taking part in the arts in Wales.

The arts in Wales are one of the country's great success stories. Arts attendances and participation over the past 5 years have grown to record levels.

The Arts Council's investment in the building and refurbishment of venues has transformed the cultural landscape of Wales, creating award-winning arts buildings that are providing new opportunities for people to enjoy the arts in the best possible surroundings. Growth in the arts is generating new jobs and contributing to economic renewal across Wales. And our country's artists and arts organisations are increasingly enjoying richly deserved acclaim on the world stage.

Achieved through the energy of Wales's artists and arts organisations, this success owes much to the strategic use of public funds made available by the Welsh Assembly Government and invested by the Arts Council of Wales.

The *One Wales* commitment to the public that ensuring "high-quality cultural experiences are available, irrespective of where they live or their background" is at the core of our work. But it's merely the starting point.

We're an "arm's length" charity, charged with speaking for, and on behalf of, the arts. However, we also have a responsibility to work positively and imaginatively to reflect the full range of Welsh Assembly Government policies. (These are summarised in Appendix 2).

The publicly funded arts in Wales have grown because the Arts Council has been bold and has made strategic choices.

The arts change and evolve, as does the world around us. Our funding has had to reflect that. With quality at the heart of our decision-making and a readiness to take brave decisions, we remain committed to supporting the best that the arts in Wales has to offer, small and large, local and international, community-based and professional.

It's our firm belief that the most effective way of developing audiences and increasing access to the arts is to support activity that's exciting, compelling and engaging. This means making choices, sometimes very difficult ones. This has not always made us popular, but it has delivered results.

We now face a key moment of change.

The public sector in Wales is about to enter one of the most turbulent periods of change and re-adjustment in a generation. The publicly funded arts cannot remain apart or unaffected by this change, which is why we've taken radical, bold action to secure the quality and viability of the arts for the longer term.

Planning for a sustainable future has been the rationale for our Investment Review.

Through our Investment Review, we've identified a 'portfolio' of revenue funded organisations who are artistically vibrant and have the ability to grow. Our task is to ensure that they can become financially durable and with a level of investment that will enable them to thrive.

This portfolio will be smaller than it is now. But the response to our consultations was clear. Spreading resources too thinly would be wasteful and inefficient. And an approach that delivered "equal misery to all" would be an abdication of the Arts Council's strategic responsibility.

The 71 revenue funded organisations that will be at the heart of the Arts Council's future strategy have a key role to play in creating more opportunities for the people of Wales to enjoy and take part in the arts. However, our strategy is about much more than just these 71 organisations. Each year we support hundreds of other artists and arts organisations. So it's about all the many artists and arts organisations, and of course the audiences – those who create and those who enjoy the fruits of that creation.

But our Investment Review strategy is not without risk.

At this stage it's impossible to predict what might happen in the future as a result of our Investment Review. Our Review identifies a new 'portfolio' of 71 revenue funded organisations, with 32 organisations seeing the current revenue funded arrangements ending from April 2011. On the face of it, one might assume that the impact of 'losing' 32 organisations couldn't be anything other than serious. However, we hope that it won't.

With our help, we believe that a significant proportion of the 32 will be able to continue, albeit with changes to their current programmes of activities. In fact, the future could – potentially – see continued growth because of the specific actions that we're taking:

- through our Transition programme, and by application to other sources of Arts Council funding, we believe that a significant proportion of the 32 organisations could continue to operate (albeit on a changed basis)

- 6 of the 32 are Festivals – they will have the opportunity of benefiting from a new Festivals fund
- the enhanced investment that we're planning to make in our new portfolio of revenue funded organisations will help develop new audiences for the arts
- our success in securing new sources of funding above and beyond what we receive from government will create new opportunities for more arts activity across Wales

However, the success of our future strategy depends on being able to persuade the Welsh Assembly Government that the arts continue to be a spending priority.

Our Investment Review represents a single, integrated strategy for renewal and transformation in the arts. With the right level of resources the arts can continue to grow. The result would be more financially secure organisations; development funds that address key areas of weakness in English and Welsh language arts provision; the ability to offer incentives that challenge the arts to deliver continuing innovation and improvement. We also need to achieve, over the coming five years, a step-change in the way that we provide arts opportunities for young people.

But we're not financially naïve.

Wales will have to make cuts in public spending, and the Assembly Government will have its own choices to make about its funding priorities. We hope to persuade them of the value of investing in the arts. But if we're required to reduce spending, there'll be little choice. We'll have to look again at the decisions in our Investment Review and identify a more closely defined set of priorities. This will have serious implications for the accessibility of arts and cultural activity.

And finally...

In the written evidence that follows, we explain the actions that we've taken to help increase access to the arts. We look in more detail at the implications of Investment Review, and in doing so we suggest some practical actions that we believe could help ensure that the arts in Wales continue to flourish and thrive into the future.

Access to the arts in Wales has increased significantly over the past five years

The arts in Wales are more popular than ever before.

