



**Cynulliad Cenedlaethol Cymru
Pwyllgor Archwilio**

**The National Assembly for Wales
Audit Committee**

**Canolfan y Celfyddydau Gweledol
The Centre for Visual Arts**

**Cwestiynau (1-183)
Questions (1-183)**

**Dydd Iau 22 Tachwedd 2001
Thursday 22 November 2001**

Aelodau o'r Cynulliad yn bresennol: Janet Davies (Cadeirydd), Eleanor Burnham, Alun Cairns, Jocelyn Davies, Alison Halford, David Lloyd, Val Lloyd, Lynne Neagle.

Swyddogion yn bresennol: Syr John Bourn, Archwilydd Cyffredinol Cymru; Gillian Body, Swyddfa Archwilio Genedlaethol Cymru; David Powell, Swyddog Cydymffurfio Cynulliad Cenedlaethol Cymru.

Tystion: Peter Tyndall, Prif Weithredwr a Swyddog Cyfrifo, Cyngor Celfyddydau Cymru; Frances Medley, Dirprwy Brif Weithredwr, Cyngor Celfyddydau Cymru; Rhys Parry, Cyfarwyddwr Cyllid ac Adnoddau, Cyngor Celfyddydau Cymru.

Assembly Members present: Janet Davies (Chair), Eleanor Burnham, Alun Cairns, Jocelyn Davies, Alison Halford, David Lloyd, Val Lloyd, Lynne Neagle.

Officials present: Sir John Bourn, Auditor General for Wales; Gillian Body, National Audit Office Wales; David Powell, Compliance Officer, National Assembly for Wales.

Witnesses: Peter Tyndall, Chief Executive and Accounting Officer, Arts Council of Wales; Frances Medley, Deputy Chief Executive, Arts Council of Wales; Rhys Parry, Director of Finance and Resources, Arts Council of Wales.

*Dechreuodd y sesiwn cymryd tystiolaeth am 2.08 p.m.
The evidence-taking session began at 2.08 p.m.*

[1] **Janet Davies:** Good afternoon. I welcome the witnesses to this evidence session on the Centre for Visual Arts. Evidence can be taken in Welsh or English. Translation is available through the headphones. I apologise that my voice is in the process of giving up this afternoon. I hope that I manage to keep going. I would like to get into the evidence-taking session straight away, because we are always fairly short of time on these things.

I will ask the first question. I shall ask all these questions to you, Mr Tyndall. If you need advice from your colleagues, you are welcome to take it. Before considering the detailed aspects of this lottery award, I would like to ask you this: having recently taken up your post as accounting officer, why do you think the council came to contribute £3.2 million to a project that was closed after only 14 months?

Mr Tyndall: Thank you, Chair. Clearly, I have had an opportunity to scrutinise the records in some detail since taking up the post. I am conscious of the great public interest in the Centre for Visual Arts. There are elements upon which I can comment on the basis of the facts, others upon which I

[1] **Janet Davies:** Prynawn da. Croesawaf y tystion i'r sesiwn tystiolaeth hwn ynghylch Canolfan y Celfyddydau Gweledol. Gellir cymryd tystiolaeth yn Gymraeg neu Saesneg. Mae cyfieithiad ar gael drwy'r clustffonau. Ymddiheuraf fy mod yn colli fy llais y prynawn yma. Gobeithiaf y llwyddaf i ddal ati. Hoffwn ddechrau'r sesiwn cymryd tystiolaeth yn ddiymdroi, oherwydd yr ydym bob amser yn eithaf prin o amser yn y pethau hyn.

Gofynnaf fi'r cwestiwn cyntaf. Gofynnaf y cwestiynau hyn i gyd i chi, Mr Tyndall. Os bydd arnoch angen cyngor gan eich cydweithwyr, mae croeso ichi ei gymryd. Cyn ystyried manylion y dyfarniad loteri hwn, hoffwn ofyn hyn ichi: a chithau wedi dod i'ch swydd yn ddiweddar fel swyddog cyfrifo, pam yn eich tyb chi y bu i'r cyngor gyfrannu £3.2 miliwn at brosiect a gaewyd wedi dim ond 14 mis?

Mr Tyndall: Diolch, Gadeirydd. Yn amlwg, yr wyf wedi cael cyfle i archwilio'r cofnodion mewn cryn fanylder ers ymgymryd â'r swydd. Yr wyf yn ymwybodol o'r diddordeb cyhoeddus mawr yng Nghanolfan y Celfyddydau Gweledol. Y mae elfennau y gallaf roi sylwadau arnynt ar sail y

would be speculating, so I will confine myself in answering your question to what I can relate to facts.

It seems to me that, at the time that the project was first considered by the Arts Council of Wales, the report that it received was positive. The project went to the council highly recommended. That was on the basis of an independent assessor's report. Looking at the process that was used to produce that report, it is my judgment that that process does not comply with what we would regard as satisfactory scrutiny under the current arrangements. In essence, the council, following an assessor's report, a project officer's report based on that, and the scrutiny of the application by the capital committee, that is, on the basis of the evidence before it, made a decision to proceed with funding this scheme. It did that for a variety of reasons, which are well laid out in the reports that it received. The view was taken that Wales was deficient in gallery space on a large scale for the display of contemporary art and that the centre would contribute to the development of the city of Cardiff and the opportunities available there for cultural issues. There was even at that stage a reference to Culture Capital of Europe status.

So there was clearly enormous enthusiasm for the project, but the degree of scrutiny that was applied was not sufficient to ensure that the project, once delivered, could be sustainable and, ultimately, it proved not to be so. I think that, when we get to detailed questions, Chair, it will be evident that scrutiny was deficient in two principal elements. The first relates to the degree of detail and the degree of scrutiny of the capital elements of the scheme, where the application was funded on the basis of figures that would not be acceptable under current arrangements, because insufficient detail was attached to them. Insufficient work had been done in preparing them and, ultimately, the design of the scheme proved to be so deficient that the trust running it changed consultants, which led to an additional cost.

The second element that proved to be

ffeithiau, ac eraill lle byddwn yn damcaniaethu, felly cyfyngaf fy hun wrth ateb eich cwestiwn i'r hyn y gallaf ei gysylltu â ffeithiau.

Mae'n ymddangos imi, ar yr adeg yr ystyriwyd y prosiect gyntaf gan Gyngor Celfyddydau Cymru, y cafodd adroddiad cadarnhaol. Aeth y prosiect at y cyngor wedi'i argymhell yn gryf, a hynny ar sail adroddiad asesydd annibynnol. O edrych ar y broses a ddefnyddiwyd i lunio'r adroddiad hwnnw, fy marn i yw nad yw'r broses honno'n cydymffurfio â'r hyn a ystyriem yn archwiliad boddhaol dan y trefniadau cyfredol. Yn y bôn, gwnaeth y cyngor, yn dilyn adroddiad asesydd, adroddiad swyddog prosiect yn seiliedig ar hwnnw, ac archwiliad o'r cais gan y pwyllgor cyfalaf, hynny yw, ar sail y dystiolaeth ger ei fron, benderfyniad i fwrw ymlaen i ariannu'r cynllun hwn. Gwnaeth hynny am amryfal resymau, a amlinellir yn glir yn yr adroddiadau a dderbyniodd. Cymerwyd y farn fod Cymru'n ddiffygiol o ran lle mewn orielau ar raddfa fawr i arddangos celf gyfoes ac y byddai'r ganolfan yn cyfrannu at ddatblygiad dinas Caerdydd a'r cyfleon a fyddai ar gael yno ar gyfer materion diwylliannol. Yr oedd hyd yn oed bryd hynny gyfeiriad at statws Prifddinas Diwylliant Ewrop.

Felly yn amlwg yr oedd brwdfrydedd enfawr tuag at y prosiect, ond nid oedd y radd o archwilio a wnaed yn ddigonol i sicrhau y gallai'r prosiect, unwaith y byddai wedi'i sefydlu, fod yn gynaliadwy, ac, ar ddiwedd y dydd, profodd nad ydoedd. Credaf, pan gyrhaeddwn y cwestiynau manwl, Gadeirydd, y bydd yn amlwg fod yr archwiliad yn ddiffygiol o ran dwy brif elfen. Mae a wnelo'r gyntaf â'r radd o fanylder a'r radd o archwilio ar elfennau cyfalaf y cynllun, lle'r oedd y cais wedi'i ariannu ar sail ffigurau na fyddai'n dderbyniol dan drefniadau cyfredol, oherwydd nad oedd digon o fanylder ynghlwm wrthynt. Nid oedd digon o waith wedi'i wneud wrth eu paratoi ac, yn y pen draw, profodd dyluniad y cynllun mor ddiffygiol nes i'r ymddiriedolaeth a'i rhedai newid ymgynghorwyr, a arweiniodd at gost ychwanegol.

Yr ail elfen a brofodd yn ddiffygiol oedd

deficient was the business plan analysis of visitor figures, which, clearly, in the event, turned out to be optimistic, although, in making the decision at the time, the council had advice that suggested that the business plan figures for attendance might be pessimistic. In the context of the advice available to it, it seems to me that it took the decision on the basis of the advice it received, which was deficient.

[2] **Janet Davies:** There is a certain amount of suggestion that perhaps there had not been anything like this previously, on which to base a forecast. I want to raise a point—you may not be able to answer this, Mr Tyndall; and if you cannot, that is fine—about a previous project of which I am aware, namely the Rhondda Heritage Park. In the early 1980s it forecast 400,000 visitors, but in its first year it only managed to attract 38,000, which later rose to 60,000. So there was a lack of adequate forecasting there. In reading this report, I wondered why did the arts council not take a look at that project and a situation where lack of detail and care with the forecasting also proved to be a major problem.

Mr Tyndall: I would have some difficulty speculating as to why some projects were taken into account and not others. I think that the Auditor General's report sets out the comparators which were used. I think that the comparators were broadly intended to be within the cultural field, although one of the findings that the Auditor General has made is that, in fact, some were museums and not galleries, which probably made them unreliable comparators. However, I suppose that it may have been that the comparators that it chose to use were the ones that most resembled the activity that it was intending to support.

[3] **Janet Davies:** At the end of this session, I will return to the question of what lessons the arts council has learned from this project and what changes have been made to its procedures. However, if there was one overriding lesson to come out of the project, what do you think it is?

dadansoddiad y cynllun busnes o niferoedd ymwelwyr, a oedd yn amlwg, fel y digwyddodd pethau, yn optimistaidd, er wrth wneud y penderfyniad ar y pryd, fe gynghorwyd y cyngor y gallai ffigurau'r cynllun busnes ar gyfer niferoedd ymwelwyr fod yn besimistaidd. Yng nghyd-destun y cyngor a oedd ar gael iddo, mae'n ymddangos i mi iddo wneud y penderfyniad ar sail y cyngor a gafodd, a oedd yn ddiffygiol.

[2] **Janet Davies:** Y mae rhywfaint o awgrym efallai nad oedd dim byd fel hyn wedi bod o'r blaen, er mwyn seilio rhagolwg arno. Hoffwn godi pwynt—efallai na fyddwch yn gallu ateb hyn, Mr Tyndall; ac os na allwch, popeth yn iawn—ynghylch prosiect blaenorol y gwn i amdano, sef Parc Treftadaeth y Rhondda. Yn yr 1980au cynnar rhagwelwyd 400,000 o ymwelwyr, ond yn ei flwyddyn gyntaf dim ond 38,000 y llwyddodd i'w denu, a gododd yn ddiweddarach i 60,000. Felly yr oedd diffyg rhagolygon cywir yn y fan honno. Wrth ddarllen yr adroddiad hwn, meddyliais tybed pam nad edrychodd cyngor y celfyddydau ar y prosiect hwnnw a sefyllfa lle'r oedd diffyg manylder a gofal gyda'r rhagolwg wedi profi'n broblem fawr hefyd.

Mr Tyndall: Byddai braidd yn anodd i mi ddamcaniaethu ynghylch pam y cymerwyd rhai prosiectau i ystyriaeth ac nid eraill. Credaf fod adroddiad yr Archwilydd Cyffredinol yn amlinellu'r cymaryddion a ddefnyddiwyd. Yr wyf yn meddwl fod bwriad cyffredinol i'r cymaryddion fod o fewn y maes diwylliannol, er mai un o ganfyddiadau'r Archwilydd Cyffredinol yw mai amgueddfeydd, ac nid orielau, oedd rhai mewn gwirionedd, a olygai mae'n debyg na ellid dibynnu arnynt fel cymaryddion. Fodd bynnag, efallai iddo ddewis cymharu â gweithgareddau a oedd yn fwyaf tebyg i'r gweithgaredd y bwriadai ei gefnogi.

[3] **Janet Davies:** Ar ddiwedd y sesiwn hwn, dychwelaf at gwestiwn pa wersi y mae cyngor y celfyddydau wedi'u dysgu oddi wrth y prosiect hwn a pha newidiadau a wnaethpwyd i'w weithdrefnau. Fodd bynnag, os oedd un brif wers a ddaeth allan o'r prosiect, beth oedd hi yn eich barn chi?

Mr Tyndall: If there is one overriding lesson, it is that you must undertake the assessment to a sufficient standard in order to advise the council in the first instance in a way that enables it to make properly robust and sustainable decisions.

[4] **Lynne Neagle:** My questions relate to the forecast visitor numbers. Paragraphs 2.6 to 2.9 of the report deal with forecast visitor numbers. Leaving aside, for the moment, questions about the nature of the attraction and the charging policy, why were the forecasts for visitor numbers so inaccurate?

Mr Tyndall: I think that the Auditor General has set out some fairly accurate reasons for that. There are a number of reasons that need to be taken into account. There was a degree of optimism as to the likely attractiveness of the scheme that was not borne out in practice. There was a change of horses in midstream, if you like, in the sense that the original proposals suggested that there would be touring art shows from artists who had large—if you will excuse the phrase—box office appeal. The likes of Picasso and Matisse were mentioned. Clearly, in the event, the exhibitions that were displayed did not have that kind of attractiveness to a general audience. There are some very detailed reasons why the assumptions were inaccurate, to do with the demography of the catchment area. I think that assumptions were made regarding the likelihood of individuals attending which did not take account of the particular area that was within easy travelling distance of Cardiff and did not take account of deprivation and so on. They were generalised assumptions. So I think that there are a variety of reasons and I tend to agree with the conclusions of the Auditor General in the report, but the reasons I have outlined are probably among the more prominent.

[5] **Lynne Neagle:** Why was so much reliance placed on a feasibility report undertaken in 1992—some three years before the first lottery application and seven years before the centre opened—particularly as there were some fundamental changes to the concept of the project subsequent to this study, which inevitably impacted on visitor numbers?

Mr Tyndall: Os oes un brif wers, y wers yw fod rhaid ichi wneud yr asesiad i safon ddigonol er mwyn cynghori'r cyngor yn y lle cyntaf mewn ffordd fydd yn ei alluogi i wneud penderfyniadau priodol gadarn a chynaliadwy.

[4] **Lynne Neagle:** Mae a wnelo fy nghwestiynau i â'r rhagolygon niferoedd ymwelwyr. Mae paragraffau 2.6 i 2.9 yn yr adroddiad yn ymdrin â rhagolygon niferoedd ymwelwyr. A gadael o'r neilltu, am y tro, gwestiynau am natur yr atyniad a'r polisi codi tâl, pam yr oedd y rhagolygon ar gyfer niferoedd ymwelwyr mor bell ohoni?

Mr Tyndall: Yr wyf yn meddwl fod yr Archwilydd Cyffredinol wedi amlinellu rhai rhesymau eithaf cywir am hynny. Mae nifer o resymau y mae angen eu hystyried. Yr oedd gradd o optimistiaeth ynghylch atyniad tebygol y cynllun nad oedd wedi'i gyfiawnhau yn ymarferol. Newidiwyd ceffylau ar hanner ffordd, os mynnwch, yn yr ystyr bod y cynigion gwreiddiol yn awgrymu y ceid sioeau celf teithiol gan arlunwyr a fyddai—os esgusodwch yr ymadrodd—ag apêl eang. Soniwyd am enwau fel Picasso a Matisse. Yn amlwg, fel y digwyddodd pethau, nid oedd gan yr arddangosfeydd a ddangoswyd y math hwnnw o atyniad i gynulleidfa gyffredinol. Mae rhai rhesymau manwl iawn pam y bu'r rhagdybiaethau'n anghywir, y mae a wnelont â demograffeg y dalgylch. Yr wyf yn meddwl y gwnaethpwyd rhagdybiaethau ynghylch y tebygolrwydd y byddai unigolion yn ymweld, heb gymryd i ystyriaeth yr ardal arbennig a oedd o fewn pellter teithio rhwydd i Gaerdydd a heb ystyried amddifadedd ac ati. Rhagdybiaethau wedi'u cyffredinoli oeddent. Felly credaf fod amrywiaeth o resymau a thueddaf i gytuno â chasgliadau'r Archwilydd Cyffredinol yn yr adroddiad, ond mae'r rhesymau a amlinellais ymhlith y rhai mwyaf amlwg, mae'n debyg.

[5] **Lynne Neagle:** Pam y dibynnwyd cymaint ar adroddiad ymarferoldeb a wnaethpwyd yn 1992—rhyw dair blynedd cyn y cais loteri cyntaf a saith mlynedd cyn agor y ganolfan—yn enwedig gan fod rhai newidiadau sylfaenol i gysyniad y prosiect yn dilyn yr astudiaeth hon, a gafodd effaith anochel ar niferoedd ymwelwyr?

Mr Tyndall: If I may, in answering the question, talk a little bit about how such a project would be assessed today, I think it would be instructive. First, there would have to have been a separate business case produced. That business case would have been assessed by someone who specialised in the assessment of that business case. In addition, any changes, once grant had been given, would be covered by a legal agreement between the council and the recipient of the grant, which would oblige them to inform the council of any material changes and which would enable the council to withhold grant if changes had been made. None of that framework was in place at that time. I think, to answer the question, this was probably the first lottery grant made in Wales; certainly the first large lottery grant made in Wales. I think that that comes out in the Auditor General's report. If you were to ask why the systems were so deficient, then I think that, in general, it was principally because of two things. One was inexperience—that the arts council had not previously been connected with the awards of grants of this kind. Thus it made mistakes that, in retrospect, it should not have made, but, in the event, there would not have been the experience there to enable it to understand the potential significance of some of what was being done. The second point I want to make is that the council, in dealing with the application at the time, was under a considerable degree of time pressure. It is very clear from the written material that, particularly given the potential loss of the grant from the then Cardiff City Council—ultimately Cardiff City and County Council—of £3 million and the possible loss of the building and elements of doubt about other parts of the funding, people felt that there was an urgency attached to processing the application, which may have led them to be less thorough. That is the best interpretation, supported by the facts from the Auditor General's report.

