

Culture Committee – CC-16-01(p.5)

Date: 7 November 2001

Time: 9.00am-12.15pm

Venue: Committee Room 1, National Assembly

CONSIDERATION OF DRAFT BUDGET FOR 2002/05

Note from the Minister for Culture, Sport and the Welsh Language

PURPOSE

1. To invite the Committee to express its views on the draft budget for 2002/05, as presented by the Minister for Finance, Local Government and Communities, and debated in Plenary on 18 October.

RECOMMENDATION

2. That the Committee comments on the draft budget at Annex 1.

TIMING

3. I would be grateful for the Committee's initial response at its meeting on 7 November; and for a formal written response by 14 November. The Finance Minister, having taken account of the responses of Subject Committees, will move the final budget around 22 November.

BACKGROUND

4. I presented the Committee with my initial consideration of budget priorities on 18 July (CC-13-01(p5), and the Chairman wrote to me on 24 July to convey the Committee's views.

5. My commentary below (paragraph 13 to 36) onwards, focuses on the major budget items, presented by Sub Expenditure Group (SEG), in the order in which they appear in the draft budget tables.

FINANCIAL IMPLICATIONS

6. As set out in the draft budget tables.

COMMENTARY

General

7. The Chairman confirmed in his letter to me of 24 July that the Committee wanted to see the following priorities:

- Investment in arts projects for and by young people - including the establishment of a National Youth Arts Fund; and better provision of studios and rehearsal facilities for young artists.
- An increase in revenue support for the Welsh National Opera, and in the Arts Council of Wales' contribution to the stabilisation process.
- Proposals for increased use of the Welsh language, and an investigation into the possibility of a BT/University of Wales Press computer programme for an English-Welsh, Welsh-English dictionary.
- Support for the National Botanic Garden.
- Support for the one-off start costs for an International Theatre Institute for Wales.
- An even-handed distribution of funds throughout Wales.

8. I have paid heed to the Committee's views that arts projects should be the first priority, and have accordingly concentrated the bulk of new money on increasing the budget of the Arts Council of Wales. This should enable the Council to deliver the commitments in my Culture Strategy, and also provides the Council with the means to consider funding for the particular projects favoured by the Committee - including an appropriate level of support for the Welsh National Opera.

9. I continue my support for the Welsh language by increasing the budgets of the Welsh Language Board, and the Welsh Books Council, and by supporting an exciting new development by the Urdd at Glan-Ilyn. This comes on top of our financial support for the Urdd's marketing drive. Welsh language projects will also derive their share of benefit from the increase in the Arts Council's budget.

10. There is no provision for the Botanic Garden. I believe it is premature to enter into any commitment to the NBG in advance of seeing a sound business case for its future development, and proving that there is an inescapable need and justification for Assembly support.

11. The Committee outlined its request for funding in the budget to be channelled to a Wales ITI as a contribution to start up costs. I have reserved £25,000 for the project from unspent provision subject to the preparation of an acceptable business plan and feasibility study. ITI plan to apply to ACW for a lottery grant to cover the costs of a feasibility study.

12. I turn now to the provision which I have made under each of the individual Sub Expenditure Groups for 2002-03 to 2004-05).

National Museums and Galleries of Wales

Provision: £19.02m/£19.70m/£19.70m.

13. We had provided the National Museum with additional in-year funding to enable them to introduce free access from 1 April. This policy has been a resounding success, so I am now adding £600,000 to their baseline to enable that policy to continue. The Museum will itself need to raise around £100,000 from commercial income in order to meet the full costs of free entry. The Museum estimates that the policy has drawn in a total of 976,000 visitors in the first 6 months of 2001, an increase of 90% over the previous year. In addition the First Minister announced on 11 October that the National Assembly would make £6m available to support the major development of the new National Waterfront Museum at Swansea. These funds have been sourced outside the BPR.

The National Library of Wales

Provision: £11.64m/£12.53m/£12.53m.

14. This settlement provides the National Library with a cash increase on their baseline of £383,000 in 2002-03, and of £800,000 in 2003-04. The extra funding, together with the utilisation of unspent provision, will enable the Library to meet the running costs of the new Visitor Centre, which is the key means of opening up the Library's collections to visitors and educational parties. The settlement will also cover the costs of an increase in the employer's contribution to the Library's Pension Fund from 1 April 2003, in line with legal requirements to maintain the solvency of the Fund. The increased baseline should also enable the Library to make some progress on pay progression over the next few years.

15. We are also utilising unspent provision to provide the National Library with additional funds (of £190,000 in 2002-03 and £30,000 in 2003-04) to enable them to complete the capital development of the Visitor Centre. The new facilities will include better access for people with mobility difficulties; a multi-media theatre; a new exhibition area; new classroom areas; a new restaurant and shop.

Arts Council of Wales

Provision: £20.78m/£22.79m/£22.79m.

16. The Arts Council will receive £2.734million additional to its baseline from 2002-03. This is on top of the £1.265m increase already in the baseline for next year, and allows us to move forward to tackle some of the Assembly's top priorities quickly, and make progress on the Cabinet's new Culture Strategy. We are also able to fund the commitments highlighted in the "Partnership Agreement" and the "Plan for Wales". For example, the settlement will allow the ACW to progress developmental work on the Arts Database/Website.

17. In addition, it will allow ACW to provide a stabilisation programme with the Arts Council of England for the Welsh National Opera. This will enable WNO to establish a sound financial base for the business and to consolidate activity through a major restructuring exercise. The settlement would also enable ACW to support an extra week's touring to Swansea.