People are attending and taking part in record numbers. And access to the arts has broadened irrespective of their social background or where they live:

- 86% of Welsh adults attend at least one arts event, once a year or more often (an increase of 10 percentage points from 2005).
- There is little regional variation in the overall arts attendance levels: 90% of adults in Mid & West Wales attend arts events once a year, followed by South Wales (88%) and North Wales (87%).
- Most attenders can access arts events in their own region. When asked about the last arts event that they attended, 43% went to that event within their local authority area and a further 22% attended within their region of Wales
- Arts attendance continues to correlate with social grade: 93% of adults in the ABC1 group attend arts events at least once a year compared to 81% of C2DEs. However, since 2005 arts attendance amongst DE respondents (those on the lowest level of subsistence) has increased in line with the general population (up 10 percentage points) while arts participation has more than doubled (from 14% to 31%).
- Younger adults are much more likely than older adults to attend arts events (95% of 16-24 year olds compared with 70% of those aged 65 plus) but the growth in arts attendance during the last five years is more marked in the older age group (up by 14 percentage points since 2005 compared to 8 percentage points among those under 65 years).
- In 2010, females (88%) are only slightly more likely than males (85%) to attend an arts event.
- Members of black and minority ethnic groups have similar overall levels of engagement (83%) to the rest of the population (86%) but have a different profile of activities. They are more likely to attend carnivals and street arts, folk/traditional/world music, literary events and contemporary dance

- There is little difference in the propensity to attend the arts by the ability to speak Welsh (89%) or not (85%). But Welsh speakers are more likely than non-Welsh speakers to participate directly in the arts (45% compared to 36%).
- Educational qualification is more closely related to levels of overall arts attendance and participation than any other demographic
- Almost 9 out of 10 people (88%) living in rural Wales engage with the arts and well over half (60%) attend arts events in their own local neighbourhood.

(Source: Arts in Wales Surveys 2005 and 2010)

People in Wales have expressed strong support for public funding of the arts.

We know this because they tell us. When asked in a recent public attitudes survey to agree or disagree with a series of statements, this is what they said:

	Strongly agree/ agree
• "I believe that it is right that there should be public funding of the arts and culture"	86%
• "Arts and culture make Wales a better place to live"	82%
• "Taking part in arts and cultural activities helps people to build their confidence"	92%
• "All children should have the opportunity to learn to play a musical instrument or participate in other arts activities at school"	97%
• "Skills gained from participating or learning about arts and cultural activity can help you get a job"	71%
• "If my area lost its arts and cultural activities, the people here would lose something of value"	77%

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(Source: Arts in Wales Survey 2010)

Arts Council funded organisations are at the forefront of helping to increase access to the arts

Arts Council funded organisations are delivering more

The Arts Council currently provides annual funding to 96 revenue funded organisations (RFOs). For the past three years our investment in these organisations has achieved:

- an increase in attendances of **5%** (up from 4,091,717 to 4,294,101)
- an increase in participation of **2.4%**, (up from 2,735,947 to 2,802, 223)

And it's not just about the major centres of population

The Arts Council continues to fund activity in communities large and small across Wales. This is important as there are many barriers (economic hardship, lack of transport etc) that place impediments in the way of people's access to the arts.

This is why initiatives such as the Arts Council's *Night Out* scheme are so important. Working with local community volunteers, *Night Out* helps them to bring high quality arts activity to the most local of community venues and schools.

Case study: Night Out

In 2009/10 the Arts Council's community touring scheme, Night Out supported 589 events in small local venues across Wales. 168 of them were in Communities First areas.

352 Promoters used 388 Venues, presenting 293 performers in 335 Shows.

Night Out events put £351,000 into the arts economy, with over 36,500 people attending performances booked through the scheme.

138 of the events were Welsh language performances.

Our ability to act strategically and make choices enables us to be flexible in meeting the needs of the arts across the whole of Wales.

For example, there is a perception that the South of the country is well-served with arts provision. The reality is more complex, given the spread and the density of population. However, the creation in 2005 of the Wales Millennium Centre did provide a significant boost to the performing arts in the capital. Important though Cardiff is to sustaining a critical mass of larger scale arts provision, we're committed to ensuring a quality and diversity of arts across Wales. So over the past five years we've allocated specific funds to invest in activity in the performing arts beyond the capital and across Wales.

Carefully targeted funding has meant that we've been able to support a range and quality of activity that would otherwise not have been seen in Wales beyond the capital:

- 13 key arts centres across all regions of Wales have been supported to broaden and develop their work. In addition, activity has been presented in 45 other venues
- between April 2006 and October 2009, funding has underpinned 20 visits to Wales by some of the UK's largest and most prestigious touring companies – Northern Ballet Theatre, the National Theatre, Birmingham Royal Ballet, English National Ballet, Scottish Ballet and Rambert
- 'productivity' has increased – for example, Theatr Mwldan has been able to invest in 32 wholly new projects, delivering an additional 350 touring performances across Wales

The Arts Council has increased access to the arts through its transformation of the built landscape in Wales

One of the obvious barriers to access is the lack of adequate, 'fit for purpose' venues.

During the period between 1999 and 2009, we managed an investment of £53,711,910 in 750 capital projects through the Arts Council's Lottery capital programme. The total capital cost of these projects was £264,297,862.

Case study: The Arts Council's Lottery Capital programme

"The Arts Lottery Capital programme has... transformed the cultural landscape in Wales and provided the country with a high quality network of venues for the 21st century.

The programme has been coherent and structured, designed to create a national network and has addressed strategic priorities well, both in terms of geography and artform needs. It has inspired a new creative renaissance and self-belief in the arts which has touched almost every corner of the Country...

It has achieved a masterly balance between responding to projects initiated and developed independently outside of a strategic framework, and working strategically through partnerships to develop and support schemes which are designed to enhance or address identified gaps in provision. It has delivered excellent value for money and attracted substantial amounts of other funding into the arts infrastructure. Overall it has been a highly successful programme with an excellent spread of support."