[6] **Lynne Neagle:** On the issue of comparator museums and galleries, the forecast of 250,000 visitors in year 1 was higher than all but one of the comparators in Wales and above the average for the whole of the UK. Do you think that this was a sensible assumption in view of the fact that the actual

Mr Tyndall: Os caf, wrth ateb y cwestiwn, sôn ychydig am y modd yr asedid prosiect o'r fath heddiw, yr wyf yn meddwl y byddai hynny'n ddadlennol. Yn gyntaf, buasai'n rhaid bod wedi cynhyrchu achos busnes ar wahân. Buasai'r achos busnes hwnnw wedi'i asesu gan rywun a arbenigai mewn asesu'r achos busnes hwnnw. At hynny, byddai unrhyw newidiadau, unwaith y byddai grant wedi'i roi, yn destun cytundeb cyfreithiol rhwng y cyngor a derbynwyr y grant, lle byddai'n rhaid iddynt hysbysu'r cyngor am unrhyw newidiadau materol, ac y gallai'r cyngor ddal grant yn ôl pe bai newidiadau wedi'u gwneud. Nid oedd dim o'r fframwaith hwnnw yn ei le ar y pryd. Credaf, i ateb y cwestiwn, mai hwn yn ôl pob tebyg oedd y grant loteri cyntaf yng Nghymru; yn sicr y grant loteri mawr cyntaf i'w roi yng Nghymru. Yr wyf yn meddwl fod adroddiad yr Archwilydd Cyffredinol yn nodi hynny. Pe baech yn gofyn pam y bu'r systemau mor ddiffygiol, yna yr wyf o'r farn, yn gyffredinol, fod dau brif reswm. Un oedd diffyg profiad—nad oedd cyngor y celfyddydau wedi ymwneud â dyfarniadau grant o'r math hwn o'r blaen. Felly gwnaeth gamgymeriadau na ddylasai fod wedi'u gwneud, o edrych yn ôl, ond ar y pryd ni fuasai'r profiad ar gael yno i'w alluogi i ddeall arwyddocâd potensial yr hyn oedd yn digwydd. Yr ail bwynt yr hoffwn ei wneud yw bod y cyngor, wrth ddelio â'r cais ar y pryd, dan gryn dipyn o bwysau amser. Mae'n glir iawn o'r deunydd ysgrifenedig, yn enwedig yn wyneb y posibilrwydd o golli'r grant gan Gyngor Dinas Caerdydd fel yr oedd ar y pryd—Cyngor Sir a Dinas Caerdydd bellach—o £3 miliwn a'r posibilrwydd o golli'r adeilad, ac elfennau o amheuaeth ynghylch rhannau eraill o'r cyllid, fod pobl yn teimlo fod prosesu'r cais yn fater o frys, a allai fod wedi'u harwain i fod yn llai trwyadl. Dyna'r dehongliad gorau, ar sail y ffeithiau o adroddiad yr Archwilydd Cyffredinol.

[6] **Lynne Neagle:** Ar fater cymharu ag amgueddfeydd ac orielau eraill, yr oedd y rhagolwg o 250,000 o ymwelwyr ym mlwyddyn 1 yn uwch na phob un ond un o'r cymaryddion yng Nghymru ac yn uwch na'r cyfartaledd i'r DU gyfan. A ydych yn meddwl fod hynny'n ragdybiaeth gall yn

number of visitors in the first year was just 47,000?

Mr Tyndall: Clearly, with the benefit of hindsight it is easy to see that it was not a sensible assumption. More usefully, I have to say that, were those figures put forward today, they would not survive the analysis of the business case. In a sense, it is difficult to see that there were robust systems in place at the time to actually permit an analysis. However, no, they were not reasonable figures.

[7] **Lynne Neagle:** I note that the visitor numbers for comparator museums and galleries in the UK—figure 7 on page 9 of the Auditor General's report—vary significantly from nearly 600,000 to just 40,000. Did this not alert the arts council to the real risk that the Centre for Visual Arts might attract lower numbers, towards the lower end of the scale?

Mr Tyndall: The evidence suggests that the arts council, when it first considered this application for funding, was advised by its assessor that these numbers were, if anything, pessimistic. When the council itself considered the application, it was advised that the numbers were realistic. In fact, what was concluded was that, in some ways, the extent of that assessment had been prudent, if not actually pessimistic. So the council was advised at the time that more people would attend than were in the estimates.

[8] **Lynne Neagle:** This is my last question. Why did you not ensure that a sensitivity analysis had been undertaken to assess the risk of the centre attracting fewer visitors than forecast and to assess the impact of this on the financial viability of the project?

Mr Tyndall: Looking at the papers, ultimately, a sensitivity analysis was undertaken, but it was confined to a 10 per cent variation. Consequently, that does not really allow for the extent of the variation on the figures. Again, I would say that the sensitivity analysis that was undertaken in the context of this project was very crude, was

wyneb y ffaith mai dim ond 47,000 oedd nifer gwirioneddol yr ymwelwyr yn y flwyddyn gyntaf?

Mr Tyndall: Wrth reswm, gyda'r fantais o edrych yn ôl mae'n hawdd gweld nad oedd yn rhagdybiaeth gall. Yn fwy defnyddiol, mae'n rhaid imi ddweud, pe cyflwynid y ffigurau hynny heddiw, na fyddent yn pasio dadansoddiad yr achos busnes. Mewn un ystyr, mae'n anodd gweld fod systemau cadarn yn eu lle ar y pryd i ganiatáu dadansoddiad. Fodd bynnag, na, nid oeddent yn ffigurau rhesymol.

[7] **Lynne Neagle:** Sylwaf fod y niferoedd ymwelwyr i'r amgueddfeydd ac orielau y cymharwyd â hwy yn y DU—ffigur 7 ar dudalen 9 yn adroddiad yr Archwilydd Cyffredinol—yn amrywio'n sylweddol o bron 600,000 i gwta 40,000. Oni wnaeth hyn rybuddio cyngor y celfyddydau o'r perygl gwirioneddol y gallai Canolfan y Celfyddydau Gweledol ddenu niferoedd is, tua phen isaf y raddfa?

Mr Tyndall: Awgryma'r dystiolaeth fod cyngor y celfyddydau, pan ystyriodd y cais hwn am gyllid gyntaf, wedi cael cyngor gan ei asesydd fod y niferoedd hyn, os rhywbeth, yn besimistaidd. Pan ystyriodd y cyngor ei hun y cais, cynghorwyd ef fod y niferoedd yn realistig. Mewn gwirionedd, y casgliad y daethpwyd iddo oedd fod yr asesiad hwnnw, mewn rhai ffyrdd, wedi bod yn ddoeth, os nad yn besimistaidd, o ran ei gyrhaeddiad. Felly cynghorwyd y cyngor ar y pryd y byddai mwy o bobl yn ymweld na'r hyn a nodwyd yn yr amcangyfrifon.

[8] **Lynne Neagle:** Dyma fy nghwestiwn olaf. Pam na wnaethoch chi sicrhau fod dadansoddiad sensitifrwydd wedi'i wneud i asesu'r perygl bod y ganolfan yn denu llai o ymwelwyr na'r rhagolwg ac i asesu effaith hyn ar hyfywdra ariannol y prosiect?

Mr Tyndall: O edrych ar y papurau, yn y bôn, fe wnaethpwyd dadansoddiad sensitifrwydd, ond yr oedd yn gyfyngedig i amrywiad o 10 y cant. O ganlyniad, nid yw hynny mewn gwirionedd yn caniatáu ar gyfer maint yr amrywiad yn y ffigurau. Eto, fe ddywedwn fod y dadansoddiad sensitifrwydd a wnaethpwyd yng nghyd-destun y prosiect

not proportionate to risk, and would not meet the requirements that we would currently have for a project of this scale.

[9] **Alison Halford:** Mr Tyndall, I have enormous sympathy for you. You have not got an easy row to hoe in any shape or form, have you? Perhaps Mr Parry could help you out sometimes. How long have you been with the arts council, Mr Parry?

Mr Parry: Two and a half years.

[10] **Alison Halford:** Soon after this?

Mr Parry: When the building was nearing its completion.

[11] **Alison Halford:** Right. We must congratulate you on the fact that you have been promoted, but the press release did not indicate that you had been working in the arts council before that.

Mr Parry: I was not.

[12] **Alison Halford:** You was not—oh dear, my grammar—you were not. I will start again and put some more teeth in, they might speak a little better in the grammatical sense. So, when did you become a member of the arts council organisation?

Mr Parry: Two and a half years ago, in May 1999.

[13] **Alison Halford:** Thank you. Going back to Mr Tyndall, you felt that, because this was the first big lottery fund project that occurred in Wales—and this is certainly what the Auditor General's report tells us—that perhaps you had not, or I should say your predecessors had not, quite grasped the learning curve. I would like to draw your attention to page 20 in the Auditor General's report, which seems to give a fairly clear indication of what the National Lottery Act 1993 required. Would that not have helped the learning curve, in the eyes of your predecessors?

Mr Tyndall: The requirements of the Act are

hwn yn un amrwd iawn, nad oedd yn gymesur â'r risg, ac na fyddai'n ateb y gofynion a fyddai gennym erbyn hyn ar gyfer prosiect o'r maint hwn.

[9] **Alison Halford:** Mr Tyndall, mae gennyf gydymdeimlad mawr â chi. Nid oes gennyh gwys hawdd i'w thorri ar unrhyw olwg na ffurf, nac oes? Efallai y gallai Mr Parry eich cynorthwyo weithiau. Ers faint o amser yr ydych gyda chyngor y celfyddydau, Mr Parry?

Mr Parry: Dwy flynedd a hanner.

[10] **Alison Halford:** Yn fuan ar ôl hyn?

Mr Parry: Pan oedd yr adeilad bron wedi'i gwblhau.

[11] **Alison Halford:** Iawn. Rhaid inni'ch llongyfarch chi ar y ffaith ichi ennill dyrchafiad, ond ni soniodd y datganiad i'r wasg eich bod wedi bod yn gweithio yng nghyngor y celfyddydau cyn hynny.

Mr Parry: Nid oeddwn i ddim.

[12] **Alison Halford:** *You was not*—o diar, fy ngramadeg—*you were not*. Dechreuaf eto a rhoi mwy o ddannedd i mewn, efallai y siaradant fymryn yn well o ran gramadeg. Felly, pa bryd y daethoch yn aelod o sefydliad cyngor y celfyddydau?

Mr Parry: Ddwy flynedd a hanner yn ôl, ym mis Mai 1999.

[13] **Alison Halford:** Diolch. A throi'n ôl at Mr Tyndall, yr oeddech yn teimlo, am mai hwn oedd prosiect mawr cyntaf cronfa'r loteri i ddigwydd yng Nghymru—ac yn sicr dyma a ddywed adroddiad yr Archwilydd Cyffredinol wrthym—nad oeddech chi efallai, neu dylwn ddweud nad oedd eich rhagflaenwyr, wedi cael llawer o brofiad i ddysgu oddi wrtho. Hoffwn dynnu'ch sylw at dudalen 20 yn adroddiad yr Archwilydd Cyffredinol, sydd i'w weld yn rhoi amcan gweddol glir o'r hyn oedd yn ofynnol dan Ddeddf Loteri Genedlaethol 1993. Oni fuasai hynny wedi helpu'r broses ddysgu, yn llygaid eich rhagflaenwyr?

Mr Tyndall: Mae gofynion y Ddeddf yn glir,

clear, as you say. It is a question as to how they were interpreted and how rigorously they were applied. It is easier for me to comment that the systems were not sufficiently rigorous. I do not doubt that the council—

[14] **Alison Halford:** It was the systems and not the information available that was possibly the problem?

Mr Tyndall: The systems for assessing the information were not sufficiently rigorous.

[15] **Alison Halford:** One more thing before the Chair takes over again. You said, I believe, that you felt, from the work that you have had to do, that the figures were realistic, notwithstanding the fact that the Auditor General does not seem to be saying that in his report.

Mr Tyndall: Sorry, I did not intend to convey that, and certainly the figures were not realistic, but the council received advice at the time from its independent assessor which said that the figures were realistic. Clearly, in answer to the earlier question, even without the benefit of hindsight, it would be difficult to sustain the figures, as the Auditor General reports.

[16] **Janet Davies:** Alun Cairns would like to ask some questions on this part of the report and on the next part—the research of the local market.

[17] **Alun Cairns:** Mr Tyndall, I also sympathise with you, as I am sure does every other member of the Committee, in terms of the position that you find yourself in, but clearly we need to ask questions about the evidence that you may have come across since you have found yourself in post. I hope you will try to reflect on that when answering the questions. Do you think that it was sensible to include as comparators, when assessing likely visitor numbers, those attractions that had free admission?

Mr Tyndall: There is some very very reliable evidence regarding the impact of charging on admission to museums and

fel y dywedwch. Cwestiwn ydyw o sut y'u dehonglwyd a pha mor drwyadl y'u dilynwyd. Mae'n haws i mi ddweud nad oedd y systemau'n ddigon trwyadl. Nid wyf yn amau nad oedd y cyngor—

[14] **Alison Halford:** Y systemau ac nid y wybodaeth oedd ar gael oedd y broblem, efallai?

Mr Tyndall: Nid oedd y systemau ar gyfer asesu'r wybodaeth yn ddigon trwyadl.

[15] **Alison Halford:** Un peth arall cyn i'r Cadeirydd gymryd yr awenau eto. Dywedasoeh, mi gredaf, eich bod yn teimlo, yn ôl y gwaith y bu raid ichi ei wneud, fod y ffigurau'n realistig, er gwaethaf y ffaith nad yw'n ymddangos bod yr Archwilydd Cyffredinol yn dweud hynny yn ei adroddiad.

Mr Tyndall: Mae'n ddrwg gennyf, nid oeddwn yn bwriadu cyfleu hynny, ac yn sicr nid oedd y ffigurau'n realistig, ond cafodd y cyngor gyngor ar y pryd gan ei asesydd annibynnol a ddywedodd fod y ffigurau'n realistig. Yn amlwg, i ateb y cwestiwn cynharach, hyd yn oed heb y fantais o allu edrych yn ôl, byddai'n anodd cynnal y ffigurau, fel y dywed yr Archwilydd Cyffredinol.

[16] **Janet Davies:** Hoffai Alun Cairns ofyn ychydig o gwestiynau ar y rhan hon o'r adroddiad ac ar y rhan nesaf—yr ymchwil i'r farchnad leol.

[17] **Alun Cairns:** Mr Tyndall, yr wyf innau'n cydymdeimlo â chi, fel y mae pob aelod arall o'r Pwyllgor, yr wyf yn siŵr, o ran y sefyllfa y cewch eich hun ynddi, ond yn amlwg mae angen inni ofyn cwestiynau am y dystiolaeth yr ydych efallai wedi dod ar ei thraws ers ichi'ch cael eich hun yn y swydd. Gobeithiaf y ceisiwch fyfyrto ar hynny wrth ateb y cwestiynau. A ydych yn meddwl ei bod yn synhwyrrol cynnwys at ddibenion cymharu, wrth asesu niferoedd ymwelwyr tebygol, yr atyniadau hynny a oedd yn cynnig mynediad am ddim?

Mr Tyndall: Mae tystiolaeth ddibynadwy iawn iawn ar gael ynghylch effaith codi tâl am fynediad i amgueddfeydd ac orielau, a

galleries, and this Committee and the Assembly will be well aware of the impact of removing the admission charges on visitor numbers at the National Museums and Galleries of Wales. So the answer to that has to be that you simply cannot make a direct comparison between a gallery or a museum that charges and one that does not. There is a known impact on the figures. I do not know whether that information was as well known at the time because much of the information has become known as a consequence of the proposals to introduce and then remove charges. So I could not say if it was as well known at the time.

[18] **Alun Cairns:** Do you think that the chairman, the chief executive and the board were aware that the number of visitors at the National Museums and Galleries of Wales had dropped by 65 per cent as a result of the charging introduced in 1988?

Mr Tyndall: I really do not know.

[19] **Alun Cairns:** Do you think that they should have been aware of it? You said that perhaps this information came to light after the difficulties that the centre had. If you were the chief executive or chairman of a board that was spending more than £3 million in total, do you think that it would be sensible to be aware of such factors at that time?

Mr Tyndall: You asked me to be mindful of the evidence that is available to me. There is no reference whatsoever to the impact of the introduction of charging at the National Museums and Galleries of Wales in any of the information that I have had sight of.

[20] **Jocelyn Davies:** Do you need to be an expert to work out that if people can see something for free, more people would go to see it?

Mr Tyndall : Probably not.

[21] **Alun Cairns:** Do you also think it was sensible to include as comparators those attractions that were an integral part of much larger tourist attractions? The Auditor General for Wales's report highlights that the Tate Gallery—I apologise, my mobile phone

bydd y Pwyllgor hwn a'r Cynulliad yn ymwybodol iawn o effaith dileu tâl mynediad ar niferoedd ymwelwyr yn Amgueddfeydd ac Oriolau Cenedlaethol Cymru. Felly yr ateb i hynny o reidrwydd yw na ellir gwneud cymhariaeth uniongyrchol rhwng oriel neu amgueddfa lle codir tâl ac un lle na chodir tâl. Y mae effaith wybyddus ar y ffigurau. Ni wn a oedd y wybodaeth honno mor hysbys ar y pryd oherwydd daeth llawer o'r wybodaeth yn hysbys o ganlyniad i'r cynigion i gyflwyno ac wedyn i ddileu taliadau. Felly ni allwn ddweud a oedd mor wybyddus ar y pryd.

[18] **Alun Cairns:** A ydych yn meddwl fod y cadeirydd, y prif weithredwr a'r bwrdd yn ymwybodol fod nifer yr ymwelwyr ag Amgueddfeydd ac Oriolau Cenedlaethol Cymru wedi cwmpo 65 y cant yn sgîl cyflwyno taliadau yn 1988?

Mr Tyndall: Wn i ddim yn wir.

[19] **Alun Cairns:** A ydych yn meddwl y dylasent fod yn ymwybodol ohono? Dywedasoeh fod y wybodaeth hon efallai wedi dod i'r amlwg ar ôl yr anawsterau a gafodd y ganolfan. Pe baech chi'n brif weithredwr neu'n gadeirydd bwrdd a oedd yn gwario mwy na £3 miliwn i gyd, a ydych yn meddwl y byddai'n ddoeth bod yn ymwybodol o'r ffactorau hyn ar y pryd?

Mr Tyndall: Gofynasoeh imi ystyried y dystiolaeth sydd ar gael imi. Nid oes unrhyw gyfeiriad o gwbl at effaith cyflwyno taliadau yn Amgueddfeydd ac Oriolau Cenedlaethol Cymru yn unrhyw wybodaeth a welais i.

[20] **Jocelyn Davies:** A oes angen ichi fod yn arbenigwr i ddeall os caiff pobl weld rhywbeth am ddim, y byddai mwy o bobl yn mynd i'w weld?

Mr Tyndall: Nagoes, mae'n debyg.