The settlement will enable ACW to boost Wales Arts International to maximise the opportunities presented from events, both abroad and within the UK.

18. An important aim of the Assembly is to have in place inclusive policies for young people. I would like to see ACW channelling funding for Arts for Young People to increase the number of pilot youth arts strategies across Wales, to take forward good practice and disseminate it across Wales, and also to enable the Young People Task Force to take forward its large agenda of work. More generally, the settlement enables ACW to fund Arts Schemes which will support project based activity taking arts into the lives of more people in Wales through, for example, local festivals, artists in schools, out of hours drama clubs and community development projects.

19. The settlement will also allow ACW to increase funding to Revenue Clients and improve the financial and artistic sustainability of the arts sector in Wales. It is also important that the arts across Wales are developed as an integral part of the development of the Wales Millennium Centre.

20. The settlement enables ACW to help fund projects to celebrate the Year of Cultural Diversity in 2002, and also to help with the professional development and training for practitioners from the black and ethnic minority communities.

21. These are the main priorities. In addition, there is sufficient flexibility in the current baselines to allow ACW to add further priorities in addition to these I have set out here.

Wales Millennium Centre (WMC)

22. Provision for the WMC has been established separately to the Budget Round, and funds will be made available to the Project as and when they are required, subject of course to the project demonstrating need.

Sports Council for Wales

Provision: £9.36m/£9.46m/£9.46m.

23. We have made additional funds of £650,000 available to the Sports Council from unspent provision.

24. The Council will use £250,000 of this funding to help deliver their Golf Development Plan, which formed the main thrust of Team Wales' successful 2010 Ryder Cup Bid. Another £250,000 will be used to help support those who represent Wales at amateur level, such as assistance with travel costs.

25. The Sportsmatch scheme will also be supported to the sum of £150,000. This aims at increasing business sponsorship of grass roots activities and events by matching business sponsorship with Assembly support on a £ to £ basis. I recognise the need to develop partnerships to take forward the Sports Council's objectives, and this scheme and is a good example of partnership in action.

Welsh Language Board

Provision: £7.38m/£7.54m/£7.54m.

26. I am adding £200,000 to the Welsh Language Board's baseline. This will enable the Board to address pressures on its pay bill and to update its IT equipment. It should also enable the Board to channel additional funding to stimulating the use of Welsh in the community.

27. We are also utilising unspent provision of £250,000 to enable Urdd Gobaith Cymru to construct new accommodation at Glan-llyn. The accommodation will provide office space, educational and leisure facilities, and extra bedrooms - and help the Urdd increase their revenue income from visitors to the Centre.

28. I have noted the Committee's view on the dictionary. I believe this project deserves - and needs - further analysis. I have asked the Welsh Language Board for their advice on the project, and will consider the issue further when I have received it.

29. I look forward to the Culture Committee's report on Welsh language policy. Its recommendations, and my response to them, will inform next year's budget planning round.

Other Arts and Libraries

Provision: £1.92m/£2.28m/£2.28m.

30. This Sub Expenditure Group covers the budgets for the Library and Information Services Council; the Welsh Chess union; the Council of Museums; Art for Architecture; and the Welsh Books Council. It will also make provision for the first time, from 2002-03 onwards, for funding Culture Cymru On-Line and for developing the People's ICT Network in public libraries.

31. I am increasing the baseline provision for the Council of Museums by £50,000, taking the Council's budget to £697,000 in 2002-03. The extra funds will enable the Council to upgrade its ICT equipment, and to provide additional help to its associate museums.

32. I am providing the Welsh Books council with additional funds of £214,000 in 2002-03, and of £216,000 in 2003-04, taking their budgets in those years to £859,000 and £881,000 respectively. Of these increases, £150,000 is money which the Assembly is providing to replace the funding which the Council previously received from local authorities. This simplifies the funding arrangements for the Council, removes the need for them to conduct separate negotiations with individual local authorities each year, and thereby gives them greater certainty in their financial planning. On top of this, I have provided the Council with extra funds to boost their overseas marketing of books of Welsh interest. Increases in sales as a result of this initiative will help our authors, publishers and bookshops.

33. We have said, in our report on progress in meeting the commitments in the Partnership Agreement, that funding will be made available for a Film Fund subject to the completion of a satisfactory business case and Objective 1 approval.

34. I am making baseline funds available, for the first time, for Culture Cymru On-Line. I am providing £300,000 in 2002-03, and £600,000 for 2003-04, to develop a major on-line presence for culture and the arts in Wales. This will make cultural and arts materials and services available across the internet, enhance the international visibility of Welsh culture, boost the range and mass of Welsh language material on-line and develop new resources for use by schools, colleges and lifelong learners.

35. I am also making first-time provision of £15,000 and £30,000 in 2002-03 and 2003-04 respectively, to enable the National Library to employ an extra member of staff to facilitate and coordinate the implementation of the People's ICT Network in all public libraries in Wales.

Royal Commission on the Ancient and Historic Monuments of Wales

Provision: £1.81million/£1.41million/£1.41million

36. This funding allows the Royal Commission to progress its IT Strategy, ensuring that the National Monuments Register is available in a format compatible for dissemination through modern technology and making it more widely available. It will also allow essential repairs to

the fabric of the building at Plas Crug to be carried out and the contract to provide better access for disabled people to be finalised.

Compliance

37. I am seeking the Committee's views on the draft budget as provided under Standing Order 19.

Annexes:

1. Draft Budget tables.
2. CC-13-01(p5): Culture Minister's paper to Committee on 18 July on "Initial Consideration of Budget Priorities"
3. Chairman's letter of 24 July to Culture Minister on Budget Priorities.