Review of Arts Council's Lottery Capital programme by independent consultants, Artservice (2010)

Major projects have included Aberystwyth Arts Centre, Arad Goch, Chapter, Craft in the Bay, Galeri Caernarfon, Grand Theatre Swansea, Kyffin Williams Gallery on Anglesey, Lyric Carmarthen, Oriel Mostyn in Llandudno, Oriel Davies in Newtown, Riverfront in Newport, Ruthin Craft Centre, Stwit Arts Centre, Theatr

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Brycheiniog, Torch Milford Haven, Theatr Mwldan in Cardigan, Venue Cymru, Ty Newydd Writers Centre, Valleys Kids and Wales Millennium Centre.

Current projects include Glynn Vivian Art Gallery in Swansea, Sherman Theatre, the Pontio project in Bangor and plans for a new arts centre in Ebbw Vale.

Our investment in community development and regeneration can transform people's engagement with the arts

For many people, 'doing' is as important as 'seeing' – sometimes more so.

There is a very strong tradition of amateur involvement in the arts. Whether singing in a choir, playing in a brass band or participating in Eisteddfodau, amateurs and volunteers have been as much part of the cultural DNA of Wales as our award-winning artists and national companies.

Large numbers of people take part in the arts as amateurs and volunteers. In our future spending plans, we intend to continue our support for this important area of activity.

However, we want to go further – and deeper – in reaching into some of the country's most disadvantaged communities.

The increase in engagement amongst people from disadvantaged communities reflects, we believe, several years of targeted work in these areas. In particular, we have attached special importance to community-based activity that deepens participants' own engagement and creativity.

Case Study: Valleys Kids

Valleys Kids works to inspire confidence and belief in Valleys communities, using participatory arts programmes. Its Penygraig centre, Soar Chapel, was however in a seriously run-down state and parts of the building were inaccessible.

The re-developed building has generated local enthusiasm for the arts, with more people eager to participate in Valleys Kids projects and a greater sense of achievement among the community. The number of participatory activities has increased 41% and the number of people involved has trebled.

The arts team has developed links with Barcelona, Botswana, Malawi, South Africa, Jordan and New York. It is impossible to visit Valleys Kids without experiencing the strong sense of pride, enthusiasm and ownership which this project has inspired in the local community.

"I can say without a doubt that my experiences with ArtWorks and Valleys Kids have shaped my life; I am who I

am because of them."

Valleys Kids Participant

In Wales, the best community arts activity has a strong, and distinct character. And we're supporting expert organisations – such as Valleys Kids, Rubicon Dance, Valley and Vale, Head for Arts, Community Music Wales – who have national reputations for the quality of their work.

It's about change, empowerment and ownership – that remarkable ability of the skilled arts professional to work alongside individuals and communities, finding their voice, unlocking a new dimension of experience that would otherwise remain unused and undiscovered. Work which engages and connects, is unique, authentic and life-affirming; work which, at its best, is genuinely transformational. This type of activity will be a particular priority for our future support.

The marked increase in participation amongst the most economically disadvantaged in society proves that strategic investment in these communities works.

Research that we commissioned from the University of Glamorgan, (*Hand in Hand*, 2007), described the different ways that our investment in arts projects was supporting community development:

- **Improved self confidence:** participants reported the confidence gained from achievements within projects, visits to festivals and events, travelling outside their community, overcoming problems, team working, triumphing over personal difficulties and having their contribution valued
- **Higher self esteem:** participants developed a sense of pride in their contribution to the project, felt that their parents and siblings valued them more and developed a strong sense of ownership of their outputs from the project
- **Improved aspirations:** participants outlined ambitions to continue professionally in their chosen area of arts practice, to attend FE and HE courses to secure employment

The research also pointed to the ways that the social impact of culture and the arts was evident.

- **Personal Development:** increasing individuals' or communities' confidence and sense of self-worth; providing a sense of empowerment; creating a sense

of control over one's own life and self-determination; improving self-image and creating increased understanding of diversity

- **Social Cohesion:** increased friendship, increased contact with other cultures, enlarged social network, sense of 'belonging' to a particular group/club/network/community
- **The Community** (for example, volunteering, helping organise local events etc): working in partnership with other organisations for the community, people feeling more positive about where they live, feeling safer where they live, pride in their own culture or ethnicity
- **Health and Well-being:** improved physical and/or mental health, stress reduction, pain reduction, reduction in morbidity, increased physical and mental activity, positive response to therapies, sense of well-being and positive outlook, improved quality of life

Encouraging access to the arts among young people continues to be a priority

The arts are encouraging young people to explore and develop their individual creativity.

Our investment in the arts nurtures young people's ability to question and make connections, to develop the capacity for independent, critical thought.

Our Arts in Wales 2010 survey shows that young people recognise the value of the arts:

- Three quarters (75%) of Welsh 16-24 year olds agree that skills gained from participating or learning about the arts can help you get a job
- Almost 9 in 10 young people (88%) believe that taking part in arts activities helps build confidence

And our Children's Omnibus Surveys in 2008 and 2009 showed that:

- During 2009 almost three quarters (74%) of children and young people aged 7-18 years attended arts events at least once a year. This is an increase of two percentage points from the previous year
- The levels of participation in the arts are higher among girls than boys in both years. However, the gap between the sexes narrowed from seven percentage points in 2008 to just three in 2009

Arts in education is an important part of the daily school curriculum

- Arts in schools will be fundamental to the successful delivery of the Welsh Assembly Government's ambitions for Foundation Phase education
- In 2008/09 young people made around 325,800 attendances to just over 12,700 sessions in just over 2,500 school participatory projects (waiting lists for this activity demonstrates clear, unmet need)
- The Urdd movement has continued to thrive and thousands of young people from all parts of Wales get involved in their activities at local and national level
- National Youth Arts Wales has grown over the years and now offers a broad range of elite, high quality music, theatre and dance activities, at local and national level

- Our Night Out scheme has expanded to include the hugely successful Young Promoters programme, a scheme through which groups of young people promote professional performances in their own communities

But we know that as children get older, they make their own choices about how, and in what ways, they engage with the arts.

