

CULTURE, WELSH LANGUAGE AND SPORT COMMITTEE CWLS (2) 15-06 (p4)

Meeting date: Wednesday 15 November 2006

Meeting time: 9:00am - 12:00pm

Meeting venue: Committee Room 2, Senedd

DRAFT BUDGET 2007-08 TO 2009-10

Purpose

1. To provide an opportunity for the Committee to comment on the draft Budget for 2007-08 (attached at annex 1) in accordance with Standing Order 21.3.
2. Standing Order 21.3 provides that each Assembly Minister who is a member of a Subject Committee shall seek its views on the draft budget and convey them to the Finance Minister.

Recommendation

3. Committee members are asked to:-
 - note the information provided below and to comment on the draft budget (attached at Annex 1) and to
 - reaffirm their support of their priorities for the investment in Culture, Welsh Language and Sport which were set out in the letter to me from the Chair on 7 July 2006. A copy of the letter is attached at annex 2.

Background

4. At the Culture Committee meeting on 15 June, the Committee was consulted on its budget priorities within my portfolio in accordance with Standing Order 21.2. The Committee's priorities were outlined via a letter from the Committee Chair on 7 July and these views informed discussions with the Finance Minister regarding the draft budget.
5. This budget round is the second year of a three year budget planning round. It covers the financial year 2007-08 and in line with HM Treasury convention, 2008-09 and 2009-10 are presented on the face of the budget, using the 2007-08 figures rolled forward.
6. The Assembly debated the Welsh Assembly Government's Draft Budget on 24 October. Seven amendments were made to the motion asking the Assembly to note the Draft Budget. The main motion called for a further Draft Budget taking account of a number of requests for additional funding in

some areas. Of course, increases in budgets in MEGs have to be “paid for” by reductions in others.

7. Discussion on the draft budget proposals is continuing and this paper sets out the details for Culture Committee to present their views. However, there were no motions put forward in support of the Culture MEG. I hope that Committee members will reaffirm their support for its cultural priorities so that it maintains the proposed level of funding for the Final Budget in December.

Summary and key features of the draft budget for Culture, Welsh Language and Sport

	1999-2000	2006-07	2007-08	2008-09	2009-10
DEL Baseline	60,171	122,897	132,305	132,305	132,305
Changes	-	-	2,316	2,316	2,316
Revised Total	60,107	122,897	134,621	134,621	134,621
% Growth (from 1999-2000)	-	104%	124%	124%	124%
% Annual growth	-	-	9.50%	0%	0%
Including AME – MEG Total	60,171	143,716	155,440	155,440	155,440

8. My portfolio fared reasonably well during last year’s Budget Planning Round but the final budget suffered a cut as a result of opposition party amendments. This severely constrains my ability to respond to worthwhile and valuable projects in Culture, Sport and Welsh language areas. This year’s draft budget demonstrates significant investment in the Culture Portfolio. This year’s BPR has added **£2.316million** to the Culture MEG which means an overall growth in my budget from 1999-00 to 2007-08 of **124%**. The total increase between the current financial year and next year is **£11.7million** which is nearly a **10% increase** in the Departmental Expenditure Limit.