[21] **Alun Cairns:** A ydych yn meddwl hefyd ei bod yn synhwyrol cynnwys ymhlith yr atyniadau cymharol rai a oedd yn rhan annatod o atyniadau ymwelwyr llawer mwy? Mae adroddiad Archwilydd Cyffredinol Cymru'n tynnu sylw at y ffaith fod Oriol y

has just rang—in Liverpool, for example, is part of a much larger tourist attraction network. Do you think that it was sensible to make comparisons with those attractions in estimating visitor numbers?

Mr Tyndall: Again, it is difficult to find exact comparators for any individual gallery or new attraction. What I would say is that, where factors like that are being used, it would probably be best to consider whether some element of discounting needed to be built in. You might want to use equivalent schemes, but you might want to take account of the fact that they were a different kind of attraction, for example, or did not charge, or were located elsewhere, in making your comparisons.

[22] **Alun Cairns:** Even in looking at comparators in Wales, the Royal Welch Fusiliers Regimental Museum at Caernarfon castle, for example, is it fair to assume that the castle itself was attracting visitors to the area who then may well go on to visit the museum as well?

Mr Tyndall: The Auditor General for Wales has drawn that conclusion and I would not demur.

[23] **Alun Cairns:** Is it fair to say that it was not sensible to make comparisons with other larger attractions that were part of a network of visitor attractions?

Mr Tyndall: As I say, in making any comparisons, I think that it would be sensible to take account of factors that might influence the validity of the comparison.

[24] **Alun Cairns:** What about museums and galleries? Do you think that they operate in the same market, as it were?

Mr Tyndall: They certainly share elements of the same market, but there would be elements which differ.

[25] **Alun Cairns:** What about the Museum of Welsh Life at St Fagans? Is it fair to compare that with the Centre for Visual Arts?

Tate—mae'n ddrwg gennyf, mae fy ffôn symudol newydd ganu—yn Lerpwl, er enghraifft, yn rhan o rwydwaith atyniad twristaidd llawer mwy. A ydych yn meddwl ei bod yn synhwyrol gwneud cymariaethau â'r atyniadau hynny wrth amcangyfrif niferoedd ymwelwyr?

Mr Tyndall: Eto, mae'n anodd canfod cymaryddion union ar gyfer unrhyw oriel unigol neu atyniad newydd. Yr hyn yr hoffwn ei ddweud yw, lle y defnyddir ffactorau fel y rheini, y byddai'n well, mae'n debyg, ystyried a oes angen cynnwys rhyw elfen o ddisgownt. Gallech ddymuno defnyddio cynlluniau cyfwerth, ond gallech fod eisiau ystyried y ffaith eu bod yn fath gwahanol o atyniad, er enghraifft, neu nad oeddent yn codi tâl, neu eu bod mewn lleoliad arall, wrth wneud eich cymariaethau.

[22] **Alun Cairns:** Hyd yn oed wrth edrych ar y cymaryddion yng Nghymru, Amgueddfa Gatrodol Ffiwsilwyr Brenhinol Cymru yng Nghaernarfon, er enghraifft, a ydyw'n deg tybio fod y castell ei hun yn denu ymwelwyr i'r ardal a allai'n wir fynd ymlaen i ymweld â'r amgueddfa hefyd?

Mr Tyndall: Daeth Archwilydd Cyffredinol Cymru i'r casgliad hwnnw ac ni fyddwn yn anghytuno.

[23] **Alun Cairns:** A ydyw'n deg dweud nad oedd yn synhwyrol gwneud cymariaethau gydag atyniadau eraill mwy a oedd yn rhan o rwydwaith o atyniadau i ymwelwyr?

Mr Tyndall: Fel y dywedais, wrth wneud unrhyw gymariaethau, yr wyf yn meddwl y byddai'n synhwyrol ystyried ffactorau a allai ddylanwadu ar ddilysrwydd y gymhariaeth.

[24] **Alun Cairns:** Beth am amgueddfeydd ac orielau? A ydych o'r farn eu bod yn gweithredu yn yr un farchnad, fel petai?

Mr Tyndall: Maent yn sicr yn rhannu elfennau o'r un farchnad, ond fe fyddai elfennau sydd yn wahanol.

[25] **Alun Cairns:** Beth am yr Amgueddfa Werin yn Sain Ffagan? A ydyw'n deg cymharu honno â Chanolfan y Celfyddydau Gweledol?

Mr Tyndall: Again, the Auditor General for Wales concludes that that is an all-day family attraction and is likely to have a different potential audience to a gallery.

Mr Tyndall: Eto, daeth Archwilydd Cyffredinol Cymru i'r casgliad fod hwnnw'n atyniad i'r teulu am y dydd a'i bod yn debygol o fod â darpar gynulleidfa wahanol i oriel.

[26] **Alun Cairns:** I appreciate, Mr Tyndall, that this is obviously very difficult, but I am trying to get into the minds of the people who were responsible at the time by considering their thought processes. You are in the difficult position of seeking to answer on their behalf. However, if you were in that position, on the verge of spending over £3 million, would you have thought it sensible to compare the Museum for Welsh Life at St Fagans with the Centre for Visual Arts?

[26] **Alun Cairns:** Sylweddolaf, Mr Tyndall, fod hyn yn amlwg yn anodd iawn, ond yr wyf yn ceisio treiddio i feddyliau'r bobl a oedd yn gyfrifol ar y pryd drwy ystyried eu prosesau meddwl. Yr ydych chi yn y sefyllfa anodd o geisio ateb ar eu rhan. Fodd bynnag, pe baech chi yn y sefyllfa honno, ar fin gwario dros £3 miliwn, a fuasech wedi meddwl ei bod yn synhwyrol cymharu Amgueddfa Werin Sain Ffagan â Chanolfan y Celfyddydau Gweledol?

Mr Tyndall: Were we considering the scheme today, the scrutiny that was applied to those figures would have been such as to produce a different conclusion.

Mr Tyndall: Pe baem ni'n ystyried y cynllun heddiw, byddai'r archwiliad a wneid ar y ffigurau hynny wedi arwain at gasgliad gwahanol.

[27] **Alun Cairns:** Do you say that in light of the evidence that has been provided, or would it be sensible for anyone in a senior position such as yours to think of that anyway?

[27] **Alun Cairns:** A ydych yn dweud hynny yng ngolau'r dystiolaeth a gyflwynwyd, ynteu a fyddai'n synhwyrol i unrhyw un mewn uchel swydd fel eich un chi feddwl am hynny beth bynnag?

Mr Tyndall: I would expect, were it me, to think of it anyway, but then I have the benefit of this report.

Mr Tyndall: Byddwn i'n disgwyl, pe bawn i yn y sefyllfa honno, y byddwn yn meddwl am hynny beth bynnag, ond wedyn mae gennyf fi'r fantais o fod wedi gweld yr adroddiad hwn.

[28] **Alun Cairns:** Thank you. You mentioned in your response to Lynne Neagle a little earlier that there was an independent assessment on the Centre for Visual Arts by McCann Matthews Millman, a firm of business and management consultants. I refer to paragraph 2.4. What did its assessment say? I assume that you have had the opportunity to scrutinise that.

[28] **Alun Cairns:** Diolch. Fe soniasoch yn eich ymateb i Lynne Neagle ychydig yn gynharach y gwnaethpwyd asesiad annibynnol ar Ganolfan y Celfyddydau Gweledol gan McCann Matthews Millman, cwmni o ymgynghorwyr busnes a rheoli. Cyfeiriaf at baragraff 2.4. Beth ddywedodd ei asesiad? Yr wyf yn cymryd eich bod wedi cael cyfle i archwilio hwnnw.

Mr Tyndall: Yes. I will refer to it, if I may. I will take the assessor's summary report and run through the headings that the assessor considered in reaching a conclusion. These are a standard set of headings which assessors at that time were required to use. The ratings run from one, very low, to five, which represents very high. Four is fairly high, and three is average.

Mr Tyndall: Do. Mi gyfeiriaf ato, os caf. Cymeraf grynoded adroddiad yr asesydd a rhedeg drwy'r penawdau a ystyriodd yr asesydd wrth ddod i gasgliad. Set safonol o benawdau yw'r rhain yr oedd yn ofynnol i aseswyr bryd hynny eu defnyddio. Mae'r sgoriau'n rhedeg o un, isel iawn, i bump, sy'n cynrychioli uchel iawn. Mae pedwar yn weddol uchel, a thri yn ganolig.

On the issue of the benefit to the people and communities of Wales across regional, cultural and economic sectors, it was rated 'very high'. On access for disabled people, it was rated 'fairly high'. On quality and design, it was rated 'fairly high'. On whether a reasonable percentage of the proposal's costs would come from another source, it was rated 'very high'. On financial viability, it was rated 'fairly high'. On effective marketing and education outreach plans, it was rated 'very high'. On the viability of the management structure to produce the project successfully, it was rated 'very high'. Overall, it was rated as 'fairly high'. That translated into a project officer's report, which rated it as 'very high'.

[29] **Alun Cairns:** Thank you very much. Does that report say how much the scrutiny by these independent auditors cost?

Mr Tyndall: No.

[30] **Alun Cairns:** So we do not know how much it cost?

Mr Tyndall: No, I have not got that information to hand, but I can provide it in writing.

[31] **Janet Davies:** That would be very helpful.

[32] **Alun Cairns:** I am intrigued by the responses that it gave. Effective management and the financial viability were 'fairly high'. Does the document highlight on what basis the firm came to that conclusion?

Mr Tyndall: If I may, I will choose a couple of extracts again, which may be helpful, particularly on the business plan. I will return momentarily to the issue of sensitivity analysis of the business plan and go on from there.

'The financial projections had been subjected to a sensitivity analysis of 10 per cent, and expects to be able to reduce expenditure, should this be required in the event of income streams falling. While remaining aware of the need to sustain a quality product, overall

Ar gwestiwn y budd i bobl a chymunedau Cymru ar draws sectorau rhanbarthol, diwylliannol ac economaidd, fe'i sgoriwyd yn 'uchel iawn'. Ar fynediad i bobl anabl, sgoriodd yn 'weddol uchel'. Ar ansawdd a dyluniad, sgoriodd yn 'weddol uchel'. Ar pa un ai y byddai canran resymol o gostau'r cynnig yn dod o ffynhonnell arall, sgoriodd yn 'uchel iawn'. Ar hyfywdra ariannol, sgoriodd yn 'weddol uchel'. Ar gynlluniau addysg allanol a marchnata effeithiol, sgoriodd yn 'uchel iawn'. Ar hyfywdra'r strwythur rheoli i gynhyrchu'r prosiect yn llwyddiannus, sgoriodd yn 'uchel iawn'. Yn gyffredinol, sgoriodd yn 'weddol uchel'. Troswyd hynny'n adroddiad swyddog prosiect, a'i sgoriodd yn 'uchel iawn'.

[29] **Alun Cairns:** Diolch yn fawr. A ddywed yr adroddiad beth oedd cost yr archwiliad gan yr archwilwyr annibynnol hyn?

Mr Tyndall: Na.

[30] **Alun Cairns:** Felly ni wyddom faint a gostiodd?

Mr Tyndall: Na, nid yw'r wybodaeth honno gennyf wrth law, ond gallaf ei darparu ar bapur.

[31] **Janet Davies:** Byddai hynny'n gymorth mawr.

[32] **Alun Cairns:** Yr wyf yn rhyfeddu at yr ymatebion a roddodd. Yr oedd rheolaeth effeithiol a'r hyfywdra ariannol yn 'weddol uchel'. A ydyw'r ddogfen yn amlygu ar ba sail y daeth y cwmni i'r casgliad hwnnw?

Mr Tyndall: Os caf, dewisaf un neu ddau o ddyfyniadau eto, a all fod o gymorth, yn enwedig ar y cynllun busnes. Dychwelaf am ennyd at fater dadansoddiad sensitifrwydd y cynllun busnes a mynd ymlaen o'r fan honno.

'Bu'r rhagamcanion ariannol yn destun dadansoddiad sensitifrwydd o 10 y cant, a disgwylir gallu lleihau gwariant, pe bai angen hyn pe byddai ffrydiau incwm yn gostwng. Tra'n dal i fod yn ymwybodol o'r angen i gynnal cynnyrch o ansawdd, bu sensitifrwydd

sensitivity has been a major issue for the applicant.'

It goes on to say that

'the business plan, as presented, is as robust as it is possible to be for a new and non-tried project. While careful monitoring will be a prerequisite, the plans demonstrate a good level of financial viability being possible.'

[33] **Alun Cairns:** How was the firm selected to conduct this assessment? Are you aware of the process?

Mr Tyndall: I am. If you will bear with me again, I wish to refer to some papers. In 1995, the Arts Council of Wales publicised the need to create a pool of external assessors to evaluate applications for capital lottery funding. A public meeting was held, which was attended by over 100 individuals drawn from a wide range of professions, including architects, quantity surveyors, marketing and business consultants, disability advisers and so on. Attendees were then invited to submit CVs, which were evaluated by the lottery division director. I cannot tell from the files what the specific method of evaluation was, but it appears likely that they were judged within the context of relevant experience in their particular field. The assessor who undertook this work was selected on that basis.

[34] **Alun Cairns:** Would you say that the taxpayer received value for money from this assessment?

Mr Tyndall: I find it difficult to speculate as to that. Clearly, in retrospect, some of the assumptions in the assessment did not prove to be robust.

[35] **Alun Cairns:** Do you think that the taxpayer or the National Assembly, or even the arts council, would have recourse to make a claim against the advice that the assessor had given?

Mr Tyndall: That would rather depend on the nature of the contract with the assessor.

cyffredinol yn bwnc pwysig i'r ymgeisydd.'

Eir ymlaen i ddweud

'mae'r cynllun busnes, fel y'i cyflwynwyd, mor gadarn ag y mae'n bosibl bod ar gyfer prosiect newydd sydd heb ei brofi. Tra bydd yn rhaid wrth fonitro gofalus, dengys y cynlluniau fod lefel dda o hyfywra cyllidol yn bosibl.'

[33] **Alun Cairns:** Sut y dewiswyd y cwmni i wneud yr asesiad hwn? A ydych chi'n ymwybodol o'r broses?

Mr Tyndall: Ydwyf. Os maddeuwch imi eto, hoffwn gyfeirio at rai papurau. Yn 1995, rhoddodd Cyngor Celfyddydau Cymru gyhoeddusrwydd i'r angen i greu cronfa o aseswyr allanol i werthuso ceisiadau am gyllid loteri cyfalaf. Cynhaliwyd cyfarfod cyhoeddus, a fynychwyd gan dros 100 o unigolion wedi'u tynnu o amrediad eang o broffesiynau, yn cynnwys penseiri, maintfesurwyr, ymgynghorwyr marchnata a busnes, cynghorwyr anabledd ac ati. Wedyn gwahoddyd y rhai a oedd yn bresennol i gyflwyno eu CV, a gafodd eu gwerthuso gan gyfarwyddwr adran y loteri. Ni allaf ddweud o edrych ar y ffeiliau pa ddull penodol o werthuso a ddefnyddiwyd, ond mae'n ymddangos yn debygol iddynt gael eu barnu o fewn cyd-destun profiad perthnasol yn eu maes arbennig. Dewiswyd yr asesydd a wnaeth y gwaith hwn ar y sail honno.

[34] **Alun Cairns:** A fydddech yn dweud fod y trethdalwr wedi cael gwerth am arian o'r asesiad hwn?

Mr Tyndall: Yr wyf yn ei chael yn anodd damcaniaethu ynghylch hynny. Yn amlwg, o edrych yn ôl, profwyd nad oedd rhai o'r rhagdybiaethau yn yr asesiad yn gadarn.

[35] **Alun Cairns:** A ydych yn meddwl y byddai gan y trethdalwr neu'r Cynulliad Cenedlaethol, neu hyd yn oed gyngor y celfyddydau, le i wneud hawliad yn erbyn y cyngor a roddodd yr asesydd?

Mr Tyndall: Byddai hynny'n dibynnu braidd ar natur y contract gyda'r asesydd.

[36] **Alun Cairns:** Have you analysed that?

[36] **Alun Cairns:** A ydych wedi dadansoddi hynny?

Mr Tyndall: In so far as I can determine, there is not scope for such a claim.

Mr Tyndall: Cyn belled ag y gallaf fi ddirnad, nid oes lle i hawliad o'r fath.

[37] **Alun Cairns:** Perhaps now is not the time, Chair, but I suggest that we might want to consider how the contracts are developed. That could be a lesson for the future.

[37] **Alun Cairns:** Efallai nad dyma'r amser, Gadeirydd, ond awgrymaf efallai yr hoffem ystyried sut y datblygwyd y contractau. Gallai hynny fod yn wers i'r dyfodol.

[38] **Janet Davies:** Yes, I think that that might very well be a good idea. We will look at the best way of doing that.

[38] **Janet Davies:** Ie, yr wyf yn meddwl y gallai hynny yn wir fod yn syniad da. Fe edrychwn ar y ffordd orau i wneud hynny.

[39] **Alun Cairns:** I will conclude asking my questions on this section of the report. I have two questions to follow. Is it fair to say that the whole project was viewed through rose-coloured spectacles and that there was an ideological agenda to get the project off the ground at all costs, or no matter what the cost?

[39] **Alun Cairns:** Gorffennaf ofyn fy nghwestiynau ar yr adran hon o'r adroddiad. Mae gennyf ddau gwestiwn i ddilyn. A ydyw'n deg dweud yr edrychwyd ar yr holl brosiect drwy wydrau rhosliw, a bod agenda ideolegol yn bodoli i gychwyn y prosiect ar unrhyw gost, neu gostied a gostio?

Mr Tyndall: What is very evident is that there was considerable commitment to the project as one of quality, offering something that was not then available in Wales. As to the interpretation of that as proceeding at all costs, it seems to me that steps were taken to gain advice and that that advice was taken into account, but, in retrospect, the advice did not prove to be robust in the context of the eventual outcomes. So I am not sure that I could sustain that particular view, but it would, in any event, be speculation.

Mr Tyndall: Yr hyn sydd yn amlwg iawn yw bod cryn ymrwymiad i'r prosiect fel un o safon, yn cynnig rhywbeth nad oedd ar gael bryd hynny yng Nghymru. O ran dehongli hynny fel mynd rhagddi costied a gostio, mae'n ymddangos i mi y cymerwyd camau i gael cyngor ac y cymerwyd y cyngor hwnnw i ystyriaeth, ond, wrth edrych yn ôl, ni phrofodd y cyngor yn gadarn yng nghydestun y canlyniadau ar ddiwedd y dydd. Felly nid wyf yn siŵr y gallwn i gynnal y farn honno, ond byddai, beth bynnag, yn fater o ddamcaniaeth.

[40] **Alun Cairns:** Paragraph 2.4 highlights the criteria against which the assessment was made. Would you suggest to the Assembly that those criteria should be reviewed in light of the experience at the Centre for Visual Arts?

[40] **Alun Cairns:** Mae paragraff 2.4 yn tanlinellu'r meini prawf a ddefnyddiwyd wrth wneud yr asesiad. A fydddech yn awgrymu wrth y Cynulliad y dylid adolygu'r meini prawf hynny yng ngoleuni'r profiad yng Nghanolfan y Celfyddydau Gweledol?