This is the moment when everything can change. Between the ages of 9 and 14, our research and experience tells us that young people's exposure to the arts in schools lessens. So as they begin to explore their own interests, their own creativity, their own talent, it's more important than ever that they have the right opportunities to experience high quality arts in as many different ways as possible.

This is why one of our current priorities is focused on finding ways of engaging the 'hard to reach' youngsters

We're trying to get better at putting the arts where they can really make a difference. This means trying harder to reach out to those young people who, for whatever reason, face educational or social barriers. For example, our *Reach the Heights* project aimed at reducing the number of young people in Wales aged 11 – 19 years who are not in education, employment or training (NEET), or at risk of being so.

By December 2010 we will:

- have awarded 41 participation projects and 3 training projects with a total project value of £2.9 million (the majority of these projects will be in *Communities First* areas)
- have secured £1.2 million in match funding
- have involved 6,000 young people in participatory arts activity, and have trained over 550 people to work with young people who are identified as at risk

Developing access to the arts also means increasing people's access to employment in the arts

The arts make a very serious contribution to the country's economy and to people's employment prospects.

Welsh Assembly Government investment in the arts underpins significant economic activity.

- every £1 invested by the Arts Council in its revenue funded organisations delivers £3 of other income
- taking an average over the last three years, just over 6,000 people were employed or volunteer in our revenue funded organisations

Case Study: Economic Impact

Aberystwyth Arts Centre

An independent review of the impact of Aberystwyth Arts Centre concluded: "the creative industries account directly for more than 1,000 jobs in Ceredigion, more than 820 of them in the Aberystwyth Travel to work area.

The Centre attracts over 100,000 paying visitors per annum and has a footfall of around 700,000, whilst employing 134 people, plus another 30 during the summer season... The Centre is estimated to support almost £9m of additional Welsh economic output and almost £4m of regional value added annually. This economic activity is likely to safeguard over 150 full time equivalent jobs.

Galeri, Caernarfon

This purpose-built arts facility has delivered a major economic boost to the area since it opened five years ago.

A study, by consultants Arad, found the centre supports over 50 full time jobs as well as over 40 employees in tenant businesses. Galeri contributed nearly £2.5m to the Gwynedd economy. For every pound of grant funding received, Galeri has generated £9.65 toward the economy of Gwynedd and Anglesey.

The arts are firmly at the heart of Wales's creative industries, an essential part of Wales's economy.

The arts are an integral part of the wider creative economy. Research in 2009 from Cultural and Creative Skills in Wales estimated that:

- the creative industries, of which the arts are a part, account for between 22,000 and 30,000 jobs (between 1.7 and 2.3 % of total Wales employment)
- the creative industries contribute between £450m and £500m to annual Welsh economic output

Case study: Welsh National Opera

As well as being one of the largest arts employers in Wales, Welsh National Opera is generating a significant level of economic activity. A recently completed Economic Impact Study reveals that the company contributes £22.5m to the Welsh economy, four times the revenue funding it receives from the Arts Council of Wales.

This internationally significant arts organisation has been working in Wales for over 60 years. With 250 staff and a turnover of £17m, it has presented work at 59 venues, and commissioned work from 27 composers and 24 writers.

Over the past 5 years Welsh National Opera has performed to opera audiences of 580,000, concert audiences of 100,000 and TV audiences of 500,000. It has given workshops at 450 schools with 90,000 MAX participants, worked with 49 community groups, co-produced with 15 international opera companies, and produced 25 joint projects with other companies.

Its activities attract £6.5m of funding each year from Arts Council England.

The arts are valued by the business sector in Wales

Research recently published by Arts & Business Cymru demonstrates that:

- the total figure for private sector investment in culture for 2008/09 across the UK fell from its record high in 2007/08
- by contrast, private investment in the arts in Wales in 2008/09 increased by 2% above inflation from £19.3 million to £20.1 million

Arts Council of Wales's Investment Review

More than just a funder of the arts

Our remit as the national development body for the arts helps us to increase access to the arts. It's a role that has developed and evolved over recent years.

One Wales refers to a major review of the Arts Council's role in 2006, the results of which were set out in the Wales Arts (Stephens) Review:

"We will continue to implement the recommendations of the Stephens Review into the future development of the arts in Wales, so that there is a clear approach to setting strategic policy."

The emphasis on 'strategic' is of particular importance.

The Wales Arts Review argued for an approach that moved beyond the efficient bureaucratic management of public funds – described as a "gatekeeping" role – to a more strategy driven approach that rewarded excellence, potential and achievement:

"Such gatekeeping can sometimes lead to a "steady as she goes" attitude where the subject officer/senior officers square the circle between the demands of large and small clients. Whereas this is admirable in trying to use an (allegedly) inadequate grant to its full, it can lead to a practice which does not develop either the major client or the smaller client to their full potential. If the holistic approach is to be truly developmental, it has to be led not by demand but by strategy..."

... By setting its role firmly on the development of the Arts, we believe that ACW [Arts Council of Wales] can also act as a lever for change."

Strategic exercises, such as our Investment Review, help us ensure that we act as that lever for change.

So last year we launched our Investment Review, the most comprehensive examination of funding that the Arts Council of Wales has ever undertaken.