9. Details of where the additional money has been allocated within my portfolio next year is as follows:-

- My key priority is to promote better health among all people in Wales by encouraging them to lead more active and healthy lifestyles. The ambitious targets in the Sport and Physical Activity strategy - **Climbing Higher** and in the Next Steps document particularly focus on communities of greatest need, provide the most effective and efficient delivery of mass participation across all sectors of society and achieve sustainable international success.
- A significant increase in the budget between 2006/07 and 2007/08 is the £7.8m extra funding for Climbing Higher that was set aside in the Budget Planning Round in 2004 (BPR2004) to come on stream from 2007/08. A subsequent increase in the sport budget during last year's budget planning round to help "step up" the **sport budget** in 2006/07 mean that the increase 06/07 to 07/08 is still more than **£6.5m**.
- We will be contributing to the redevelopment of **library facilities in areas of social deprivation**. An additional **£1.5m capital funding** from 2007/08 will fund a programme to ensure that selected library premises are fit for community lifelong learning, promoting participation at all ages. Evidence shows that investment in refurbishing libraries leads to increased usage and accompanying benefits which contribute significantly to community regeneration.
- The total extra funding for the **Arts** in 2007/08 compared with this year is **£1.6million**. I have added another £250k to go with the £500k revenue funding from last year's BPR to support the development of product in **English Language Theatre**.
- An additional £250k capital funding will contribute towards a **Cultural Enterprise Centre in Merthyr**. The new facility will combine a theatre and arts centre with facilities for small creative businesses and sole practitioners in arts occupations – bringing together a community of activity and providing a visible focus for the cultural industries in the region. I have tasked ACW to work with 3 other major stakeholders on this project - the Heads of the Valleys Partnership, Merthyr Tydfil County Borough Council and the University of Glamorgan.
- Last year's budget round also earmarked an extra **£250k** in support of the recommendations from Culture Committee's reports on **arts and sport in community regeneration** and **Dance**. Funding will double from £250k to £500k, half of which is distributed via the Arts Council and the other half via the Sports Council.

- The Arts Council will also receive an extra **£470k** towards inflationary costs for its revenue clients in 2007/08.
- 2007/08 is the final year of a three year programme for Amgueddfa Cymru – National Museum Wales’ essential capital maintenance programme. The total additional funding provided is £3m with next year’s budget rising by £500k to **£1.5m**.
- Last year’s budget provided just over **£1million** towards our National Museum and National Library’s running costs/programme inflationary costs in 2007/08. This year’s draft budget has enabled me to provide nearly **£200k** next year to offset price and pay pressures on the **smaller cultural ASPBs/organisations** such as the Welsh Books Council, Royal Commission and in support of the Patagonia Welsh Language Project.
- I have been able to allocate capital funds provided in last year’s baseline to **the National Library of Wales (NLW)** and **Cadw**. NLW will receive **£84k** to develop a more energy efficient heating system which will save them £36k each year in increased energy costs. Cadw will have another **£63k** for their access scheme at Caernarfon Castle to develop a kiosk providing a virtual tour of the less accessible parts of the castle.

Performance against commitments made in *Wales: A Better Country*

10. We are using the resources to deliver these commitments as follows:

10.1. Free access to local authority swimming pools for children in school holidays and older people.

By 2008-09, the total investment in Free Swimming by the Assembly Government will have reached **£25m**.

To ensure maximum return on the Free Swimming investment I have remitted the Sports Council for Wales to work more closely with local authorities to implement their aquatic development plans and help deliver better aquatic provision based on the needs of local communities and in return for the Free Swimming funding.

From 2006-07 local authorities will receive up to a total of £3.4m to continue delivering the existing free entitlement and structured activity sessions to the existing targeted groups. They are also expected to develop local aquatic plans that seek to address wider swimming development requirements and improvement issues.

An additional, £1.4m Free Swimming Improvement Fund has been introduced from 2006-07 to support further action to increase levels of physical activity. The fund may go towards the provision of swimming lessons, outreach programmes, pool equipment and facility refurbishment - issues identified as a priority to meet local needs, to reduce barriers/improve access to participation.

The full impact of the Free Swimming initiative will be measured over the coming months and will be presented in a final evaluation report in June 2007.

10.2. Biggest investment in Welsh Language – additional £28m funding from 2003-06 through *Iaith Pawb*. Last year's BPR settlement made sure that we met our commitment on the Welsh Language and this year's draft budget means that we are maintaining our investment levels. By the end of this financial year the Assembly government will have allocated **£40.6million** additional money to the Welsh Language to meet the objectives in *Iaith Pawb*.

The third annual monitoring report on the implementation of *Iaith Pawb* and the Welsh Language Scheme (for 2005-06) was published in July. It showed that we are continuing to make progress across the range of *Iaith Pawb* projects.

10.3. Developing Library Services – provide modern community services which support lifelong learning and are accessible to everyone.