Mr Tyndall: The criteria have changed very substantially since then. It may be helpful for me at this point to refer to—sorry, I apologise, I misinterpreted your question. The difficulty was not with the assessment criteria within the lottery Act, but with the rigour in which they were applied in the sense of the rigour of the systems that were used to establish whether those criteria were complied with.

Mr Tyndall: Mae'r meini prawf wedi newid yn sylweddol iawn ers hynny. Efallai y bydd o gymorth yn y fan hon os cyfeiraf at—mae'n ddrwg gennyf, yr wyf yn ymddiheuro, camddehonglais eich cwestiwn. Nid gyda'r meini prawf asesu o fewn Deddf y loteri yr oedd yr anhawster, ond gyda pha mor drwyadl y'u defnyddiwyd, hynny yw trylwyredd y systemau a ddefnyddiwyd i sefydlu a oeddid yn cydymffurfio â'r meini

prawf hynny.

[41] **Alun Cairns:** In your position now, would you find it useful were there further guidance on how the criteria should be assessed and followed?

Mr Tyndall: There has been considerable guidance since then, not least from the National Audit Office in 1999 as a consequence of a review of large-scale lottery funded projects in England. More recently, I am aware that similar conclusions were drawn in respect of the Millennium Dome. So, there has been considerable guidance since, with which we now comply.

[42] **Alun Cairns:** In your position now, if you were looking forward to another significant project on this scale, would you accept that that guidance supports you or would you require further guidance or more detailed guidance or changes to that guidance?

Mr Tyndall: The judgment is that the lessons of earlier lottery projects have been taken into account in producing the current guidance and that it is far more robust than what was available at that time, in the very early days.

[43] **Alun Cairns:** Thank you. Paragraph 2.16 on page 11 of the Auditor General's report lists a number of assumptions on which the potential visitor market was based. What was the basis of these assumptions, and how sure was the council that they were sound?

Mr Tyndall: The assumptions were based on market research, using some of the well known processes available to the assessor for determining what the likely visitor numbers were. The council, it seems to me, would have asked, and did ask, the assessor to verify whether they were sound or not and, at the time, the judgment was that they were.

[44] **Alun Cairns:** In September 1996, the trust commissioned an attitude survey in support of the third lottery application, but this did not include any areas outside Cardiff County Council, thus ignoring the population

[41] **Alun Cairns:** Yn eich sefyllfa chi yn awr, a fydddech yn ei chael yn ddefnyddiol pe bai mwy o arweiniad ar sut y dylid asesu a dilyn y meini prawf?

Mr Tyndall: Cafwyd cryn arweiniad ers hynny, nid yn lleiaf gan y Swyddfa Archwilio Genedlaethol yn 1999 yn sgil adolygiad o brosiectau mawr a ariennir gan y loteri yn Lloegr. Yn fwy diweddar, yr wyf yn ymwybodol y daethpwyd i gasgliadau tebyg yng nghyswllt Cromen y Mileniwm. Felly, cafwyd cryn arweiniad ers hynny, a byddwn yn cydymffurfio ag ef.

[42] **Alun Cairns:** Yn eich sefyllfa chi yn awr, pe baech yn edrych ymlaen at brosiect sylweddol arall ar y raddfa hon, a fydddech yn derbyn fod yr arweiniad hwnnw'n eich cynnal ynteu a fyddai arnoch eisiau arweiniad pellach neu arweiniad mwy manwl neu newidiadau i'r arweiniad hwnnw?

Mr Tyndall: Y farn yw fod gwersi prosiectau loteri cynharach wedi'u cymryd i ystyriaeth wrth lunio'r arweiniad cyfredol a'i fod yn llawer cadarnach na'r hyn oedd ar gael bryd hynny, yn y dyddiau cynnar iawn.

[43] **Alun Cairns:** Diolch. Mae paragraff 2.16 ar dudalen 11 yn adroddiad yr Archwiliwr Cyffredinol yn rhestru nifer o ragdybiaethau y seiliwyd y ddarpar farchnad ymwelwyr arnynt. Beth oedd sail y rhagdybiaethau hyn, a pha mor sicr oedd y cyngor eu bod yn gadarn?

Mr Tyndall: Yr oedd y rhagdybiaethau wedi'u seilio ar ymchwil i'r farchnad, gan ddefnyddio rhai o'r prosesau adnabyddus oedd ar gael i'r asesydd ar gyfer penderfynu beth fyddai'r niferoedd ymwelwyr tebygol. Mae'n ymddangos i mi y buasai'r cyngor wedi gofyn, ac yn wir fe ofynasant, i'r asesydd gadarnhau a oeddent yn gadarn ai peidio, ac, ar y pryd, y farn oedd eu bod.

[44] **Alun Cairns:** Ym mis Medi 1996, comisiynodd yr ymddiriedolaeth arolwg barn i gefnogi'r trydydd cais loteri, ond nid oedd hyn yn cynnwys unrhyw ardaloedd y tu allan i Gyngor Sir Caerdydd, gan anwybyddu felly

of the surrounding area. It also did not address the question of whether people were prepared to pay. Do you consider that these were fundamental weaknesses in that survey?

Mr Tyndall: In retrospect, it is difficult to consider otherwise.

[45] **Alison Halford:** In reply to one of Alun's questions—and I assure you that we are pussy-cats compared with the House of Commons select committees—you talked about the pool of assessors and how the arts council went on to select the firm that it used. You mentioned the role of the lottery division director—that is, presumably, Jo Weston. Are you capable of enlarging upon what her role was in relation to the pool of people and how the arts council was trying to find the best people to give independent advice?

Mr Tyndall: The process that I described, where there was a public meeting and then a subsequent process of assessment, is all that I have been able to deduce from the files available to me. More detail than that does not appear to be held.

[46] **Alison Halford:** But you did mention the lottery division director in your evidence. Can you explain why you mentioned that individual? Did she take a particular role in assessing the pool of assessors or whatever?

Mr Tyndall: She did make the selection.

[47] **Alison Halford:** She made the selection—

Mr Tyndall: I believe.

[48] **Alison Halford:** —of the firm that should be used?

Mr Tyndall: Of the firm that should be used, but also of who should be on the panel.

[49] **Alison Halford:** Right. Did she do that on her own?

Mr Tyndall: I really do not know. I am sorry, I have looked at what evidence is

boblogaeith yr ardal o gwmpas y ddinas. Ni cheisiwyd ateb ychwaith i'r cwestiwn a fyddai pobl yn barod i dalu. A ydych yn ystyried fod y rhain yn wendidau sylfaenol yn yr arolwg?

Mr Tyndall: Wrth edrych yn ôl, mae'n anodd dod i gasgliad arall.

[45] **Alison Halford:** Wrth ateb un o gwestiynau Alun—ac fe'ch sicrhaf chi ein bod ni'n glên iawn o gymharu â phwyllgorau dethol Tŷ'r Cyffredin—soniasoch am y gronfa aseswyr a'r modd yr aeth cyngor y celfyddydau ati i ddewis y cwmni a ddefnyddiodd. Cyfeiriasoch at rôl cyfarwyddwr adran y loteri—sef, mae'n debyg, Jo Weston. A allwch chi ddweud mwy am beth oedd ei rôl hi mewn perthynas â'r gronfa o bobl a sut yr oedd cyngor y celfyddydau'n ceisio cael y bobl orau i roi cyngor annibynnol?

Mr Tyndall: Y broses a ddisgrifiais, lle cafwyd cyfarfod cyhoeddus ac wedyn broses o asesu, yw'r cwbl yr wyf wedi llwyddo i'w ganfod o'r ffeiliau sydd ar gael imi. Nid yw'n ymddangos y cedwir mwy o fanylion na hynny.

[46] **Alison Halford:** Ond fe wnaethoch chi grybwyll cyfarwyddwr adran y loteri yn eich tystiolaeth. A allwch egluro pam ichi grybwyll yr unigolyn hwnnw? A gymerodd hi rôl arbennig wrth asesu'r gronfa aseswyr neu beth bynnag?

Mr Tyndall: Hi wnaeth y dewis.

[47] **Alison Halford:** Hi wnaeth ddewis—

Mr Tyndall: Mi gredaf.

[48] **Alison Halford:** —y cwmni y dylid ei ddefnyddio?

Mr Tyndall: Y cwmni y dylid ei ddefnyddio, ond hefyd pwy ddylai fod ar y panel.

[49] **Alison Halford:** Iawn. A wnaeth hi hynny ar ei phen ei hun?

Mr Tyndall: Ni wn i ddim wir. Mae'n ddrwg gennyf, yr wyf wedi edrych ar y dystiolaeth

available on this on the files, but that is the extent—

[50] **Alison Halford:** We accept that it is entirely impossible for you to know everything. This is not an exercise to embarrass or trap you, so please accept that.

Mr Tyndall: The reply was not frank enough. I understood that. I did not wish to speculate beyond the facts available to me.

[51] **Alison Halford:** Do you consider that any of your colleagues might be able to answer my question?

Mr Tyndall: I think that neither Frances or Rhys were with the council at the time that—

[52] **Alison Halford:** They have a little more relevant experience than you, Mr Tyndall, with the greatest respect.

Mr Tyndall: Slightly more, I think.

[53] **Alison Halford:** Considerably more—six weeks is your record, with the greatest respect again.

Mr Tyndall: I think that none of the senior managers who were involved in those early decisions, and none of the council members, are currently with the council.

[54] **Alison Halford:** The only point that I was trying to make—and, again, if it is an unfair one, I accept that—was that, obviously, I would presume that the director of lottery funding played a significant part in the decision-making process, and that accounts for a large sum of the money that went missing. Therefore, it is of interest to me how much independent power the director of the lottery division had in selecting independent firms, which, notwithstanding, led to a vast loss of lottery money. Was she working on her own, in a vacuum, or did she have the support of the chair of the arts council, the finance director of the arts council, and all the other people who were responsible for the arts council at the time?

sydd ar gael ar hyn ar y ffeiliau, ond dyna'r graddau—

[50] **Alison Halford:** Derbyniwn ei bod yn gwbl amhosibl i chi wybod popeth. Nid ymarferiad i'ch baglu na'ch dal chi yw hyn, felly derbyniwch hynny, os gwelwch yn dda.

Mr Tyndall: Nid oedd yr ateb yn ddigon agored. Deallais hynny. Nid oeddwn yn dymuno damcaniaethu y tu hwnt i'r ffeithiau a oedd ar gael imi.

[51] **Alison Halford:** A ydych yn tybio y gallai unrhyw un o'ch cydweithwyr ateb fy nghwestiwn efallai?

Mr Tyndall: Credaf nad oedd Frances na Rhys gyda'r cyngor ar y pryd y—

[52] **Alison Halford:** Mae ganddynt dipyn mwy o brofiad perthnasol na chi, Mr Tyndall, gyda phob parch.

Mr Tyndall: Ychydig yn fwy, dybiwn i.

[53] **Alison Halford:** Cryn dipyn yn fwy—chwe wythnos yw'ch record chi, gyda phob parch eto.

Mr Tyndall: Yr wyf yn meddwl nad oes yr un o'r uwch reolwyr a fu'n ymwneud â'r penderfyniadau cynnar hynny, nac yr un o aelodau'r cyngor, gyda'r cyngor ar hyn o bryd.

[54] **Alison Halford:** Yr unig bwynt yr oeddwn yn ceisio'i wneud—ac, eto, os ydyw'n un annheg, derbyniaf hynny—oedd y tybiwn i, wrth reswm, y byddai cyfarwyddwr cyllid y loteri wedi chwarae rhan arwyddocaol yn y broses o wneud penderfyniadau, a bod hynny i gyfrif am swm fawr o'r arian a aeth ar goll. Felly, mae o ddiddordeb i mi faint o rym annibynnol a oedd gan gyfarwyddwr adran y loteri wrth ddewis cwmnïau annibynnol, a arweiniodd, serch hynny, at golled enfawr o arian loteri. A oedd hi'n gweithio ar ei phen ei hun, mewn faciwm, ynteu a oedd ganddi gefnogaeth cadeirydd cyngor y celfyddydau, cyfarwyddwr cyllid cyngor y celfyddydau, a'r holl bobl eraill a oedd yn gyfrifol am gyngor y celfyddydau ar y pryd?

Mr Tyndall: I cannot give you an answer.

Mr Tyndall: Ni allaf roi ateb ichi.

[55] **Alison Halford:** Okay, fine. Thank you.

[55] **Alison Halford:** O'r gorau, iawn. Diolch.

[56] **David Lloyd:** At key stages in the project, the projected number of visitor numbers was reduced from 282,000 to 182,000 progressively. Why was there not a corresponding reduction in forecast admission income and why did you not raise this with the trust?

[56] **David Lloyd:** Ar gyfnodau allweddol yn y prosiect, gostyngwyd y rhagolwg niferoedd ymwelwyr o 282,000 i 182,000 yn raddol. Pam na chafwyd gostyngiad cyfatebol yn y rhagolwg incwm tâl mynediad a pham na chodwyd hyn gyda'r ymddiriedolaeth?

Mr Tyndall: The principal reason why there was not a reduction in forecast admission income was to do with increases in the charges; thus a smaller number of people would generate the same amount of income because they would pay more. It clearly begs the following question: in which case, would that not have further depressed visitor numbers? I cannot find evidence that that question was put and answered in a detailed fashion. So the question was asked and answered but, clearly, there were other implications to the answer.

Mr Tyndall: Y prif reswm pam na fu gostyngiad yn y rhagolwg incwm tâl mynediad oedd cynnydd yn y taliadau; felly byddai nifer lai o bobl yn cynhyrchu'r un faint o incwm am y byddent yn talu mwy. Mae'n amlwg yn codi'r cwestiwn canlynol: os felly, oni fyddai hynny wedi gostwng niferoedd ymwelwyr ymhellach? Ni allaf ddod o hyd i dystiolaeth y gofynnwyd y cwestiwn hwnnw na'i ateb yn fanwl. Felly cafodd y cwestiwn ei ofyn a'i ateb ond, yn amlwg, yr oedd goblygiadau eraill i'r ateb.

[57] **Janet Davies:** Thank you. Val?

[57] **Janet Davies:** Diolch. Val?

[58] **Val Lloyd:** Shall I ask my set questions now?

[58] **Val Lloyd:** A ddylwn i ofyn fy nghwestiynau gosod yn awr?

[59] **Janet Davies:** Yes, although you can ask any question you wish to ask, Val. You do not have to stick to anything.

[59] **Janet Davies:** Dylech, er y cewch ofyn unrhyw gwestiwn y dymunwch ei ofyn, Val. Nid oes raid ichi lynu at ddim.

[60] **Val Lloyd:** Thank you very much. That is very kind of you, Chair.

[60] **Val Lloyd:** Diolch yn fawr. Mae hynny'n garedig iawn ar eich rhan, Gadeirydd.

Mr Tyndall, my initial questions relate to paragraphs 2.20 and 2.21. I am sure that in the art world, as in all other spheres, the price charged for something directly affects how much people will consume or take up. So the change in the pricing structure between the 1992 feasibility study and the 1995 lottery application must have radically altered the demand; it went up considerably. However, I see no evidence of an assessment of the impact on projected visitor numbers. Was such an assessment undertaken?

Mr Tyndall, mae a wnelo fy nghwestiynau cyntaf â pharagraffau 2.20 a 2.21. Yr wyf yn siŵr fod y pris a godir am rywbeth yn y byd celf, fel ym mhob byd arall, yn effeithio'n uniongyrchol ar faint o bobl fydd yn dewis ei brynu neu ei ddefnyddio. Felly mae'n rhaid fod y newid yn y strwythur prisio rhwng astudiaeth ymarferoldeb 1992 a chais loteri 1995 wedi creu newid mawr yn y galw; aeth i fyny'n sylweddol. Fodd bynnag, ni welaf unrhyw dystiolaeth o asesiad o'r effaith ar y niferoedd ymwelwyr a ragwelid. A wnaethpwyd asesiad o'r fath?

Mr Tyndall: I am not aware of such an

Mr Tyndall: Nid wyf yn ymwybodol o

assessment.

[61] **Val Lloyd:** Thank you. I am aware that there was a projected 11 per cent decrease in numbers, but I am trying to find out how that 11 per cent was arrived at and why was it 11 and not 30 or 5 per cent. That was where my question was leading. Was there an assessment?

Mr Tyndall: No, I am sorry, the answer remains that there is no information available on the file to support that change.

[62] **Val Lloyd:** So the assumption I must take from that is that there was no assessment. The 11 per cent was plucked from the air.

I will move on to paragraphs 2.22 to 2.24. Again, I think it is a fairly basic fact that the quality of what is on offer is a key determinant of what people will consume or take up. The type of programme detailed in the lottery submission was significantly different to that in the feasibility study. I note that the Arts Council for Wales was alerted to the fact that changes in the programme, as well as the non-inclusion of the tourist information service, were likely to have an adverse effect on visitor numbers and, therefore, revenue. Why did the Arts Council for Wales not follow up those concerns with the trust?

Mr Tyndall: There are difficulties in the audit trail in establishing what information went to whom and when. It is clear that there was concern, particularly that the changes to the nature of the material being exhibited would impact on the likely visitor numbers. At this point, it is difficult to see how that information was utilised in terms of influencing any subsequent decisions. It is very clear that, from the point at which the centre opened, there were active discussions about the visitor numbers not being up to projections and what steps might be taken in order to deal with that. Nevertheless, in the intervening period no substantial changes were made to the project which would have addressed those concerns.

[63] **Val Lloyd:** Thank you very much. I

asesiad o'r fath.

[61] **Val Lloyd:** Diolch. Yr wyf yn ymwybodol y rhagamcanwyd gostyngiad o 11 y cant yn y niferoedd, ond yr wyf yn ceisio darganfod sut y daethpwyd at yr 11 y cant hwnnw a pham mai 11 ydoedd ac nid 30 neu 5 y cant. Dyna lle'r oedd fy nghwestiwn yn arwain. A wnaethpwyd asesiad?

Mr Tyndall: Na, mae'n ddrwg gennyf, yr ateb o hyd yw nad oes dim gwybodaeth ar gael ar y ffeil i gefnogi'r newid hwnnw.

[62] **Val Lloyd:** Felly yr hyn y mae'n rhaid imi ei dybio ar sail hynny yw na wnaethpwyd unrhyw asesiad. Tynnwyd yr 11 y cant o'r awyr.