We asked ourselves what difference our funding was making? Were we achieving enough? What more must we do in the face of the challenges that lie ahead?

After a period of consultation, we published, in September 2009, the Terms of Reference for the Investment Review.

The task was defined as:

“To agree a new ‘portfolio’ of revenue funded organisations (RFOs) that will be at the heart of the Arts Council’s future strategy to develop the arts in Wales.

To achieve this goal, we’ll undertake a detailed review of current funding. Our aim is to reach the end of this process with a portfolio of RFOs who are artistically vibrant, financially durable and with a level of investment that will enable them to thrive. The funding of this new portfolio of RFOs will take effect from 1 April 2011.”

A review of our RFO portfolio was also set out as a specific requirement by the Welsh Assembly Government Heritage Minister.

In our funding Remit Letter for 2009/10 we were asked to:

“...work closely with Sponsor Branch to develop a funding strategy that places the funding of the Arts Council’s revenue funded organisations on a more sustainable basis. This strategy should not be dependent on current or historic funding agreements. You should take a fresh look at funding strategy and be prepared to look robustly at the effectiveness of current investment. We wish to see ambitious proposals for the future. The aim must be to secure a vibrant and dynamic arts sector, better able to bring the highest quality arts activity to audiences and participants across Wales.”

At the heart of the Investment Review process have been the revenue funded organisations that we fund.

In December we received 116 business plans. In June we announced our initial decisions, identifying 71 organisations who would form our new revenue funded ‘portfolio’. We also announced that we would be ending the current revenue funding arrangements to 32 organisations.

The Investment Review was a detailed and carefully managed process.

We took the unprecedented step of asking our independent internal auditors to examine the Investment Review process. They undertook three reviews at different points over the past year and confirmed that the Investment Review process had been followed correctly.

The Investment Review strategy is designed to sustain the arts during a period of unprecedented financial pressure.

Our experience of this, and previous, recessions tells us that simply 'marking time' in the hope of weathering the storm doesn't work. When money is tight, audiences and participants need to be even more certain that their spending on cultural activity will represent good value for money. It's therefore essential that arts organisations are able to present their most compelling, their most exciting programmes of activity. This requires the appropriate level of investment.

The Investment Review strategy is built on an integrated, twin-track approach:

- **focussed investment on a smaller portfolio of revenue funded organisations** – one of the fundamental principles of the Review was being able to fund organisations at an enhanced level, allowing them to thrive, not merely survive
- **addressing areas of weakness in the arts in Wales** – in a number of key areas we need to improve the quality and 'reach' of the arts. We also need to be able to respond more effectively to Welsh Assembly Government priorities. By creating targeted development funds we can respond positively to these 'gaps'

Our Investment Review has been about making choices.

We've taken bold decisions to support what we believe in. These decisions have not been universally popular, but the overall response that we've received to our Investment Review has been positive.

We've worked hard over the last 18 months to ensure that the arts are well placed to withstand the anticipated public sector pressures.

Our Investment Review has set the foundations, but those foundations will only hold firm if the reinvestment proposed is allowed to happen.

Cuts will undermine a carefully considered change programme and threaten a hard-won consensus around the appropriate way ahead. Now is the moment to be bold, hold firm and realise the 'dividend' that the Investment Review offers to the arts in Wales.

Conclusion: proposals for action

Working in partnership to achieve continuing success

The Arts Council, through its investment, can have a significant impact on the growth and the development of the arts. However, our success depends on our ability to build strong and mutually supportive relationships with a range of partners and stakeholders. Principal amongst these are the Welsh Assembly Government, local authorities across Wales and, of course, the country's artists and arts organisations.

There are a number of risks that could affect future success. However, there are five areas that cause us particular concern:

1. We could fail, through the Comprehensive Spending Review, to secure the level of resources that successfully implement the vision set out in our Investment Review needs
2. Our ability to plan, on a sound business-like footing, for future development of the arts is compromised
3. The UK Government's consultation on the future of the Lottery might not have the positive outcome for Wales that we hope to see
4. We are unable to advance, in partnership with the Welsh Assembly Government, our key policy priorities around the Creative Industries and Arts for Young People
5. Financial pressure on local authorities threaten their investment in the arts

Investing in future success: the Comprehensive Spending Review

Extraordinary times call for determined action. In the despondency of current economic gloom, it's more important than ever that we continue to promote – with courage, imagination and optimism – those things that sustain, invigorate and enrich civic life.

The arts are one of those things.

We've argued the case that the arts in Wales deserve more, not less, investment. At a time of significant growth in activity and audiences, now is not the time to undermine one of Wales' great success stories. The cultural, economic and social rewards that investment in the arts can bring are real and necessary.

We've managed to carry the arts sector with us through the Investment Review because we're committed to re-investing the current level of funding to achieve better long term goals.

If we're unable to maintain current levels of funding:

- we, and the Welsh Assembly Government, will lose the credibility of the arts sector
- we might have to reduce still further the size of our revenue funded 'portfolio'
- we'll be unable to action new investment in under-developed areas where the arts needs are greatest

Proposals for action:

- we will continue to produce evidence demonstrating the value of investing in the arts
- we will publish the findings of our Arts in Wales Survey 2010

Planning for the future

Most arts organisations are significant businesses in their own right, run by skilled and efficient managers. However, at the moment, we ask them to plan for the future with one hand tied behind their backs.

The Arts Council is notified of its funding on a year-by-year basis. We're also constrained by regulations relating to the year end accounting for unspent funds. This means that we're unable to give firm commitments of funding over a three year period, or to use a reserves strategy to mitigate the negative effects of year-on-year variations in funding. To a large degree this latter issue is governed by current Treasury rules around year end flexibility. However, agreeing a new approach in these two areas would be budget neutral, and would provide very significant benefits to the arts.