The @ Your Library: an Initial Strategic Development Programme 2005-2007 has a budget of £2 million over 2 years. The programme, which is managed by CyMAL: Museums Archives and Libraries Wales division comprises four strands:

- Strand 1 - creating a national online resource discovery system and opening up access to Welsh library resources
- Strand 2 - developing new information content for the online public library
- Strand 3 - marketing and reader development
- Strand 4 - workforce development

The investment so far has delivered:-

- All Wales delivery of electronic information services including reference materials and newspapers via public, further education and higher education libraries. For the first time the services were procured collaboratively ensuring value for money.
- An innovative bilingual virtual library service, www.library.Wales.org which can be customised for individual information requirements and which has recently achieved over 1m hits since its launch in May 2006.
- New regional library partnerships have provided opportunities for users to access all library resources from public and academic libraries free of charge.

- The first ever National Marketing Plan for Welsh libraries accompanied by retail training and bilingual marketing resources for library staff
 - The first workforce development strategy for library staff which provides targeted training and skills development to meet new challenges.
- The draft budget proposes an additional capital investment of £1.5m to develop and refurbish libraries in areas of social deprivation.

10.4. Examine potential for a new Gallery for Welsh Art and National Digital Gallery for Visual Arts.

The Arts Council and Amgueddfa Cymru – National Museum Wales have submitted an initial report to me on the potential for a new National Gallery of Welsh Art. I will be looking to commission a more in depth feasibility study shortly. I have also received a final scoping study report and recommendations on a National Digital Gallery for Visual Arts and I expect a feasibility study to be commissioned shortly

10.5. Attracting major sporting and cultural events.

In 2005 I provided £100,000 for the Faenol Festival and £35,000 for the Hay Festival of Literature. So far this year, I have funded the Big Anthem Fawr celebration that took place in May and festivals such as Brecon Jazz via our sponsored bodies and officials are in discussion with a number of other events organisers.

Committee Priorities for 2007-08

11. I am pleased that the draft Culture budget for 2007-08 will facilitate the key priorities of the Committee set out in the Chair's letter to me of 7 July 2005. I sent a response to Committee members in July on some of the items set out in the budget priorities letter and I now address the other priorities and issues here:-

11.1. Implementation of the recommendations in the Committee's reports on "Art, sport and Community Regeneration", "Welsh Writing in English", and "Dance in Wales" and to see plans for expenditure which fall to other budgets such as that for Education and Lifelong Learning.

I have earmarked an extra £250k from 2007-08 on top of the £250k introduced into the baseline this year to support the recommendations in the Committee's reports on 'Art, Sport and Community Regeneration', and 'Dance in Wales'. And by the end of this financial year my portfolio will have injected £750k into the Welsh Writing in English initiative with £250k in baseline for future years.

Regarding support of **Dance in Education**, the Assembly has made £6.9m available to date to support the implementation of the PE and School Sport (PESS) initiative with the Sports Council for Wales (SCW) which is in the lead on this work. The focus has been on forging effective partnerships between schools and local partners to improve opportunities for the sharing of staff expertise, facilities and good practice to increase both the range of opportunities provided for young people and the quality of provision.

As part of this work, practical support has been provided to schools in the delivery of dance, including training and development opportunities provided for teachers - much of which has been delivered in partnership with community dance companies.

It is difficult to be precise on PESS expenditure on dance in that dance is woven into the work supported from core funding for the PESS initiative. However, PESS funding for 2006-07 includes an additional £100K to enhance current support provided through the initiative to improve the quality and broaden the range of opportunities for dance in schools and to help meet the continuing professional development needs of all teachers. The additional funding will support SCW in the following strands of work:

- Strengthen links with Community Dance Wales companies to work with and mentor primary school teachers;
- Development of partnership links with the Arts Council for Wales to support the National Dance Forum (and Dance in Education sub-group) ;
- Extension of leadership training in dance for 14-19 year olds;
- The running of 6 regional workshops for teachers and local authority practitioners to promote dance.

Regarding **Sport and Community Regeneration**, the Sports Council for Wales is working up the details for 12 pilot projects, with an estimated “starter” budget of approximately 10k per project. .

Further details of the projects will be available later in November but the initial proposals for this specific approach would include 2 aspects:

- promoting physical activity and sport within priority communities
- investing in “community champions” (people from within the targeted communities) giving them the opportunities to train and gain experience/qualifications

11.2. .An emphasis on spend for libraries and museums.