Symudaf ymlaen at baragraffau 2.22 i 2.24. Eto, yr wyf yn meddwl ei bod yn ffaith eithaf sylfaenol fod ansawdd yr hyn a gynigir yn ffactor allweddol o ran penderfynu beth y bydd pobl yn barod i'w brynu neu ei ddefnyddio. Yr oedd y math o raglen a ddisgrifiwyd yn y cais loteri yn wahanol iawn i'r hyn a gaed yn yr astudiaeth ymarferoldeb. Nodaf y rhybuddiwyd Cyngor Celfyddydau Cymru am y ffaith y byddai newidiadau yn y rhaglen, ynghyd â hepgor y gwasanaeth gwybodaeth i ymwelwyr, yn debygol o gael effaith andwyol ar niferoedd ymwelwyr ac, felly, ar refeniw. Pam nad aeth Cyngor y Celfyddydau at yr ymddiriedolaeth gyda'r pryderon hyn?

Mr Tyndall: Wrth geisio dilyn trywydd yr archwiliad mae'n anodd sefydlu pa wybodaeth aeth at bwy a pha bryd. Mae'n glir bod pryder, yn enwedig y byddai'r newidiadau i natur y deunydd a arddangosid yn effeithio ar y nifer debygol o ymwelwyr. O'r fan yma, mae'n anodd gweld sut y defnyddiwyd y wybodaeth honno o ran dylanwadu ar unrhyw benderfyniadau wedi hynny. Mae'n glir iawn fod trafodaethau bywiog o'r adeg pan agorwyd y ganolfan ynghylch bod nifer yr ymwelwyr yn is na'r hyn a ragamcanwyd a pha gamau y gellid eu cymryd i ddelio â hynny. Serch hynny, yn y cyfamser ni wnaethpwyd unrhyw newidiadau o sylwedd i'r prosiect a fyddai wedi gwneud rhywbeth am y pryderon hynny.

[63] **Val Lloyd:** Diolch yn fawr. Nid oes

have no further questions.

[64] **Janet Davies:** On that issue, Mr Tyndall, one of the things that struck me when I read the report was that, although there were comments about the possible impact of visitor numbers on the viability of the centre, there did not seem to be anything about what steps might have been taken to increase them. You have just commented on that; could you expand on it? For example, were coach operators contacted to arrange tours there, or were there any other particular steps that could have been taken?

Mr Tyndall: It seems to me that, from the evidence available to the council at the time, probably one of the most significant items relating to this was the letter from Hugh Hudson Davies, which is referred to in the Auditor General's report and which first raises the particular issue about the changes in the nature of what was being exhibited. Unfortunately, the conclusion to that letter, which does raise the issue, is particularly concerned with the issue of there not being clashes between the programming at the National Museum and Gallery at Cathays Park and at the Old Library. The consequence of that was that action was taken on that letter and—[*Coughing.*]

Mr Tyndall: Sorry, Chair, we have all got your cold at this end of the table. If I am struggling a little it is because my ear, rather than my throat, has been affected.

What was indicated as being an absolute prerequisite was that there should be a memorandum of understanding between the museum and the Centre for Visual Arts in order to avoid clashes in programming that would impact on visitor numbers. As far as can be seen, once that memorandum was put in place, that appears to have been the action that was taken arising from the letter. Consequently, you can see that there was an issue raised, not by the assessor, but in the letter from Hugh Hudson Davies. The issue was raised and the arts council responded. The response was in line with the letter, but it was not a wholly adequate response. There were other elements that might have been

gennyf ragor o gwestiynau.

[64] **Janet Davies:** Ar y mater hwnnw, Mr Tyndall, un o'r pethau a'm trawodd i pan ddarllenais yr adroddiad oedd, er bod sylwadau ynghylch effaith bosibl niferoedd ymwelwyr ar allu'r ganolfan i ddal ei thir, nid oedd dim i'w weld ynghylch pa gamau y gallesid eu cymryd i gynyddu'r niferoedd. Yr ydych newydd wneud sylw ar hynny; a allech chi ymhelaethu arno? Er enghraifft, a gysylltwyd â chwmnïau bysiau i drefnu teithiau yno, neu a oedd unrhyw gamau penodol eraill y gallesid eu cymryd?

Mr Tyndall: Mae'n ymddangos i mi, o'r dystiolaeth oedd ar gael i'r cyngor ar y pryd, mai un o'r eitemau mwyaf arwyddocaol ynglŷn â hyn, mae'n debyg, oedd y llythyr oddi wrth Hugh Hudson Davies, y cyfeirir ato yn adroddiad yr Archwilydd Cyffredinol ac sydd yn codi gyntaf y mater penodol ynghylch y newidiadau yn natur yr hyn a arddangosid. Yn anffodus, mae diwedd glo'r llythyr hwnnw, sydd yn codi'r mater, yn ymwneud yn benodol â'r angen i osgoi gwrthdaro rhwng rhaglen yr Amgueddfa ac Oriel Genedlaethol ym Mharc Cathays ac un yr Hen Lyfrgell. Canlyniad hynny oedd y gweithredwyd ar y llythyr hwnnw ac—[*Pesychu.*]

Mr Tyndall: Mae'n ddrwg gennyf, Gadeirydd, mae eich annwyd chi arnom i gyd wrth ben yma'r bwrdd. Os ydwyf yn cael anhawster, mae hynny oherwydd mai fy nghlust, yn hytrach na fy llwnc, sydd yn dioddef.

Yr hyn a nodwyd fel gofyniad hanfodol oedd y dylai fod memorandwm dealltwriaeth rhwng yr amgueddfa a Chanolfan y Celfyddydau Gweledol er mwyn osgoi gwrthdaro rhwng rhaglenni a fyddai'n effeithio ar niferoedd ymwelwyr. Hyd y gellir gweld, ar ôl i'r memorandwm hwnnw gael ei roi ar waith, mae'n ymddangos mai dyna'r hyn a wnaethpwyd yn sgîl y llythyr. Felly, fe welwch y codwyd cwestiwn, nid gan yr asesydd, ond yn y llythyr gan Hugh Hudson Davies. Codwyd y cwestiwn ac ymatebodd cyngor y celfyddydau. Yr oedd yr ymateb yn unol â'r llythyr, ond nid oedd yn ymateb cwbl ddigonol. Yr oedd elfennau eraill y gallesid eu codi o'r llythyr.

picked up from the letter.

[65] **Janet Davies:** I find it quite odd that it was necessary to establish a memorandum of understanding. Clearly, there were two museums or galleries that must have been cutting across each other to some extent if there had to be a memorandum of understanding. I would have thought that someone would have considered whether the Centre for Visual Arts would have any viability if it was going to clash with the national museum at Cathays Park. Is there any information on that at all?

Mr Tyndall: Yes. In essence, it is the letter from Hugh Hudson Davies and the subsequent memorandum of understanding and the minutes of the council which reflect that. However, as far as you can read, the issue was taken as being dealt with by the completion of the memorandum of understanding. That is, in essence, by agreeing not to programme in a competitive way and to be complementary, so that if there were to be a blockbuster exhibition at the museum at Cathays Park it would not clash with the opening of, for instance, a similar exhibition at the CVA.

[66] **Janet Davies:** I can understand that that particular issue would be quite sensible. You are not, therefore, suggesting that the Centre for Visual Arts was not going to be viable unless the museum at Cathays Park could possibly transfer some of its visitors to it, if I can put it that way?

Mr Tyndall: No. I do not think that that was the issue that was raised. I think that the critical thing to me is that it seems that the clash with the National Museum and Gallery was probably the lesser of the two points raised by Hugh Hudson Davies, but it was the one that was addressed.

[67] **Janet Davies:** Thank you.

[68] **David Lloyd:** I turn to the concerns raised by the external assessor. The external assessor raised concerns with you about the level of expertise within the centre, the undervaluing of marketing and public relations, the absence of a marketing plan and

[65] **Janet Davies:** Yr wyf yn ei gweld braidd yn hynod bod angen sefydlu memorandwm dealltwriaeth. Yn amlwg, yr oedd dwy amgueddfa neu oriel a oedd yn torri ar draws ei gilydd i ryw raddau, mae'n rhaid, os bu'n rhaid cael memorandwm dealltwriaeth. Buaswn wedi tybio y byddai rhywun wedi ystyried a fyddai modd i Ganolfan y Celfyddydau Gweledol fod yn hyfyw o gwbl os oedd yn mynd i wrthdaro â'r amgueddfa genedlaethol ym Mharc Cathays. A oes gwybodaeth ar hynny o gwbl?

Mr Tyndall: Oes. Yn eu hanfod, y llythyr oddi wrth Hugh Hudson Davies a'r memorandwm dealltwriaeth a chofnodion y cyngor wedi hynny sydd yn adlewyrchu hynny. Fodd bynnag, hyd y gellir darllen, cymerwyd bod y mater wedi'i setlo wrth gwblhau'r memorandwm dealltwriaeth; hynny yw, yn y bôn, drwy gytuno i beidio â rhaglennu mewn ffordd gystadleuol ac i fod yn gyflenwol, felly os byddai arddangosfa fawreddog yn agor yn yr amgueddfa ym Mharc Cathays, na fyddai'n gwrthdaro ag agoriad, er enghraifft, arddangosfa debyg yng Nghanolfan y Celfyddydau Gweledol.

[66] **Janet Davies:** Gallaf ddeall y byddai'r mater arbennig hwnnw'n eithaf doeth. Nid ydych, felly, yn awgrymu nad oedd Canolfan y Celfyddydau Gweledol yn mynd i allu dal ei thir oni allai'r amgueddfa ym Mharc Cathays o bosibl drosglwyddo rhai o'i hymwelwyr iddi, os caf ei roi fel hynny?

Mr Tyndall: Na. Nid wyf yn meddwl mai dyna'r mater a godwyd. Yr wyf yn meddwl mai'r peth allweddol i mi yw ei bod yn ymddangos, mae'n debyg, mai'r gwrthdrawiad â'r Amgueddfa ac Oriel Genedlaethol oedd y lleiaf o'r ddau bwynt a godwyd gan Hugh Hudson Davies, ond mai hwnnw oedd yr un a gafodd sylw.

[67] **Janet Davies:** Diolch.

[68] **David Lloyd:** Trof at y pryderon a fynegwyd gan yr asesydd allanol. Mynegodd yr asesydd allanol bryderon i chi ynghylch lefel arbenigedd yn y ganolfan, y diffyg pwyslais ar farchnata a chysylltiadau cyhoeddus, absenoldeb cynllun marchnata ac

so on. Why did the council not act on these warnings?

Mr Tyndall: Clearly, the Centre for Visual Arts did have a requirement to generate large amounts of sponsorship income. That was raised by the assessor but, if there was an intervention, it did not prove effective. I think that that is all I can say.

[69] **David Lloyd:** Following on from that, there were similar warnings about that lack of private sector sponsorship and revenue support. Why, again, did the council fail to react to these warnings and to ask the centre to address the problem?

Mr Tyndall: I think that the council began to react at the point at which the centre opened and the problems became apparent. Such action as may have taken place before then did not prove effective—if, indeed, it took place.

[70] **Janet Davies:** Okay. We now turn to the poor quality of the initial building estimates. Numerous changes had to be made to the building plans between 1995 and 1997. Table 10 on page 14 shows the changes. Those changes increased the cost by £1.8 million. On what basis was the first estimate considered to be reliable and on what grounds did the council feel justified in providing additional lottery grant to cover most of the increase?

Mr Tyndall: Again, I need to preface these remarks with comments on how applications are judged at the moment compared to how this one was judged and how applications were judged at the time. The principal difference between the first application and the second stage was that there had been a change of consultants at that point: a new team of consultants had been taken on. Having taken them on, they undertook the detailed survey work of the building, which is a grade II* listed building—clearly, a building that would require considerable work in order to be suited for its new purpose.

Were this proposal to be scrutinised today, there would be a three-stage scrutiny process.

ati. Pam na weithredodd y cyngor ar y rhybuddion hyn?

Mr Tyndall: Yn amlwg, yr oedd gofyniad i Ganolfan y Celfyddydau Gweledol gynhyrchu symiau mawr o incwm nawdd. Codwyd hynny gan yr asesydd ond, os bu ymyriad, ni fu'n effeithiol. Yr wyf yn meddwl mai dyna'r cwbl y gallaf ei ddweud.

[69] **David Lloyd:** Yn sgîl hynny, cafwyd rhybuddion tebyg am y diffyg nawdd gan y sector preifat a'r diffyg cymorth refeniw. Pam, eto, y methodd y cyngor ag adweithio i'r rhybuddion hyn a methu â gofyn i'r ganolfan roi sylw i'r problem?

Mr Tyndall: Yr wyf yn meddwl y dechreuodd y cyngor ymateb ar yr adeg yr agorodd y ganolfan ac y daeth y problemau i'r amlwg. Yr oedd unrhyw weithredu a ddigwyddodd cyn hynny wedi profi'n aneffeithiol—os, yn wir, y digwyddodd.

[70] **Janet Davies:** Iawn. Trown yn awr at ansawdd gwael yr amcanbrisiau adeiladu cychwynnol. Bu'n rhaid gwneud nifer o newidiadau i'r cynlluniau adeiladu rhwng 1995 a 1997. Mae tabl 10 ar dudalen 14 yn dangos y newidiadau. Ychwanegodd y newidiadau hynny £1.8 miliwn at y gost. Ar ba sail yr ystyriwyd bod yr amcanbris cyntaf yn ddibynadwy ac ar ba seiliau y teimlai'r cyngor fod cyfiawnhad dros ddarparu grant loteri ychwanegol i dalu'r rhan fwyaf o'r cynnydd?

Mr Tyndall: Eto, mae angen imi ragflaenu'r sylwadau hyn gyda sylwadau ar y modd y bernir ceisiadau ar hyn o bryd o gymharu â'r modd y barnwyd hwn a'r modd y bernid ceisiadau ar y pryd. Y prif wahaniaeth rhwng y cais cyntaf a'r ail gam oedd y bu newid ymgynghorwyr ar y pwynt hwnnw: cyflogwyd tîm newydd o ymgynghorwyr. Wedi rhoi'r gwaith iddynt, gwnaethant arolwg manwl o'r adeilad, sydd yn adeilad cofrestredig gradd II*—yn amlwg, yn adeilad y byddai angen gwaith sylweddol arno i'w addasu ar gyfer ei bwrpas newydd.

Pe archwilid y cynnig hwn heddiw, ceid proses archwilio tri cham. Ni fuasid wedi

The application would not have been considered for grant funding until it had reached Royal Institute of British Architects stage D. In theory, that first application was at stage C. The subsequent consultants judged it to be at stage A or B. In other words, it was at the design and development stage and not at a point at which reliable estimates had been prepared. Consequently, today, that application would not have been considered. It simply could not be considered because those figures would not be expected to be robust. Until you actually begin your survey work and until you have a detailed design and detailed cost assessment, it is impossible to produce reliable estimates. So it is no surprise to me that there is such a huge variation because the first set of figures are not suitable for assessment as an application for lottery funding for a project costing in excess of £100,000.

[71] **Janet Davies:** It still seems surprising that the arts council did not realise that the original building estimates were so unreliable. I know that the situation has changed now, but was no independent assurance sought from an external assessor?

Mr Tyndall: Again, the current assessment process involves not a single assessor, but would involve an architect, a quantity surveyor, a building assessor, a disability assessor and additional specialist assessors as required. So there would be people specialising in each element of the project, assessing that element of it. In the case of this particular project there was a single assessment. We would not now expect an individual assessor to cover the breadth of issues that need to be assessed to achieve reliable conclusions about the likely accuracy of costings and the likely sustainability of the proposals.

[72] **Janet Davies:** I realise that, in its short life, there were not any of what have been described as blockbuster exhibitions. However, were the adaptations done in such a way that such exhibitions could have been held there, in a physical and practical sense?

Mr Tyndall: There are two answers to that

ystyried rhoi grant i'r cais heb iddo gyrraedd cam D Sefydliad Brenhinol Penseiri Prydain. Mewn egwyddor, yr oedd y cais cyntaf hwnnw wedi cyrraedd cam C. Barnodd yr ymgynghorwyr dilynol ei fod wedi cyrraedd cam A neu B. Mewn geiriau eraill, yr oedd ar y cam dylunio a datblygu ac nid ar bwyt lle'r oedd amcanbrisiau dibynadwy wedi'u paratoi. O ganlyniad, heddiw, ni fuasid wedi ystyried y cais hwnnw. Ni ellid ei ystyried oherwydd ni fyddai disgwyl i'r ffigurau hynny fod yn gadarn. Hyd nes ichi ddechrau mewn gwirionedd ar eich gwaith maintfesur a hyd nes bod gennych ddyluniad manwl ac asesiad costau manwl, mae'n amhosibl llunio amcanbrisiau dibynadwy. Felly, nid wyf yn synnu at amrywiaeth mor enfawr, oherwydd nid yw'r set gyntaf o ffigurau'n addas i'w hasesu fel cais am arian loteri ar gyfer prosiect yn costio dros £100,000.

[71] **Janet Davies:** Mae'n dal i ymddangos yn rhyfedd bod cyngor y celfyddydau heb sylweddoli bod yr amcanbrisiau adeiladu gwreiddiol mor annibynadwy. Gwn fod y sefyllfa wedi newid bellach, ond oni cheisiwyd sicrwydd annibynnol gan asesydd allanol?

Mr Tyndall: Eto, nid yw'r broses asesu gyfredol yn cynnwys un asesydd unigol, ond byddai'n cynnwys pensaer, maintfesurwr, asesydd adeiladau, asesydd anabled ac aseswyr arbenigol ychwanegol yn ôl y gofyn. Felly byddai pobl yn arbenigo ym mhob elfen o'r prosiect, yn asesu'r elfen honno. Yn achos y prosiect penodol hwn un asesiad a wnaethpwyd. Ni fyddem bellach yn disgwyl i asesydd unigol ymdrin â'r ystod eang o faterion y mae angen eu hasesu i gael casgliadau dibynadwy ynghylch cywirdeb tebygol costiau a'r tebygolrwydd bod y cynigion yn gynaliadwy.

[72] **Janet Davies:** Sylweddolaf na chafwyd, yn ystod ei hoes fer, unrhyw arddangosfa y gellid ei disgrifio fel un anferth, ysgubol. Fodd bynnag, a wnaethpwyd yr addasiadau yn y fath fodd fel y gallasid cynnal arddangosfeydd anferth o'r fath yno, o safbwynt corfforol ac ymarferol?

Mr Tyndall: Mae dau ateb i'r cwestiwn

question, in a sense. Throughout the life of the project design and development, the intention was that the security levels within the gallery would be developed to be capable of holding such exhibitions. One of the requirements for holding such exhibitions is secure storage. In the event, that secure storage was not provided in the final design. Again, I would like to refer to current procedures and procedures at the time. Now, an award of lottery grant would be accompanied by a legal agreement which obliges the recipient to inform the council of any material changes to the design. At that time, such an obligation did not exist, and it is clear from the evidence that changes were made of which the council was unaware.

[73] **Janet Davies:** Thank you.

Mr Tyndall: Coming back to your earlier question, should you require it, I am capable of providing detailed figures as to the variation between those two columns in figure 10, if members would find that helpful. I can address them now, and provide them separately in writing.

[74] **Janet Davies:** That would be very helpful, yes. Thank you.