Proposals for action:

- we will request the Welsh Assembly Government to press HM Treasury for a more flexible approach to year end flexibility
- we will request that the Welsh Assembly

Government provides three year funding figures for the arts from 2011/12

Consultation on the National Lottery

Earlier in the year the Department for Culture, Media and Sport (DCMS) announced its intention to increase the share of the National Lottery Distribution Fund going to the original good causes (of which the Arts was one). Naturally, we welcome such a proposal. We also welcome the eventual lifting of the Olympic 'levy' – the funds that are 'top-sliced' from Wales's Lottery budgets to pay for the costs of the London Olympics.

However, there are other Lottery related matters that might affect Wales.

The DCMS has also announced the abolition of the UK Film Council, and consultation on the future of the Heritage Lottery Fund. Both invest Lottery funding in Wales, with the UK Film Council also investing grant-in-aid. These funds help support cultural activity in Wales. The Heritage Department of the Welsh Assembly Government is currently working to ensure that Wales's views on these issues are properly addressed.

Proposals for action:

- we will continue to advocate the case for the reinstatement of Lottery funding lost to the arts
- we will support the Welsh Assembly Government in its efforts to ensure that Wales's needs are correctly reflected in any future changes to the National Lottery

Exploiting the potential of the Creative Industries

The Creative Industries are one of the priority areas identified in the Welsh Assembly Government's Economic Renewal strategy. In the Assembly Government's commissioned review of the Creative Industries, the importance of the arts to wider economic development was highlighted.

The Arts Council has been invited by the Welsh Assembly Government to join a new Creative Industries Board, and it has been recommended that there should be:

“...a major effort to act more strategically on areas of common interest between the creative industries and the arts in terms of business support, education and training.”

The Heart of Digital Wales: p.50

Proposals for action:

- we will press for an early examination by the new Creative Industries Board of the ways that the creative industries and the arts can work together more effectively around business support, education and training

A new approach to supporting Arts and Young People

The arts can inspire young people with new ambition and confidence, challenging poverty of aspiration and breaking the cycle of deprivation caused by low educational achievement. It’s a journey that can transform the way children and young people learn and explore the world around them. It can change the way they see themselves – even what they dream of for the future – as well as helping them to develop life skills for the future. It can be the key that unlocks the door to further and higher education, and in time employment.

During the course of our Investment Review we became increasingly concerned about the challenges we faced around arts and young people, and especially arts in education. Initiatives that had been the cornerstone of our strategy for many years were proving increasingly difficult to sustain.

A good example would be our strategy for supporting our eight revenue funded Theatre-in-Education (TiE) companies. Over a four year period 2005 to 2009 we increased our revenue support by 7% to the eight companies, but attendances for their TiE performances decreased by 17%. And they’re not alone.

Participation levels have not grown as fast as attendances over the past 5 years, and there appears to be a decrease more generally across the arts in activity provided in formal schools or youth settings.

A report on Music education commissioned in August 2009 by the then Minister for Children, Education, Lifelong Learning and Skills concluded in May 2010 that:

“There is much good practice in music education for children and young people within Wales, but there are considerable inequalities in provision. The nature of delivery is more fragmented and complex than is necessary for a small nation, and opportunities to achieve a consistent and quality service are missed.”

These concerns could be equally applied to arts education across other disciplines.

How best to resource and provide arts education is becoming an increasingly important issue

We’re absolutely convinced of the value of arts activities in schools. However, while we feel that we have an important role to play as an advocate for arts in education, we cannot pretend, on the level of resources available to us, that we can be a universal funder of this work.

We believe that part of the answer will be about creating more opportunities – in and out of school – for young people to develop their individual creativity.

We want to see more attention given to young people learning through the experience of doing, inspired by the opportunity to work alongside our professional artists and arts organisations. We want every young person in Wales to believe that the opportunity is there for them to be the best they can or want to be, performing with their peers at the highest level, showcasing their talents to the people of Wales and abroad.

We believe that there’s merit – with our partners in national and local government, WJEC, Estyn and the Children’s Commissioner – in taking a detailed and careful look at the health of the arts for our young people, examining how young people experience the arts in and out of formal education.

Proposals for action:

- we would like to explore the interest among relevant and appropriate partners for examination of arts for young people

The arts and local government

Local government is one of our most essential partners in delivering the arts across Wales. Without their continuing investment in cultural activity there’s a very real risk that access to arts and culture will diminish.

Each year we survey local authorities asking them for information about their investment in the arts. In 2008/09, the last year for which we have results, 17 local authorities responded. The survey showed us that in 2008/09:

- The 17 responding local authorities spent £27.61 (net) on the arts in Wales
- Expenditure by local authority ranged from just over £7m to just under £70,000
- All but two of the 17 responding local authorities run arts venues within their authority, either directly managed or contracted out. The total net cost of this was £10.55m in 2008/09
- All arts venues directly managed by local authorities also received grant support from the Arts Council of Wales
- Local authorities spent a net total of £2m in 2008/09 on directly funded and managed arts activities and events. A further £1.5m (net) was distributed in the form of grants to support arts activities
- Net expenditure on directly managed arts activities was down -8% year on year, while grant funding has shown an increase +4.9% in 2008/09
- It can be estimated that across Wales, total expenditure by all local authorities is approximately £35.7m – revenue expenditure £32.3m, and capital in the region of £1.5m
- Unverified figures for the year 2009/10 suggest that revenue spend on running arts venues and providing arts events and activities is declining significantly (-21%)

We appreciate the severe financial pressures faced by local authorities. However, if local authority funding for the arts continues to decline at this rates, the implications for attendance and participation will be very serious.