As explained earlier in this paper, we are investing £2m in revenue to museums, libraries and archives through CyMAL. And an additional £1.5m

capital funding from 2007/08 will support refurbishment and development of local library facilities.

We are also increasing the funding of the National Library of Wales and Amgueddfa Cymru - National Museum Wales to help maintain a high level of operations and standard of service to the public.

11.3. Greater encouragement for sports facilities, including playing fields within local authority control to be maintained and improved.

In July 2006, the Finance Minister made available an additional £4m capital funding for an innovative Active Lifestyles programme in response to Health Challenge Wales and the Climbing Higher objectives of improving health through increased physical activity. This Fund prioritises the support of buildings in the community and “doorstep” outdoor “open green spaces” for informal recreation e.g. parks, footpaths and trail.

As part of the consultation process relating to the revisions of TAN 16 we are working closely with our Sports Council for Wales and consider that the revised TAN offers the opportunity to both protect existing facilities and to promote sport and physical activity opportunities with new developments. This is particularly important in the context of the Climbing Higher agenda. The TAN also highlights the need for local authorities to undertake an assessment of need and an audit of existing provision.

11.4. Support transport for sports and arts for areas where it is not otherwise available or would help to encourage attendance or participation.

Some examples of ACW Revenue funded organisations that have provided funding for transport of audiences to arts events and performances are as follows:-

- In 2005 the theatre and dance company Earthfall audiences were bussed in to enable them to see the production, ‘At Swim Two Boys’, which could only be performed at a limited number of venues. For example, the performance at Theatr Brycheiniog, Brecon, involved bringing in audiences from Merthyr, Brynmawr, Abergavenny, Ebbw Vale, Tredegar, Builth Wells and Brecon itself.
- The Wyaside Centre in Builth Wells runs its ‘Night Owl’ service on Saturday evenings, providing a bus service for the community who wish to attend the venue.
- Clwyd Theatr Cymru provides a Theatre Shuttle service which offers excellent door-to-door transport to and from the theatre. The Service runs from 4.00pm Mondays to Saturdays, covering Flint, Holywell, Bagillt, Brynford, Halkyn, Sychdyn, Connah’s Quay, Shotton,

Queensferry, Northop, Northop Hall, Aston, Mancot, Buckley, Hawarden, Ewloe and Mold

Regarding sport, we are putting an additional £7.8m into sport each year in support of our Climbing Higher aims. The strategy makes it clear that Government cannot reach the ambitious targets to increase participation rates and to gain success on the World Stage alone. It needs a joint approach to create an environment that supports and encourages healthy living and to create more opportunities, especially within our communities. We are working with local authorities and other key partners to consider making transport services available to encourage people to attend or participate in sport and physical activity sessions.

11.5. English language theatre

As explained earlier in this paper, the draft budget proposes an investment of £750k revenue funding in English Language Theatre product from 2007/08.

11.6. Continued support for the arts outside Cardiff.

The Arts Council has £2m in its Grant in Aid baseline as direct support for the Arts outside Cardiff programme.

Contact point

Paul Massey, Directorate for Culture, Welsh Language and Sport, x 5821.

Annex 1 – BPR2006 Draft Budget for Culture, Welsh Language and Sport
Main Expenditure Group (MEG)

£000

REVENUE BUDGET - Departmental Expenditure Limit					
Expenditure Groups	2006-2007 Final Budget	2007-2008 Draft Budget	Difference between 2006-2007 and 2007- 2008	2008-2009 Indicative Plans	2009-2010 Indicative Plans
Amgueddfa Cymru -National Museum Wales - Running Costs	21,477	22,259	782	22,259	22,259
Amgueddfa Cymru - National Museum Wales - Current Receipts	-958	-958		-958	-958
Amgueddfa Cymru - National Museum Wales - Depreciation/Cost of Capital	5,686	6,667	981	6,667	6,667
National Library of Wales - Running Costs	9,819	10,069	250	10,069	10,069
National Library of Wales - Current Receipts	-250	-250		-250	-250
National Library of Wales - Depreciation/Cost of Capital	3,400	3,600	200	3,600	3,600
Arts Council for Wales - Running Costs	2,300	2,305	5	2,305	2,305
Arts Council for Wales - Depreciation/Cost of Capital	472	389	-83	389	389
Publishing - Welsh Books Council Running Costs	1,109	1,162	53	1,162	1,162
CyMAL	2,000	2,000		2,000	2,000