[75] **Eleanor Burnham:** I have some further questions about the building costs. Three points come to mind from reading the auditor's report. First, the fact that the Cardiff Old Library Trust made a number of amendments and changes. I also note that the design team changed. The third point that comes to mind is that the council was mindful of the April 1996 date, otherwise it would not have been possible to transfer the building and related funding from the then Cardiff City Council. I presume that those were some of the major considerations that perhaps hindered what might be a much easier scenario these days.

Mr Tyndall: Yes. I have obviously had occasion to consider the time pressure and how it was dealt with because, clearly, the capacity to proceed with the project, at least on the surface, depended on decisions being made within a particular timescale because of the constraints of local government

hwnnw, mewn ffordd. Trwy gydol oes dylunio a datblygu'r prosiect, y bwriad oedd datblygu lefelau diogelwch o fewn yr oriel i allu cynnal arddangosfeydd o'r fath. Un o ofynion cynnal arddangosfeydd o'r fath yw storfa ddiogel. Fel y digwyddodd pethau, ni ddarparwyd y storfa honno yn y dyluniad terfynol. Eto, hoffwn gyfeirio at weithdrefnau cyfredol a gweithdrefnau'r adeg honno. Heddiw, wrth ddyfarnu grant loteri byddid yn cynnwys cytundeb cyfreithiol a fyddai'n mynnu bod y derbyniwr yn hysbysu'r cyngor am unrhyw newidiadau materol i'r dyluniad. Bryd hynny, nid oedd gofyniad o'r fath yn bodoli, ac mae'n glir oddi wrth y dystiolaeth y gwnaethpwyd newidiadau heb yn wybod i'r cyngor.

[73] **Janet Davies:** Diolch.

Mr Tyndall: A dychwelyd at eich cwestiwn blaenorol, pe dymunech, gallwn ddarparu ffigurau manwl parthed yr amrywiad rhwng y ddwy golofn hynny yn ffigur 10, pe bai hynny yn ddefnyddiol i'r aelodau. Gallaf siarad amdanynt yn awr, a'u darparu ar wahân mewn ysgrifen.

[74] **Janet Davies:** Byddai hynny'n ddefnyddiol iawn, byddai. Diolch.

[75] **Eleanor Burnham:** Mae gennyf ragor o gwestiynau am y costau adeiladu. Daw tri phwynt i'r meddwl o ddarllen adroddiad yr archwilydd. Yn gyntaf, y ffaith i Ymddiriedolaeth Hen Lyfrgell Caerdydd wneud nifer o addasiadau a newidiadau. Nodaf hefyd y newidiwyd y tîm dylunio. Y trydydd pwynt a ddaw i'm meddwl yw bod y cyngor yn ymwybodol o'r dyddiad Ebrill 1996, neu fel arall ni fuasai'n bosibl trosglwyddo'r adeilad a'r cyllid cysylltiedig oddi wrth Gyngor Dinas Caerdydd fel yr oedd. Tybiaf fod y rhain yn rhai o'r ystyriaethau mawr a fu'n faen tramgwydd efallai i sefyllfa a fyddai o bosibl yn llawer haws y dyddiau hyn.

Mr Tyndall: Ie. Yn amlwg cefais achos i ystyried y pwysau amser a sut y deliwyd â hynny oherwydd bod y gallu i fynd ymlaen â'r prosiect, o leiaf ar yr wyneb, yn dibynnu, wrth reswm, ar wneud penderfyniadau o fewn amser penodol oherwydd cyfyngiadau ad-drefnu llywodraeth leol a'r angen i

reorganisation and the need to transfer the building and secure the grant funding from the authority and so on. That meant that the time available for scrutiny was perhaps less than might have been the case otherwise. You cannot but speculate that it may have been a contributory factor. Clearly, also, there were difficulties in the relationship between the trust and the design team, which led to the design team being changed.

However, I think that they are not the only factors. There are other factors as well. Without doing a survey on a building of that kind, it is very very difficult to know what you will find when you start to dig. I think that members are probably well aware that there were difficulties with the sub-structure, but also that the original building had been built on part of the churchyard of St John's church, and—

[76] **Eleanor Burnham:** Not quite as easy as if you were starting from scratch.

Mr Tyndall: No, absolutely not. It was a very very difficult project. It was a listed building, very prominent, with a lot of particular difficulties associated with it. Taking all of those factors into account, it meant that a decision was taken early on that, in fact, it was inevitable that the costs would differ in the event. What it might be worth saying—and I think it probably is—is that once the second stage tender had been produced using a procedure very much closer to the one that we would now use in order to produce figures for assessment, ultimately the project was then delivered on budget. So I think that it is important to say that that is largely the basis on which figures would be prepared for consideration were they prepared today.

[77] **Eleanor Burnham:** Further to that and, obviously, as the other Members have said, it is not a personal vendetta against you, we are just looking at the enormous changes and I was wondering if some of them were fully justified and essential—for instance, the upgrading of fixtures and fittings, internal doors, the glass lobby—or were they part and parcel of what you just described as a very difficult building? For instance, I notice that

drosoglwyddo'r adeilad a sicrhau'r cyllid grant oddi wrth yr awdurdod ac ati. Golygodd hynny fod llai o amser ar gael ar gyfer archwilio efallai nag a fuasai fel arall. Ni ellir ond damcaniaethu y gallai hynny fod wedi bod yn ffactor cyfrannol. Yn amlwg, hefyd, yr oedd anawsterau yn y berthynas rhwng yr ymddiriedolaeth a'r tîm dylunio, a arweiniodd at newid y tîm dylunio.

Fodd bynnag, nid dyna'r unig ffactorau yn fy marn i. Mae ffactorau eraill hefyd. Heb wneud arolwg o adeilad o'r math hwnnw, mae'n anodd iawn iawn gwybod beth ddaw i'r golwg pan ddechreuwch gloddio. Mae'n debyg gennyf fi fod yr aelodau'n ymwybodol iawn y cafwyd anawsterau gyda'r isadeiledd, ond hefyd fod yr adeilad gwreiddiol wedi'i godi ar ran o fynwent eglwys Sant Ioan, a—

[76] **Eleanor Burnham:** Heb fod lawn mor hawdd â phe baech yn dechrau o'r dechrau.

Mr Tyndall: Na, yn hollol. Yr oedd yn brosiect anodd iawn iawn. Yr oedd yn adeilad cofrestredig, yn amlwg iawn, gyda llawer o anawsterau arbennig cysylltiedig ag ef. Ac ystyried y ffactorau hynny i gyd, golygai y gwnaethpwyd penderfyniad yn gynnar a'i bod, mewn gwirionedd, yn anochel y byddai'r costau'n wahanol ar ddiwedd y dydd. Efallai y byddai'n werth dweud—a chredaf ei bod hi—fod y prosiect yn cael ei gyflawni o fewn y gyllideb yn y diwedd, ar ôl i dendr yr ail gam gael ei lunio gan ddefnyddio trefn lawer iawn agosach at yr un a ddefnyddiem ni yn awr i gynhyrchu ffigurau ar gyfer asesiad. Felly yr wyf yn meddwl ei bod yn bwysig dweud mai ar y sail honno yn gyffredinol y câi ffigurau eu paratoi i'w hystyried pe baent yn cael eu paratoi heddiw.

[77] **Eleanor Burnham:** Yn codi o hynny, ac, wrth reswm, fel y dywedodd yr aelodau eraill, nid ymgyrch bersonol yn eich erbyn chi yw hon, dim ond edrych yr ydym ar y newidiadau enfawr, ac yr oeddwn yn meddwl tybed a oedd cyfiawnhad llawn dros rai ohonynt ac a oeddent yn hanfodol—er enghraifft, uwchraddio gosodion a ffitiadau, drysau mewnol, y cyntedd gwydr—ynteu a oeddent yn rhan annatod o'r hyn yr ydych

the information technology had been completely omitted from the budget.

Mr Tyndall: To look at some of the issues around fixtures and fittings, I will give a particular example because I think that it is quite indicative. If you look at internal doors, the original allowance was for paint quality doors and painted softwood frames with medium quality ironmongery. Subsequently, there were veneered timber doors with all good hardware ironmongery. I know that that is a very particular example, but I can choose individual ones like that. The conclusion, by and large, was that the original specifications were not commensurate with the intended use of the building. Consequently, the trust's view, which was supported by the arts council's decision to fund the changes, was that the building was originally underspecified and that contributed to the additional costs as well.

[78] **Eleanor Burnham:** That answers my next question really, about the substructure costs rising from £14,000 to £199,000 and the cost of the internal doors from £97,000 to £522,000. I think that you have answered that question. I think the last—

Mr Tyndall: On the issue of the substructure, in fact, when the survey was undertaken, the foundations were found to be inadequate and piling had to be provided. Consequently, that added substantially to the cost.

[79] **Eleanor Burnham:** My last question, which I do not even understand in reading it, is about an item relating to design interface costs and main contractor discount. Can you explain that please, because table 10 shows that it was included in the estimate at the lottery application stage but gave rise to a cost of £198,000 at the tender stage? I do not even understand. Perhaps you could help me.

Mr Tyndall: I think that I will have to volunteer, with the Chair's agreement, to

newydd ei ddisgrifio fel adeilad anodd iawn? Er enghraifft, sylwaf fod technoleg gwybodaeth wedi'i hepgor yn llwyr o'r gyllideb.

Mr Tyndall: Ac edrych ar rai o'r cwestiynau ynghylch gosodion a ffitiadau, rhoddaf un enghraifft benodol gan fy mod yn meddwl ei bod yn eithaf dadlennol. Os edrychwch ar ddrysau mewnol, yr oedd y swm cyntaf ar gyfer drysau o ansawdd paent a fframiau pren meddal wedi'u paentio gyda gwaith haearn o ansawdd canolig. Wedi hynny, cafwyd drysau pren wedi'i argaenu gyda gwaith haearn da i gyd. Gwn mai enghraifft benodol iawn yw hon, ond gallaf ddewis esiamplau unigol fel honno. Y casgliad, ar y cyfan, oedd nad oedd y fanyleb wreiddiol yn gymesur â'r defnydd a fwriedid i'r adeilad. Felly, barn yr ymddiriedolaeth, a gefnogwyd gan benderfyniad cyngor y celfyddydau i ariannu'r newidiadau, oedd bod manyleb wreiddiol yr adeilad yn annigonol, a chyfrannodd hynny at y costau ychwanegol hefyd.

[78] **Eleanor Burnham:** Mae hynny'n ateb fy nghwestiwn nesaf, a dweud y gwir, ynghylch costau'r isadeiledd yn codi o £14,000 i £199,000 a chost y drysau mewnol o £97,000 i £522,000. Yr wyf yn meddwl eich bod wedi ateb y cwestiwn hwnnw. Yr wyf yn meddwl mai'r un olaf—

Mr Tyndall: Ar fater yr isadeiledd, mewn gwirionedd, pan wnaethpwyd yr arolwg, canfuwyd bod y sylfeini'n annigonol a bu'n rhaid darparu pileri. O ganlyniad, ychwanegodd hynny at y gost yn sylweddol.

[79] **Eleanor Burnham:** Mae fy nghwestiwn olaf, nad ydwyf i hyd yn oed yn ei ddeall wrth ei ddarllen, yn ymwneud ag eitem ynghylch costau rhyngwyneb dylunio a disgownt prif gontractwr. A allwch egluro hynny os gwelwch yn dda, oherwydd bod tabl 10 yn dangos ei fod wedi'i gynnwys yn yr amcanbris pan wnaethpwyd y cais loteri ond ei fod wedi peri cost o £198,000 yn y cam tendro? Nid wyf i hyd yn oed yn deall. Efallai y gallech fy helpu.

Mr Tyndall: Yr wyf yn meddwl y bydd yn rhaid imi wirfoddoli, gyda chytundeb y

provide the answer to that question in writing subsequently.

[80] **Eleanor Burnham:** I will be fascinated. Thank you.

[81] **Janet Davies:** I would like to pursue the issue of the—sorry Eleanor, have you finished?

[82] **Eleanor Burnham:** Yes, thank you very much indeed. I cannot wait now; I will not be able to sleep tonight for wanting to know what that means.

Mr Tyndall: I will get it to you by e-mail straight away.

[83] **Janet Davies:** I would like to pursue the issue of the need to transfer by 1996. From a different point of view, I was very involved with local government reorganisation, so I understand the problems that were arising at that time. However, if it was a viable project and it was going to be a good thing for Cardiff, I cannot see why there had to be that concern that reorganisation could have stopped it happening.

Mr Tyndall: I can give a partial answer and perhaps a suggestion as to what the remainder may be. It seems to me that the issue of grant funding—the £3.1 million provided by Cardiff—is that that was a Cardiff City Council commitment. My understanding of the position is that it could not commit its successor body to such a sum. However, I could be wrong about that. Certainly, the files indicate that that was the concern at the time, that, whereas Cardiff City Council had been involved in the project for several years since its inception, the new authority might take a different view as to its priorities. Therefore, there was an urgency for the grant to be dealt with. I think that that is a reasonable construction on the basis of what evidence is available.

As to the building—again, you may wish to take advice on this—if it was not required by the successor authority, then my recollection of the arrangements at local government reorganisation was that it would have transferred to the residuary body, which would have been obliged to dispose of it.

Cadeirydd, i ddarparu'r ateb i'r cwestiwn hwnnw mewn ysgriflen yn ddiweddarach.

[80] **Eleanor Burnham:** Byddaf wedi fy nghyfareddu. Diolch.

[81] **Janet Davies:** Hoffwn ddilyn mater y—mae'n ddrwg gennyf, Eleanor, ydych chi wedi gorffen?

[82] **Eleanor Burnham:** Ydwyf, diolch yn fawr iawn. Yr wyf ar bigau'r drain yn awr; byddaf yn methu â chysgu heno gan fy mod eisiau gwybod beth yw ystyr hyn.

Mr Tyndall: Fe e-bostiaf yr ateb atoch yn syth bin.

[83] **Janet Davies:** Hoffwn i fynd ar ôl yr angen i drosglwyddo erbyn 1996. O safbwynt gwahanol, yr oeddwn innau'n gyfrannog yn ad-drefnu llywodraeth leol, felly deallaf y problemau a godai bryd hynny. Fodd bynnag, os oedd yn brosiect ymarferol ac os oedd am fod yn beth da i Gaerdydd, ni allaf weld pam yr oedd angen y pryder hwnnw y gallai'r ad-drefnu fod wedi'i atal rhag digwydd.

Mr Tyndall: Gallaf roi ateb rhannol ac efallai awgrym ynghylch beth allai'r gweddill fod. Mae'n ymddangos i mi, ynglŷn â'r grant—y £3.1 miliwn a ddarparwyd gan Gaerdydd—mai ymrwymiad Cyngor Dinas Caerdydd ydoedd. Fy nealltwriaeth i o'r sefyllfa yw na allai rwydo ei olynydd i swm o'r fath. Fodd bynnag, gallwn fod yn anghywir ynghylch hynny. Yn sicr, dengys y ffeiliau mai dyna oedd y pryder ar y pryd, sef, tra bod Cyngor Dinas Caerdydd wedi bod yn ymwneud â'r prosiect am rai blynyddoedd ers ei gychwyn, y gallai'r awdurdod newydd fod â barn wahanol am ei flaenoriaethau. Felly, yr oedd delio â'r grant yn fater brys. Credaf fod hynny'n ddamcaniaeth resymol ar sail y dystiolaeth sydd ar gael.

O ran yr adeilad—eto, efallai yr hoffech geisio cyngor ar hyn—pe na fyddai ei eisiau ar yr awdurdod olynol, yna fy nghof i o'r trefniadau adeg ad-drefnu llywodraeth leol yw y byddid wedi'i drosglwyddo i'r corff gweddilliol, a fuasai wedi gorfod ei werthu. Yn sicr, dyna, fe ymddengys, oedd y

Certainly, that appears to have been the thinking that lay behind the urgency attached to the funding.

[84] **Janet Davies:** Does that not suggest that perhaps there was some concern about the viability? Cardiff City Council became Cardiff City and County Council, obviously with greatly increased functions, as it was taking over the county functions, but, nevertheless, it was a council that was based on the same area.

Mr Tyndall: I do not think that is necessarily so, Chair. This is an issue about capital funding and the building. At no stage had the council made a commitment to revenue funding, so the council's ongoing commitment was not a requirement of the original revenue proposals. However, that capital input and the input of the building were obviously crucial to the project.

[85] **Alison Halford:** It seems to my inexperienced ear that, although Cardiff City Council was not really changing, there was some fairly indecent haste to set the centre up because something might happen that was not going to happen.

Mr Tyndall: You may well want to take further advice on the issue of whether the building would have transferred to the residuary body, in which case, the scheme, effectively, could not have gone ahead. That does not really relate to the intentions of the authority necessarily, it just simply relates to the mechanisms that were associated with local government reorganisation. Although the successor authority covered, as you say, broadly the same landmass as its predecessor, there was no guarantee that the new authority, once elected, would be bound by the priorities of its predecessor. In fact, inevitably, it must be bound by its own priorities, being newly elected. So I suppose that, from that point of view, there was no guarantee that, although a grant was available from Cardiff City Council, the same grant could have been made available by the Cardiff City and County Council, as it was subsequently.

meddylfryd y tu ôl i'r brys o ran ariannu.

[84] **Janet Davies:** Onid yw hynny'n awgrymu efallai fod rhywfaint o bryder ynghylch yr hyfywdra? Trodd Cyngor Dinas Caerdydd yn Gyngor Sir a Dinas Caerdydd, yn amlwg gyda chynnydd mawr mewn swyddogaethau, gan ei fod yn ymgymryd â swyddogaethau'r sir, ond, serch hynny, cyngor yn seiliedig ar yr un ardal ydoedd.

Mr Tyndall: Nid wyf yn meddwl bod hynny'n wir o reidrwydd, Gadeirydd. Mater ynghylch cyllid cyfalaf a'r adeilad yw hwn. Nid oedd y cyngor ar unrhyw bryd wedi ymrwymo i ddarparu cyllid refeniw, felly nid oedd ymrwymiad parhaus y cyngor yn ofynnol dan y cynigion refeniw gwreiddiol. Fodd bynnag, yr oedd y cyfraniad cyfalaf hwnnw a mewnbwn yr adeilad yn amlwg yn allweddol i'r prosiect.

[85] **Alison Halford:** Mae'n ymddangos i'm clust ddibrofiad i, er nad oedd Cyngor Dinas Caerdydd yn newid mewn gwirionedd, fod rhywfaint o frys anwedus braidd i sefydlu'r ganolfan oherwydd y gallai rhywbeth ddigwydd nad oedd yn mynd i ddigwydd.