Proposals for action:

- we will continue to use our best endeavours to persuade them of the value of arts in delivering their corporate policies and priorities

Appendix 1: About the Arts Council of Wales

Our organisation

Arts Council of Wales is an independent charity, established by Royal Charter in 1994. Its members are appointed by the Welsh Assembly Government's Minister for Heritage.

Our principal sponsor is the Welsh Assembly Government. We also distribute funding from the National Lottery and raise additional money where we can from a variety of public and private sector sources.

We are the country's funding and development organisation for the arts. Working together with the Welsh Assembly Government, we are able to show how the arts are helping to meet the Government's *One Wales* policy ambitions.

Our vision is of a creative Wales where the arts are central to the life of the nation.

Our priorities

- supporting the creation of the best in great art
- encouraging more people to enjoy and take part in the arts
- growing the arts economy
- making Arts Council of Wales an effective and efficient business

Our services

- **we support and develop high quality arts activity** – we invest public funding, provided by the taxpayer, and allocated to us by the Welsh Assembly Government. We use these funds to help the arts to thrive in Wales
- **we distribute Lottery funds** – through applications to our Lottery funding programmes we are able to invest in projects that develop new arts activity, supporting individuals and organisations
- **provide advice about the arts** – through our staff and our advisers we have the largest concentration of specialist arts expertise and knowledge in Wales
- **we share information** – we are the national centre of a network of information and intelligence about the arts in Wales. We also have strong international links in the UK and beyond

- **we raise the profile of the arts in Wales** – we are the national voice for the arts in Wales, making sure that people are aware of the quality, value and importance of the country's arts
- **we generate more money for the arts economy** – initiatives such as *Collectorplan* (our scheme to encourage more people to buy art) and our success in securing European funding brings more money into the arts economy in Wales
- **we influence planners and decision-makers** – the arts take place in many different settings. They can have a dramatic impact on the quality of people's lives, and the places in which they live and work. The arts are also frequently at the heart of initiatives for economic and social regeneration. Our job is to ensure that the contribution that the arts can make is recognised, valued and celebrated
- **we develop international opportunities in the arts** – through our agency, Wales Arts International, we promote contemporary culture from Wales and encourage international exchange and collaboration between artists and arts organisations
- **we promote small-scale performances in local communities** – our Night Out scheme provides financial incentives to encourage the promotion of high quality arts activity in local community venues

Funding

There are six main ways that we fund the arts:

Revenue funding	We currently fund nearly 100 organisations nationally on an annual basis (from 2011/12 we expect to support 71). Our investment brings high quality work to audiences and participants across Wales. These funds are not open to application, and are agreed annually by our Council.
Strategic funds	We invest in time-limited projects and initiatives that help develop new arts opportunities. Often these will be funds given to us for a specific purpose, either by the Welsh Assembly Government or the European Union. Typically we will be working with a range of partners across the public and private sectors. These funds are not open to application.

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Lottery Capital	We use Lottery funding to invest in the refurbishment or creation of arts buildings, facilities and equipment. We also support the commissioning and creation of public art. (Funds are fully allocated for the period to 2012 and are therefore not currently open to application.)
Film production and exhibition	We delegate Lottery funding in these areas to our colleagues in the Film Agency for Wales. For more information visit www.filmagencywales.com
Collectorplan	This interest-free loan scheme is designed to make it easy and affordable for people to buy contemporary works of art. For more information visit www.collectorplan.org.uk
'Open to application' Lottery funding	We use Lottery funds to support arts projects that benefit people across Wales, or that help artists and arts organisations. If you have an idea for something you want to do with the arts, you can apply either as an individual or organisation. For more information visit www.artswales.org.uk

We also 'delegate' funding to a number of organisations who offer grants on our behalf:

Academi offers a range of funding programmes that support literature activity and writer development, including Writers' Bursaries, Writers on Tour, the Writing Squads throughout Wales, as well as managing the National Poet and the Book of the Year. For more information visit: www.academi.org

Tŷ Cerdd offers a range of grants that support participatory music activity. For more information visit www.wmic.org

Appendix 2

Welsh Assembly Government policy framework

Our primary responsibility is to deliver the *One Wales* commitment to ensuring that “high quality cultural experiences are available to all people, irrespective of where they live or their background”. We’re expected to operate across the complete range of *One Wales* priority areas.

We do this in the following ways:

- **A Rich & Diverse Culture** – we’re the key delivery agency for the Arts & Culture actions outlined under this priority. This includes the recommendations in the Wales Arts Review
- **A Healthy Future** – we’re implementing the actions outlined in the Arts Council of Wales/Welsh Assembly Government jointly owned Arts & Health Action Plan
- **A Prosperous Society** – we’re one of the organisations charged with delivering the Assembly Government’s goals for the Creative Industries, one of the priorities in the Government’s plans for Economic Renewal strategy
- **Living Communities** – we contribute towards the regeneration of communities, particularly those with high levels of social deprivation, by investing in infrastructure as part of our capital development programme, and arts projects and activities through our other annual investment programmes
- **Learning for Life** – our work engages with people from young to old, through initiatives and interventions at schools and places of learning, through to community settings.
- **A Fair & Just Society** – we contribute to the development of a fairer and just society in Wales by working to increase the levels of public engagement in the arts, particularly in areas where social groups and individuals have traditionally had fewer opportunities and faced greater obstacles
- **A Sustainable Environment** – we work with our artists and arts organisations to develop practice that encourages a more sustainable environment for Wales