Expenditure Groups	2006-2007 Final Budget	2007-2008 Draft Budget	Difference between 2006-2007 and 2007- 2008	2008-2009 Indicative Plans	2009-2010 Indicative Plans
Culture Fund - Current Expenditure	29,417	30,234	817	30,234	30,234
Culture Fund - Current Receipts	-175	-175		-175	-175
Total Culture Revenue	74,297	77,302	3,005	77,302	77,302
Sports Council for Wales - Running Costs	1,833	1,837	4	1,837	1,837
Sports Council for Wales - Depreciation/Cost of Capital	1,579	1,579		1,579	1,579
Sport and Active Wales Fund - Current Expenditure	18,135	24,241	6,106	24,241	24,241
Sport and Active Wales Fund - Current Receipts	-2,938	-2,938		-2,938	-2,938
Total Sport and Active Wales Revenue	18,609	24,719	6,110	24,719	24,719

Expenditure Groups	2006-2007 Final Budget	2007-2008 Draft Budget	Difference between 2006-2007 and 2007- 2008	2008-2009 Indicative Plans	2009-2010 Indicative Plans
Welsh Language Board - Running Costs	4,019	4,029	10	4,029	4,029
Welsh Language Board - Depreciation and Cost of Capital	173	161	-12	161	161
Bilingual Wales Fund - Current Expenditure	9,327	9,431	104	9,431	9,431
Bilingual Wales Fund - Current Receipts	-200	-200		-200	-200
Total Bilingual Wales Revenue	13,319	13,421	102	13,421	13,421
CADW - Depreciation and Cost of Capital	498	498		498	498
CADW - Current Expenditure	8,359	5,607	-2,752	5,607	5,607
CADW - Receipts	-3,280	-3,280		-3,280	-3,280
RCAHM - Running Costs and Current Expenditure	1,672	1,969	297	1,969	1,969
RCAHM - Depreciation and Cost of Capital on the Civil Estate	54	54		54	54
RCAHM - Depreciation and Cost of Capital	80	80		80	80

Expenditure Groups	2006-2007 Final Budget	2007-2008 Draft Budget	Difference between 2006-2007 and 2007- 2008	2008-2009 Indicative Plans	2009-2010 Indicative Plans
Total Historic Wales Revenue	7,383	4,928	-2,455	4,928	4,928
Total Revenue - Culture, Welsh Language and Sport	113,608	120,370	6,762	120,370	120,370

CAPITAL BUDGET - Departmental Expenditure Limit					
Expenditure Groups	2006-2007 Final Budget	2007-2008 Draft Budget	Difference between 2006-2007 and 2007- 2008	2008-2009 Indicative Plans	2009-2010 Indicative Plans
Cymal - Capital	0	1,500	1,500	1,500	1,500
Culture Fund - Capital Investment	4,138	4,310	172	4,310	4,310
Culture Fund - Capital	1686	1,686		1,686	1,686
Culture Fund - Capital Investment Receipts	-500	-500		-500	-500
Total Culture Capital	5,324	6,996	1,672	6,996	6,996
Sport and Active Wales Fund - Capital Expenditure	775	1,225	450	1,225	1,225
Sport and Active Wales Fund - Capital Receipts	-55	-55		-55	-55
Total Sport and Active Wales Capital	720	1,170	450	1,170	1,170

Expenditure Groups	2006-2007 Final Budget	2007-2008 Draft Budget	Difference between 2006-2007 and 2007- 2008	2008-2009 Indicative Plans	2009-2010 Indicative Plans
Bilingual Wales Fund - Capital Investment	177	100	-77	100	100
Total Bilingual Wales Capital	177	100	-77	100	100
CADW: Capital Expenditure	2,890	5,970	3,080	5,970	5,970
RCAHM: Capital Expenditure	178	15	-163	15	15
Total Historic Wales Capital	3,068	5,985	2,917	5,985	5,985
Total Capital - Culture, Welsh Language and Sport	9,289	14,251	4,962	14,251	14,251