Mr Tyndall: Efallai'n wir y bydd arnoch eisiau cael cyngor pellach ar y cwestiwn a fuasid wedi trosglwyddo'r adeilad i'r corff gweddilliol, a fyddai wedi golygu, i bob pwrpas, na allai'r cynllun fod wedi mynd rhagddo. Nid yw hynny yn wir yn berthnasol i fwriadau'r awdurdod o reidrwydd, ond dim ond yn berthnasol i'r peirianweithiau a oedd yn gysylltiedig ag ad-drefnu llywodraeth leol. Er bod yr awdurdod olynol, fel y dywedaso, yn awdurdod dros yr un arwynebedd tir yn fras â'i ragflaenydd, nid oedd dim gwarant y byddai'r awdurdod newydd, unwaith y byddai wedi'i ethol, wedi'i glymu gan flaenoriaethau ei ragflaenydd. Yn wir, yn anochel, byddai'n rhaid iddo gael ei glymu gan ei flaenoriaethau ei hun, ac yntau newydd ei ethol. Felly mae'n debyg, o'r safbwynt hwnnw, nid oedd dim gwarant, er y byddai grant ar gael gan Gyngor Dinas Caerdydd, y gallai'r un grant gael ei gynnig gan Gyngor Sir a Dinas Caerdydd, fel yr oedd wedyn.

[86] **Alison Halford:** So had you been responsible at the time, what advice would you have given yourself over whether it moved into the residual body or not?

Mr Tyndall: Were there to be similar time pressure on an application today, in the sense that if certain key decisions were not taken quickly the project would fail, and the implication of that was that scrutiny could not be properly undertaken, then we would have to not go ahead with the project, because it is evident that, in order to satisfy ourselves as a lottery distributor, and to satisfy the taxpayer that money is being properly spent, we need properly robust scrutiny measures. If the time taken to do that means that some projects cannot go ahead, then so be it.

[87] **Janet Davies:** Before we go on to the issue of the construction and the operation of the project, we will have a coffee break.

[*Cynhaliwyd egwyl goffi rhwng 3.15 p.m. a 3.25 p.m.*]
[*A coffee break was held between 3.15 p.m. and 3.25 p.m.*]

[88] **Janet Davies:** We will now turn to part 3 of the report, on the council's monitoring arrangements in relation to the project and to the closure of the centre. Paragraph 3.2 sets out your—well, not yours; the then arts councils'—responsibilities under directions issued by the Secretary of State for Wales in this regard. My first question must be, in view of those responsibilities, why was a full risk assessment not undertaken on the project and why were contingency plans not put into place in case those risks materialised?

Mr Tyndall: Clearly, Chair, it is a requirement now, for any project of this scale, that a full-scale risk assessment process be put in place for the building project and a sensitivity analysis, as we discussed earlier, for the business plan. At the time, that did not form part of the procedures of the arts council.

[89] **Janet Davies:** Do you think that losses could have been prevented if there had been adequate contingency planning?

[86] **Alison Halford:** Felly pe buasech chi'n gyfrifol ar y pryd, pa gyngor fydddech chi wedi'i roi ichi'ch hun ynghylch a fyddai'n symud i'r corff gweddilliol ai peidio?

Mr Tyndall: Pe bai pwysau amser tebyg ar gais heddiw, yn yr ystyr pe na wneid rhai penderfyniadau allweddol ar fyrder y byddai'r prosiect yn cwmpo, a phetai goblygiadau hynny'n golygu na ellid cyflawni'r archwiliad priodol, yna byddai'n rhaid inni beidio â mynd ymlaen â'r prosiect, oherwydd ei bod yn amlwg, er mwyn bodloni'n hunain fel dosbarthydd loteri, ac er mwyn bodloni'r trethdalwr bod arian yn cael ei wario'n briodol, fod angen mesurau archwilio cadarn a phriodol. Os yw'r amser a gymer i wneud hynny'n golygu na all rhai prosiectau fynd yn eu blaenau, yna bydded felly.

[87] **Janet Davies:** Cyn inni fynd ymlaen at fater adeiladu a gweithredu'r prosiect, cymernwn egwyl goffi.

[88] **Janet Davies:** Trown yn awr at ran 3 yr adroddiad, ar drefniadau'r cyngor i fonitro'r prosiect a chau'r ganolfan. Mae paragraff 3.2 yn amlinellu'ch cyfrifoldebau—wel, nid eich rhai chi; rhai cyngor y celfyddydau ar y pryd—dan gyfarwyddiadau a gyhoeddwyd gan Ysgrifennydd Gwladol Cymru parthed hyn. Rhaid i'm cwestiwn cyntaf fod, yn wyneb y cyfrifoldebau hynny, pam nad ymgwymerwyd ag asesiad risg llawn ar y prosiect a pham na sefydlwyd cynlluniau wrth-gefn rhag ofn i'r risgiau hynny ddod yn wir?

Mr Tyndall: Yn amlwg, Gadeirydd, mae'n ofynnol bellach, gydag unrhyw brosiect o'r maintioli hwn, sefydlu proses asesu risg ar raddfa lawn ar gyfer y prosiect adeiladu a dadansoddiad sensitifrwydd, fel y trafodasom yn gynharach, ar gyfer y cynllun busnes. Ar y pryd, nid oedd hynny'n rhan o weithdrefnau cyngor y celfyddydau.

[89] **Janet Davies:** A ydych yn meddwl y galleid atal colledion pe ceid cynlluniau wrth-gefn digonol?

Mr Tyndall: We will come later, Chair, to the issue of whether it was possible to reduce the running costs of the centre in order to produce viability in the context of the income, which was lower than originally projected. Some of the decisions that were taken were taken by the trust, rather than by the arts council. I think that it is important to remember that the project was run by an independent trust and, therefore, some of the decisions it took will have impacted upon that. In terms of the losses—. This is a complex question to answer. I will just raise a couple of points. In the first instance, obviously, if the visitor projections had been subject to more rigorous assessment, then it is likely that the conclusion would have been that those levels of income were unlikely and then, in assessing the business plan, it would have been necessary to produce a revised budget that either showed income from an alternative source or, alternatively, showed expenditure at a lower level in order to achieve viability. As I say, were the project to be scrutinised today, that degree of scrutiny would be applied and different conclusions would have been reached.

[90] **Alison Halford:** May I come in on this, Chair?

[91] **Janet Davies:** Yes.

[92] **Alison Halford:** Mr Tyndall, you say that risk assessment was not part of the requirement at the time, but it is now. What changed that?

Mr Tyndall: The principal changes brought in by the arts council came about as a consequence of two things. First of all, the council clearly learned from projects, particularly this one, as it reviewed and revised its procedures over time. Also, I think that one of the most significant changes was the 1999 report from the National Audit Office, which clearly set out some of the lessons learned from the large English projects and set out a more stringent basis for scrutiny of projects. The new procedure was introduced later in that same year by the arts council.

[93] **Alison Halford:** Okay. Would you not

Mr Tyndall: Deuwn yn ddiweddarach, Gadeirydd, at y cwestiwn a oedd yn bosibl lleihau costau rhedeg y ganolfan er mwyn sicrhau hyfywdra yng nghyd-destun yr incwm, a oedd yn is nag a ragamcanwyd yn wreiddiol. Yr ymddiriedolaeth, yn hytrach na chyngor y celfyddydau, a wnaeth rai o'r penderfyniadau a wnaethpwyd. Yr wyf yn meddwl ei bod yn bwysig cofio bod y prosiect yn cael ei redeg gan ymddiriedolaeth annibynnol ac, felly, bydd rhai o'r penderfyniadau a wnaeth wedi effeithio ar hynny. Yn nhermau'r colledion—. Dyma gwestiwn cymhleth i'w ateb. Codaf gwpl o bwyntiau yn unig. Yn y lle cyntaf, yn amlwg, pe bai'r rhagamcanion ymwelwyr wedi'u hasesu'n fwy trwyadl, yna mae'n debygol y buasid wedi dod i'r casgliad bod y lefelau incwm hynny'n annhebygol ac yna, wrth asesu'r cynllun busnes, buasai angen llunio cyllideb ddiwygiedig a fyddai naill ai'n dangos incwm o ffynhonnell arall neu, fel arall, yn dangos gwariant ar lefel is er mwyn sicrhau hyfywdra. Fel y dywedais, pe archwilid y prosiect heddiw, byddid yn mynd ati gyda'r radd honno o drylwyredd a buasid wedi dod i gasgliadau gwahanol.

[90] **Alison Halford:** A gaf fi ddod i mewn ar hyn, Gadeirydd?

[91] **Janet Davies:** Cewch.

[92] **Alison Halford:** Mr Tyndall, dywedwch nad oedd asesu risg yn rhan o'r gofynion ar y pryd, ond ei fod bellach. Beth a achosodd y newid hwnnw?

Mr Tyndall: Yr oedd y prif newidiadau a gyflwynwyd gan gyngor y celfyddydau yn ganlyniad dau beth. Yn gyntaf oll, yn amlwg fe ddysgodd y cyngor oddi wrth brosiectau, yn enwedig hwn, wrth iddo adolygu a diwygio'i weithdrefnau dros amser. Hefyd, yr wyf yn meddwl mai un o'r newidiadau mwyaf arwyddocaol oedd adroddiad y Swyddfa Archwilio Genedlaethol yn 1999, a amlinellodd yn glir rai o'r gwersi a ddysgwyd oddi wrth y prosiectau mawr yn Lloegr ac a amlinellodd sail fwy cadarn i archwilio prosiectau. Cyflwynwyd y weithdrefn newydd yn ddiweddarach yn yr un flwyddyn gan gyngor y celfyddydau.

[93] **Alison Halford:** Iawn. Oni fuasech wedi

have thought that a body of the calibre of the arts council should have determined that a risk assessment was required, and have not had to learn by all these mistakes? We were paying pretty senior managers, in pretty high places previously. A fairly basic thing, perhaps?

Mr Tyndall: Clearly, today, that would be an easy conclusion to reach.

[94] **Alison Halford:** It is not so long ago, Mr Tyndall.

Mr Tyndall: I think that the one factor that I would take into account is that this was an organisation that was not originally set up for the purpose of assessing large lottery capital grants of this kind, and that it took it on in the course of its activities.

[95] **Alison Halford:** So you are saying that it was not sufficiently competent, and yet it squandered £3.2 million of lottery money not knowing exactly what it was doing?

Mr Tyndall: I think that I was saying that it was inexperienced.

[96] **Alison Halford:** So I repeat the question: a board took responsibility for a huge amount of lottery money without the competence to do so?

Mr Tyndall: Certainly, in retrospect, that might be a conclusion that you would reach.

[97] **Jocelyn Davies:** I should say that I was a member of the Post-16 Education and Training Committee, which heard from the Centre for Visual Arts that its financial position was buoyant about two weeks before it closed. The Committee, of course, believed the centre, but then we were inexperienced at the time, so I hope that you will forgive me for that. We have heard that, at the time, the arts council was acting in good faith in relying on the independent assessment by McCann Matthews Millman that this would probably be a viable project. I accept that. However, why did the arts council fail to act on concerns that were expressed later? This follows on from the questions which Dai Lloyd asked earlier, when you indicated that the intervention, if it existed at all, was

meddwl y dylasai corff o safon cyngor y celfyddydau fod wedi penderfynu bod angen asesiad risg, a heb fod wedi gorfod dysgu oddi wrth yr holl gamgymeriadau hyn? Yr oeddem yn talu i reolwyr tra uchel, a fu mewn swyddi tra uchel gynt. Peth eithaf sylfaenol, efallai?

Mr Tyndall: Yn amlwg, heddiw, byddai hynny'n gasgliad hawdd i ddod iddo.

[94] **Alison Halford:** Nid yw mor bell yn ôl, Mr Tyndall.

Mr Tyndall: Yr wyf yn meddwl mai'r un ffactor y byddwn i'n ei ystyried yw mai corff oedd hwn na sefydlwyd yn wreiddiol i ddiben asesu grantiau cyfalaf loteri mawr o'r math yma, a'i fod wedi ymgymryd â'r gwaith yng nghwrs ei weithgareddau.

[95] **Alison Halford:** Felly yr ydych yn dweud nad oedd yn ddigon abl, ac eto iddo wastraffu £3.2 miliwn o arian loteri heb wybod yn union beth yr oedd yn ei wneud?

Mr Tyndall: Yr wyf yn meddwl mai dweud ei fod yn ddibrofiad yr oeddwn i.

[96] **Alison Halford:** Felly ailadroddaf y cwestiwn: cymerodd y bwrdd gyfrifoldeb dros swm enfawr o arian loteri heb fod ganddo'r cymhwysedd i wneud hynny?

Mr Tyndall: Yn sicr, o edrych yn ôl, dyna gasgliad y gallech ddod iddo.

[97] **Jocelyn Davies:** Dylwn ddweud imi fod yn aelod o'r Pwyllgor Addysg a Hyfforddiant Ôl-16, a glywodd gan Ganolfan y Celfyddydau Gweledol fod ei sefyllfa ariannol yn dda ryw bythefnos cyn iddi gau. Wrth gwrs, credodd y Pwyllgor y ganolfan, ond wedyn yr oeddem ninnau'n ddibrofiad ar y pryd, felly gobeithio y gwnewch faddau imi am hynny. Yr ydym wedi clywed bod cyngor y celfyddydau, ar y pryd, yn gweithredu'n ddiffuant wrth ddibyynu ar asesiad annibynnol McCann Matthews Millman y byddai hyn yn ôl pob tebyg yn brosiect hyfyw. Derbyniaf hynny. Fodd bynnag, pam y methodd cyngor y celfyddydau â gweithredu ar bryderon a fynegwyd yn ddiweddarach? Mae hyn yn dilyn oddi ar y cwestiynau a ofynnodd Dai Lloyd yn

ineffective. Paragraph 3.9 of the report states that the council's monitoring of this project consisted of informal discussions with the project monitor. Over a period of nearly six years between the first lottery application and the opening of the centre, only five written reports were provided by the project monitor. With hindsight, was that an adequate level of monitoring, given that £3.2 million of lottery money was at stake?

Mr Tyndall: With hindsight, the monitoring arrangements then in place by the arts council were insufficiently robust.

[98] **Jocelyn Davies:** It seems that the success of the project rested on several layers of expertise and it seems that a number of individuals and consultants were just ignored. Have you any evidence that any intervention took place?

Mr Tyndall: If I were to characterise the series of events around the revenue funding and the income which, I think, in the income estimates were being below what they should have been, it seems to me that the initial report and the initial assessment gave the arts council a degree of reassurance. Subsequently came the letter from Hugh Hudson Davies, which raised some doubts. However, they were addressed by putting in place the memorandum of understanding, which, as I said earlier, was an insufficient response to those other issues. However, that appears to have been the response to that. Subsequently, as far as I can determine from the evidence now available, the next step was the suggestion that the visitor numbers would be lower than were originally anticipated but that the impact of that on the bottom line would be resolved by increasing the charging. So you still have a situation where, theoretically at least, there is a level of income which would sustain the business plan. There was always a presumption of losses in the early years; the centre was never expected to break even until year 3. So there was always some presumption of losses but, ultimately, there was a presumption that those losses would be turned around as the centre built up attendance and so on. The issue then arises of at what point is there an

gynharach, pan ddywedasoed fod yr ymyriad, os digwyddodd o gwbl, yn aneffeithiol. Noda paragraff 3.9 yr adroddiad bod gwaith monitro'r cyngor ar y prosiect hwn ar ffurf trafodaethau anffurfiol gyda monitor y prosiect. Dros gyfnod o bron chwe blynedd rhwng y cais loteri cyntaf ac agor y ganolfan, dim ond pum adroddiad ysgrifenedig a ddarparwyd gan fonitro y prosiect. O edrych yn ôl, a oedd hynny'n lefel ddigonol o fonitro, a chofio bod £3.2 miliwn o arian loteri yn y fantol?

Mr Tyndall: O edrych yn ôl, nid oedd y trefniadau monitro a sefydlwyd ar y pryd gan gyngor y celfyddydau yn ddigon cadarn.

[98] **Jocelyn Davies:** Mae'n ymddangos bod llwyddiant y prosiect yn gorffwys ar sawl lefel o arbenigedd ac mae'n ymddangos yr anwybyddwyd nifer o unigolion ac ymgynghorwyr. A oes gennych unrhyw dystiolaeth y bu unrhyw ymyriad o gwbl?

Mr Tyndall: Pe bawn i'n disgrifio'r gyfres o ddigwyddiadau o gwmpas y cyllid refeniw a'r incwm, a oedd, mi gredaf, yn yr amcangyfrifon incwm yn is na'r hyn y dylasant fod, mae'n ymddangos i mi bod yr adroddiad cychwynnol a'r asesiad cychwynnol wedi rhoi rhyw radd o sicrwydd i gyngor y celfyddydau. Wedyn daeth y llythyr oddi wrth Hugh Hudson Davies, a gododd rai amheuan. Fodd bynnag, deliwyd â'r rhain drwy sefydlu'r memorandwm dealltwriaeth, a oedd, fel y dywedais yn gynharach, yn ymateb annigonol i'r materion eraill hynny. Fodd bynnag, dyna, mae'n debyg, oedd yr ymateb i hynny. Wedi hynny, cyn belled ag y gallaf ganfod oddi wrth y dystiolaeth sydd yn awr ar gael, y cam nesaf oedd yr awgrym y byddai'r niferoedd ymwelwyr yn is nag a ragwelwyd yn wreiddiol ond y gellid datrys effaith hynny ar y llinell waelod drwy gynyddu'r taliadau a godid. Felly yr ydych yn dal i fod mewn sefyllfa lle, yn ddamcaniaethol o leiaf, mae lefel o incwm a fyddai'n cynnal y cynllun busnes. Yr oedd bob amser ragdybiaeth o golledion yn y blynyddoedd cynnar; ni ddisgwyliwyd erioed i'r ganolfan dalu'i ffordd tan flwyddyn 3. Felly yr oedd rhyw ragdybiaeth o golledion erioed, ond, yn y pen draw, yr oedd rhagdybiaeth y câr colledion hynny eu troi o gwmpas wrth i'r ganolfan

assessment that visitor numbers are going to be significantly lower and that changing the charging will not, in itself, meet the requirement to produce a balanced revenue account. I can find no evidence of what action was taken when that information became available. Once the centre opened then, almost immediately, it was evident that the visitor numbers were below the projection; there were difficulties with the finances and there were a series of interventions. However, there appears to me to be, potentially, a point before the construction was completed and the building opened when effective intervention seems to have commenced.

[99] **Jocelyn Davies:** I see. So when you said that the intervention, if it existed at all, was ineffective, you cannot find any evidence that it existed at all?

Mr Tyndall: No.

[100] **Jocelyn Davies:** Okay, thank you. The Auditor General's report records that you had difficulty obtaining financial information from the trust during the construction phase and also when the centre was opened to the public. Consequently, you were unsighted when the centre was experiencing financial difficulties. Why was this, and what should you have done to get more information? How was the trust allowed to get away with denying you that information?

Mr Tyndall: Again, if I can refer to the current arrangements, the current arrangements put in place a legal agreement with the offer of grant, and that agreement obliges the recipient of the grant to provide information to the arts council. Such a legal agreement, with that obligation, and in that way, was not in place at that time with the trust. So the arts council was obliged to rely on the trust providing the information, because it did not have arrangements in place to compel it to provide the information.