In addition to the *One Wales* commitment, we work within and respond to a framework of wider Welsh Assembly Government policy agendas. These include:

2000

- Extending Entitlement: Supporting Young People in Wales

2002

- Creative Future – Cymru Greadigol – A Cultural Strategy for Wales

2005

- Designed for Life – A world class health service for Wales
- Social Enterprise Strategy for Wales

2006

- The Wales Arts (Stephens) Review
- Health, Social Care and Well-being Strategies
- A World of Opportunity – Welsh Assembly Government International Trade Strategy
- Innovation Action Plan
- Wales Spatial Plan
- Economic Development and the Welsh Language
- Strategy to Live Differently – The Sustainable Development Scheme of the National Assembly for Wales

2007

- National Youth Service Strategy for Wales

2008

- A Strategy for intergenerational practice in Wales
- Wales, Europe and the World: a framework for 14 – 19 learners
- The Strategy for Older People in Wales 2008 -2013
- Refugee Inclusion Strategy
- Skills that Work for Wales – A skills and employment strategy

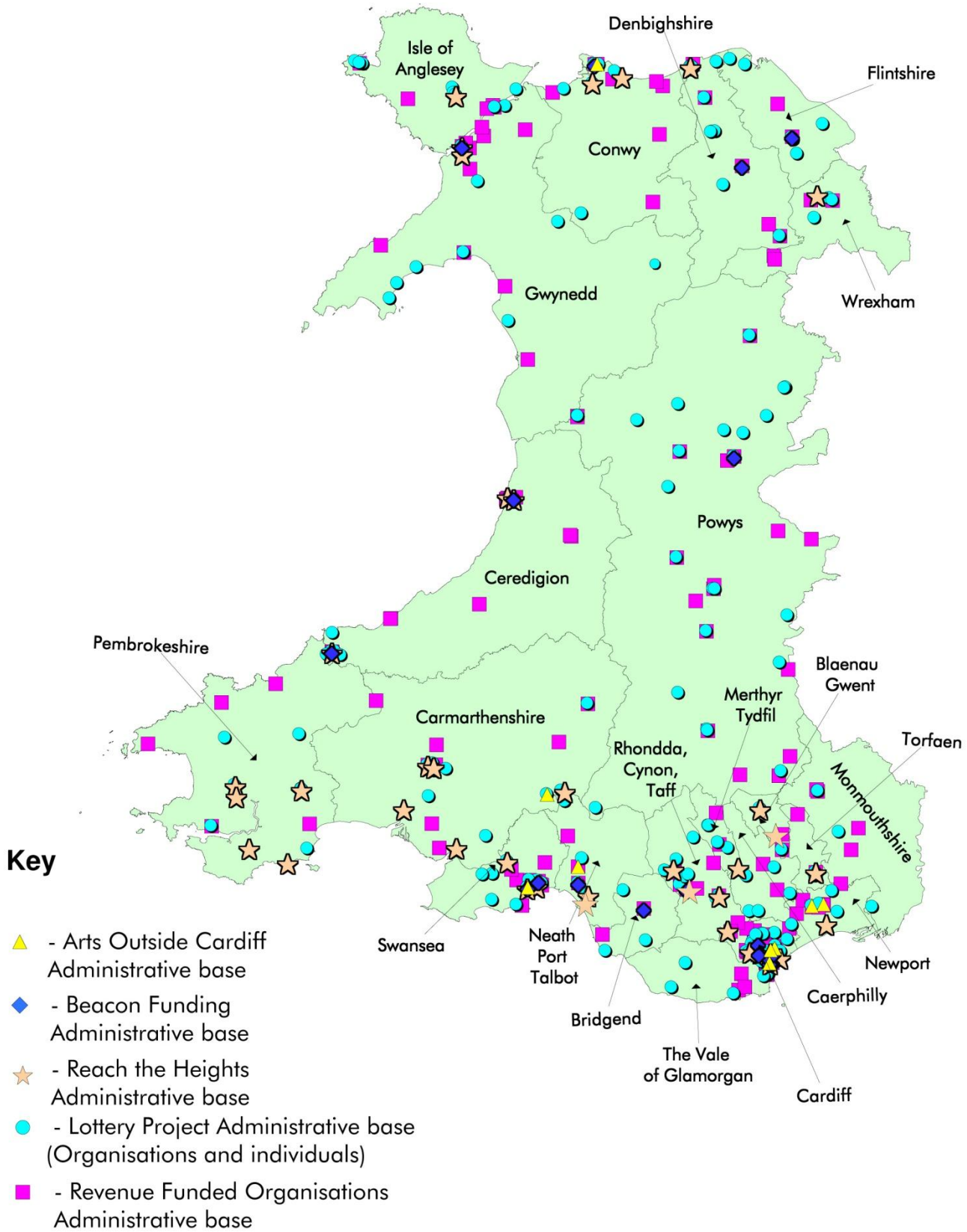
2009

- Reducing the proportion of young people not in education, employment or training in Wales

2010

- A framework for Services for Older People
- The Digital Heart of Wales
- Welsh Assembly Government Economic Renewal Strategy

Appendix 3: Arts Council of Wales Funded Projects and Organisations in Wales 2009-10



Please note there are a number of projects whose administrative base falls outside Wales, these include AXIS (Revenue Funded), Dance Partnership, Engage, The Irene Taylor Turst, Access all areas, Harmonie band, and three individual artists (Lottery grants).