Revenue Budget - Annually Managed Expenditure					
Expenditure Groups	2006-2007 Final Budget	2007-2008 Draft Budget	Difference between 2006-2007 and 2007- 2008	2008-2009 Indicative Plans	2009-2010 Indicative Plans
Amgueddfa Cymru - National Museum Wales - Provision for Pensions	15,463	15,463		15,463	15,463
National Library of Wales - Provision for Pensions	5,356	5,356		5,356	5,356
Total Culture AME	20,819	20,819		20,819	20,819
Total Resource - Annually Managed Expenditure	20,819	20,819		20,819	20,819

Culture, Welsh Language and Sport - Summary					
Expenditure Groups	2006-2007 Final Budget	2007-2008 Draft Budget	Difference between 2006-2007 and 2007- 2008	2008-2009 Indicative Plans	2009-2010 Indicative Plans
Revenue DEL	113,608	120,370	6,762	120,370	120,370
Capital DEL	9,289	14,251	4,962	14,251	14,251
Total DEL	122,897	134,621	11,724	134,621	134,621
Annually Managed Expenditure	20,819	20,819		20,819	20,819
Total Culture, Welsh Language and Sport	143,716	155,440	11,724	155,440	155,440

Annex 2

CULTURE, WELSH LANGUAGE AND SPORT COMMITTEE

**PWYLLGOR DIWYLLIANT,
Y GYMRAEG A CHWARAEON**



Cynulliad Cenedlaethol
Cymru
National Assembly for
Wales

Bae Caerdydd / Cardiff Bay
Caerdydd / Cardiff
CF99 1NA

Alun Pugh A.M
Minister for Culture, Welsh Language
and Sport

July 2006

Dear

BUDGET PRIORITIES 2006

I am writing to confirm the views of the Culture, Welsh Language and Sport Committee, on its priorities for the 2006 budget planning round as discussed at its meeting on 28 June. Your paper, (CWLS2 -10-06 (p.7)) was taken into consideration by the Committee.

You will know from our discussion that some Members of the Committee felt that the presentation of your priorities paper gave insufficient detail on current proposals to enable judgements to be made on possible gaps or re-adjustments for alternative priorities. In that respect I draw your attention to (vii) in my letter of 3 June last year when the Committee made the same point.

In terms of detail the Committee's views are:

- i. That priority should be given to the implementation of the recommendations in the Committee's reports on "Art, sport and Community Regeneration", "Welsh Writing in English", and "Dance in Wales". The Committee would also like to see plans for expenditure on these recommendations which fall to other budgets such as that for Education and Lifelong Learning.
- ii. We also wish to see an emphasis on spend for libraries and museums. It was not clear to the Committee what the overall figures in your paper for Cymal represented and you are going to let us have a breakdown of these.

- iii. The Committee is concerned about sports facilities, including playing fields, within local authority control and would like to see greater encouragement for these to be maintained and improved.
- iv. We would also like to see funds to support transport for sports and arts for areas where it is not otherwise available or would help to encourage attendance or participation.
- v. The Committee has previously welcomed your announcement for additional funds for English language theatre and will be looking at this in more detail in the autumn.
- vi. We also wish to see priority given to continued support for the arts outside Cardiff.
- vii. We asked that you clarify how you intend to mainstream issues such as equal opportunities.
- viii. You will know from our recent visit to the Llangollen Pavilion that the Committee will be writing to support its bid for Lottery funds. In that respect we would like to see festivals included as a priority within the culture budget.

Finally, Members remain concerned about the loss of the music Development Fund. Whilst that is not within your control, we would ask that you bring these concerns to the table on wider budget discussions.

I am copying this letter to the Finance Minister.

Yours sincerely

Rosemary Butler A.M

Chair, Culture, Welsh Language and Sport Committee

cc Sue Essex, Minister for Finance, Local Government and Public Services