[101] **Jocelyn Davies:** It could not compel or legally demand it, but surely, as the trust was relying considerably on the arts council for

ddenu ymwelwyr ac ati. Cyfyd y cwestiwn wedyn ar ba bwynt y ceir asesiad y bydd niferoedd ymwelwyr yn sylweddol is ac na fydd newid y taliadau, ynddo'i hun, yn ateb y gofyn i gynhyrchu cyfrif refeniw cytbwys. Ni allaf ganfod unrhyw dystiolaeth o beth a wnaethpwyd pan ddaeth y wybodaeth honno i law. Unwaith yr agorodd y ganolfan yna, bron yn syth, yr oedd yn amlwg fod y niferoedd ymwelwyr yn is na'r rhagamcan; yr oedd trafferthion gyda'r cyllid a chafwyd cyfres o ymyriadau. Fodd bynnag, mae'n ymddangos i mi fod yna, o ran potensial, bwynt cyn cwblhau'r gwaith adeiladu ac agor yr adeilad pryd y mae'n debyg y dechreuwyd ymyrryd yn effeithiol.

[99] **Jocelyn Davies:** Yr wyf yn gweld. Felly pan ddywedasoed fod yr ymyriad, os digwyddodd o gwbl, yn aneffeithiol, ni allwch ganfod unrhyw dystiolaeth iddo fodoli o gwbl?

Mr Tyndall: Na.

[100] **Jocelyn Davies:** Iawn, diolch. Cofnoda adroddiad yr Archwilydd Cyffredinol ichi gael trafferth cael gwybodaeth ariannol oddi wrth yr ymddiriedolaeth yn ystod y cam adeiladu a hefyd pan agorwyd y ganolfan i'r cyhoedd. O ganlyniad, nid oeddech yn gallu gweld pan oedd y ganolfan mewn trafferthion ariannol. Pam yr oedd hyn, a beth ddylech chi fod wedi'i wneud i gael mwy o wybodaeth? Sut y caniatwyd i'r ymddiriedolaeth gadw'r wybodaeth honno rhagoch chi?

Mr Tyndall: Eto, os caf gyfeirio at y trefniadau cyfredol, mae'r trefniadau cyfredol yn cynnwys cytundeb cyfreithiol gyda'r cynnig grant, ac mae'r cytundeb hwnnw'n mynnu bod y sawl sy'n derbyn y grant yn darparu gwybodaeth i gyngor y celfyddydau. Nid oedd cytundeb cyfreithiol o'r fath, gyda'r amod hwnnw, ac yn y ffordd honno, yn bodoli ar yr adeg honno gyda'r ymddiriedolaeth. Felly bu'n rhaid i gyngor y celfyddydau ddibynnu ar yr ymddiriedolaeth i ddarparu'r wybodaeth, oherwydd nid oedd ganddo drefniadau yn eu lle i'w gorfodi i ddarparu'r wybodaeth.

[101] **Jocelyn Davies:** Ni allai orfodi na'i hawlio'n gyfreithiol, ond siawns, gan fod yr ymddiriedolaeth yn dibynnu'n helaeth ar

funding, you had a deterrent or something that you could use so that you could get information from it? It did not have all the cards, did it? You had some of them.

Mr Parry: One of the few measures that we used, certainly in the last stages of when the centre was open, was to withhold money. We were giving it an annual revenue grant by that time, which was paid in stages and, towards the point in time close to the closure of the centre, the centre wanted the next instalment, but we withheld it. In figure 6 you will see that we did not pay the total revenue aid for 2000-01. If you like, by that time, the centre had got into difficulties where we could not agree on the final solution.

[102] **Jocelyn Davies:** But up until that point, the arts council continued to give funding, even though it was being denied financial information?

Mr Tyndall: Some of the information that has been referred to were changes to the design of the building, which had cost consequences. The difficulty there was that changes were being made without recourse to the council, so the council was not aware that information was being withheld until it became aware of the changes. Once it was aware of the changes, it could demand the information. As part of the process of monitoring the build contract, changes were made to the way in which information had to be provided by the trust, which prevented that from recurring. Those changes were subsequently consolidated into the ones I described, which are now based upon legal agreement and forbid those kind of changes unless the information is provided. However, the two issues are separate. On the revenue side, grant was withheld because it was known that information was required that had not been provided on the capital side. The difficulty was that the changes were made without the arts council's knowledge, and therefore, we were not aware that information was not being provided until subsequent to the changes coming to light.

gyngor y celfyddydau am arian, nad oedd gennych chi fesur atal neu rywbeth y gallech ei ddefnyddio er mwyn cael gwybodaeth oddi wrthi? Nid hi oedd yn dal y cardiau i gyd, nage? Yr oedd gennych chi rai.

Mr Parry: Un o'r ychydig fesurau a ddefnyddiasom, yn sicr yn y cyfnod olaf yr oedd y ganolfan yn agored, oedd cadw arian yn ôl. Erbyn hynny yr oeddem yn rhoi grant refeniw blynyddol iddi, a delid fesul tipyn, a thua'r amser yn agos at y pryd y caewyd y ganolfan, yr oedd ar y ganolfan eisiau'r rhandaliad nesaf, ond bu inni ei gadw'n ôl. Yn ffigur 6 fe welwch na wnaethom dalu cyfanswm y cymorth refeniw am 2000-01. Os mynnwch, erbyn hynny, yr oedd y ganolfan wedi mynd i drafferthion lle na allem gytuno ar yr ateb terfynol.

[102] **Jocelyn Davies:** Ond hyd at y pwynt hwnnw, parhaodd cyngor y celfyddydau i roi arian, er bod y ganolfan yn gwrthod rhoi gwybodaeth ariannol iddo?

Mr Tyndall: Rhan o'r wybodaeth y cyfeiriwyd ati oedd newidiadau i ddyluniad yr adeilad, yr oedd canlyniadau cost iddynt. Yr anhawster yn y fan honno oedd bod newidiadau'n cael eu gwneud heb gyfeirio at y cyngor, felly nid oedd y cyngor yn ymwybodol bod gwybodaeth yn cael ei gadw'n ôl hyd nes y daeth i wybod am y newidiadau. Unwaith yr oedd yn ymwybodol o'r newidiadau, gallai hawlio'r wybodaeth. Fel rhan o broses monitro'r contract adeiladu, gwnaethpwyd newidiadau i'r modd yr oedd yn rhaid i wybodaeth gael ei darparu gan yr ymddiriedolaeth, er mwyn sicrhau na ddigwyddai hynny eto. Cafodd y newidiadau hynny eu cydgyfnerthu yn ddiweddarach i roi'r amodau a ddisgrifiais, sydd bellach yn seiliedig ar gytundeb cyfreithiol ac sydd yn gwahardd y math hwnnw o newidiadau oni ddarperir y wybodaeth. Fodd bynnag, dau fater gwahanol yw'r rhain. Ar yr ochr refeniw, cadwyd grant yn ôl oherwydd y gwyddid fod gwybodaeth yn eisiau a heb ei darparu ar yr ochr gyfalaf. Yr anhawster oedd fod y newidiadau wedi'u gwneud heb yn wybod i gyngor y celfyddydau, ac felly, nad oeddem yn ymwybodol fod gwybodaeth heb ei darparu hyd nes yr oedd y newidiadau wedi dod yn hysbys.

[103] **Jocelyn Davies:** Well, obviously, you could not ask about something that you did not know existed. However, how do you deal with independent assessors' concerns now? Do the independent assessors that you use now attend decision meetings?

Mr Tyndall: No. There is a formal process. It involves the independent assessor's report being provided to the capital committee and being taken into account by the project officer. It may be helpful, and perhaps the Committee would like me to provide copies of this, but just to illustrate the scale of the difference I will show you two flowcharts. (1) You will not be able to see the detail, but it gives the scale. One shows the assessment procedure undertaken at the time and the other shows the current assessment procedure. At this point, this box shows the independent assessments which are taken at the development stage of the application, so there is more detail available and the assessment is likely to be more robust in any event. That is fed into the full application submission and assessment. Then, again, the external assessors are involved in a second phase of consideration. So, in that instance, you have one external assessor involved once. At the subsequent stage you have the project going through, with the external assessors involved as the project develops, so that they are in a position to pick up those changes and to comment on them. Their comments are then available to the capital committee in making its recommendation.

It may interest you to know that, at the capital committee meeting tomorrow, one of the projects going before it is recommended to be deferred because the assessment of the business plan suggests that there are over-ambitious projections with regard to income. So constantly since, there are examples of the new process operating and detecting the kind of shortcomings found here and acting upon them. There are far more checks and balances and controls within the system. It has probably led to suggestions that it has become more difficult and more bureaucratic, but I think that you will understand that that is a necessary part of it. When you look at the flowcharts, there simply is no real

[103] **Jocelyn Davies:** Wel, yn amlwg, ni allech holi am rywbeth nad oeddech yn gwybod am ei fodolaeth. Fodd bynnag, sut fyddwch chi'n delio â phryderon aseswyr annibynnol erbyn hyn? A fydd yr aseswyr annibynnol a ddefnyddiwyd erbyn hyn yn mynychu cyfarfodydd lle gwneir penderfyniadau?

Mr Tyndall: Na. Mae yna broses ffurfiol. Dan honno darperir adroddiad yr asesydd annibynnol i'r pwyllgor cyfalaf ac fe'i hystyriar gan y swyddog prosiect. Efallai y bydd o gymorth, ac efallai yr hoffai'r Pwyllgor imi ddarparu copïau o hyn, ond er mwyn darlunio maint y gwahaniaeth fe ddangosaf ddau siart llif ichi. (1) Ni fyddwch yn gallu gweld y manylion, ond mae'n rhoi'r raddfa. Mae un yn dangos y drefn asesu a ddilynwyd ar y pryd ac mae'r llall yn dangos y drefn asesu gyfredol. Yn y pwynt hwn, mae'r blwch hwn yn dangos yr asesiadau annibynnol a wneir yng nghyfnod datblygu'r cais, felly mae mwy o fanylion ar gael ac mae'r asesiad yn debygol o fod yn gadarnach beth bynnag. Bwydir hynny i mewn i gyflwyniad ac asesiad y cais llawn. Yna, eto, mae'r aseswyr allanol yn cymryd rhan mewn ail gam ystyried. Felly, yn yr enghraifft honno, mae un asesydd allanol yn cyfrannu un waith. Yn y cam canlynol mae'r prosiect yn mynd drwodd, gyda chyfranogiad yr aseswyr allanol wrth i'r prosiect ddatblygu, felly maent mewn safle i nodi'r newidiadau hynny a rhoi sylwadau arnynt. Wedyn bydd eu sylwadau ar gael i'r pwyllgor cyfalaf wrth iddo wneud ei argymhelliad.

Efallai y bydd o ddiddordeb ichi wybod fod argymhelliad i ohirio un o'r prosiectau sydd yn mynd ger bron y pwyllgor cyfalaf yfory oherwydd fod yr asesiad o'r cynllun busnes yn awgrymu fod rhagamcanion gor-uchelgeisiol o ran incwm. Felly yn gyson ers hynny, ceir enghreifftiau o'r broses newydd ar waith ac yn canfod y math o ddiffygion a ganfuwyd yma ac yn gweithredu arnynt. Mae llawer mwy o fesurau pwyso-a-mesur a rheoli o fewn y system. Mae'n debyg fod hyn wedi arwain at awgrymiadau ei bod wedi mynd yn anoddach ac yn fwy biwrocraidaidd, ond yr wyf yn meddwl y deallwch fod hynny'n rhan angenrheidiol ohoni. Pan edrychwch ar y siartiau llif, does dim gwir gymhariaeth yn y

comparison between what was in place originally and what is in place now.

[104] **Jocelyn Davies:** In early 1998, the monitor, who was appointed by the arts council, alerted you to problems and recommended that the council require the applicant to undertake a sensitivity analysis in relation to income streams and to consider the worst case scenario. Why did you not do that? Why pay for advice and then ignore it?

[105] **Alison Halford:** It was not him, Jocelyn.

[106] **Jocelyn Davies:** No. When I say 'you', I do not mean you personally.

Mr Tyndall: No. It is a reasonable question. I have examined the files in detail on this point and I find exactly what you describe. I read to you from the original assessment report the list of checkpoints going on a scale from one to five. On the viability box in a subsequent file, rather than being marked one to five, it was marked n/a—not applicable—and reference was made to a separate assessment. So I have sought to find details of that separate assessment, which is precisely what you are referring to, and I have not been able to do so.

[107] **Jocelyn Davies:** So who would have decided not to act on those recommendations?

Mr Tyndall: Well, I do not know that anyone decided not to act on the recommendations. I have no evidence at all as to what happened as a consequence.

[108] **Jocelyn Davies:** So were council members aware of those recommendations?

Mr Tyndall: That report would have been known to the council, yes. It was attached to the minutes of the capital committee.

[109] **Jocelyn Davies:** We must

bôn rhwng yr hyn oedd yn digwydd yn wreiddiol a'r hyn sydd yn digwydd yn awr.

[104] **Jocelyn Davies:** Yn gynnar yn 1998, tynnodd y monitor, a benodwyd gan gyngor y celfyddydau, eich sylw at broblemau, ac argymhellodd y dylai'r cyngor fynnu bod yr ymgeisydd yn ymgymryd â dadansoddiad sensitifrwydd mewn perthynas â ffrydiau incwm ac ystyried y sefyllfa waethaf a allai ddigwydd. Pam na wnaethoch chi hynny? Pam talu am gyngor ac wedyn ei anwybyddu?

[105] **Alison Halford:** Nid ef oedd wrthi, Jocelyn.

[106] **Jocelyn Davies:** Nage. Pan ddywedaf 'chi', nid chi yn bersonol sydd gennyf dan sylw.

Mr Tyndall: Na. Mae'n gwestiwn rhesymol. Yr wyf wedi archwilio'r ffeiliau'n fanwl ar y pwynt hwn ac yn canfod yn union yr hyn a ddisgrifiwch. Darllenaf ichi o'r adroddiad asesu gwreiddiol y rhestr o bwyntiau gwirio yn mynd ar raddfa o un i bump. Ar y blwch i farcio hyfywdra y cynllun mewn ffeil ddiweddarach, yn hytrach na chael marc un i bump, fe'i marciwyd n/a—*not applicable*—a chyfeiriwyd at asesiad ar wahân. Felly yr wyf wedi ceisio dod o hyd i fanylion yr asesiad arall hwnnw, sef yr union beth yr ydych yn cyfeirio ato, ac nid wyf wedi llwyddo i wneud hynny.

[107] **Jocelyn Davies:** Felly pwy fyddai wedi penderfynu peidio â gweithredu ar yr argymhellion hynny?

Mr Tyndall: Wel, ni wn fod neb wedi penderfynu peidio â gweithredu ar yr argymhellion. Nid oes gennyf dystiolaeth o gwbl ynghylch beth a ddigwyddodd o ganlyniad.

[108] **Jocelyn Davies:** Felly a oedd aelodau'r cyngor yn ymwybodol o'r argymhellion hynny?

Mr Tyndall: Byddai'r adroddiad hwnnw'n hysbys i'r cyngor, byddai. Yr oedd ynghlwm wrth gofnodion y pwyllgor cyfalaf.

[109] **Jocelyn Davies:** Rhaid inni gydnabod,

acknowledge that, despite the fact that a report existed which suggested that further analysis should take place, the council went on to provide a third lottery grant of £555,000 in May of that year. Am I correct in saying that? That the council went on to give more money even though the monitor, who had been commissioned by the council, had suggested that you should do this thing which did not happen?

Mr Tyndall: That appears to be the case, yes.

[110] **Jocelyn Davies:** So was there something else going on that we have not heard about yet? Was there intense lobbying by this applicant of the council members?

Mr Tyndall: Here is a situation where there is a report that says a separate report on the key issue, the visitor numbers and the sensitivity and so on, is being commissioned. However, there is no evidence at all that enables me to determine what happened. To say that there was intense lobbying and so on—I cannot tell you whether a report was commissioned. There was no evidence that it was, but I cannot tell you that it was not because I have no firm evidence that it was not. There certainly is not one available to me.

[111] **Jocelyn Davies:** Were any other applications managed in this same way? Do you know?

Mr Tyndall: Not that I am aware of.

[112] **Jocelyn Davies:** Does the arts council have a lottery division?

Mr Tyndall: It does at the moment.

[113] **Jocelyn Davies:** Did it then?

Mr Tyndall: Yes.

[114] **Jocelyn Davies:** Do you think that the staff from the lottery division would be able to answer any of these questions?

Mr Tyndall: None of the senior staff who

er gwaethaf y ffaith bod adroddiad yn bodoli a awgrymai y dylid gwneud dadansoddiad pellach, yr aeth y cyngor ati i ddarparu trydydd grant loteri o £555,000 ym mis Mai y flwyddyn honno. A ydwyf yn gywir i ddweud hynny? Fod y cyngor wedi mynd ati i roi mwy o arian er bod y monitor, a gomisiynwyd gan y cyngor, wedi awgrymu y dylech wneud y peth hwn na ddigwyddodd?

Mr Tyndall: Mae'n ymddangos mai dyna fel y bu, ie.

[110] **Jocelyn Davies:** Felly a oedd rhywbeth arall yn mynd ymlaen nad ydym ni wedi clywed amdano eto? A fu lobio dwys gan yr ymgeisydd hwn gydag aelodau'r cyngor?

Mr Tyndall: Dyma sefyllfa lle mae adroddiad sydd yn dweud fod adroddiad arall ar y mater allweddol, sef niferoedd ymwelwyr a sensitifrwydd ac ati, yn cael ei gomisiynu. Fodd bynnag, nid oes dim tystiolaeth o gwbl sydd yn fy ngalluogi i benderfynu beth a ddigwyddodd. O ran dweud y bu lobio dwys ac ati—ni allaf ddweud wrthyhych a gomisiynwyd adroddiad. Nid oedd tystiolaeth i hynny ddigwydd, ond ni allaf ddweud wrthyhych na ddigwyddodd oherwydd nid oes gennyf unrhyw dystiolaeth bendant na ddigwyddodd. Yn sicr, nid oes adroddiad ar gael i mi.

[111] **Jocelyn Davies:** A ddeliwyd ag unrhyw geisiadau eraill yn yr un modd? A wyddoch chi?

Mr Tyndall: Ddim hyd y gwn i.

[112] **Jocelyn Davies:** A oes gan gyngor y celfyddydau adran loteri?

Mr Tyndall: Oes, ar y funud.

[113] **Jocelyn Davies:** A oedd ganddo bryd hynny?

Mr Tyndall: Oedd.

[114] **Jocelyn Davies:** A ydych yn meddwl y byddai'r staff o adran y loteri yn gallu ateb unrhyw rai o'r cwestiynau hyn?

Mr Tyndall: Nid oes neb o'r staff uwch a

were then in the lottery division remain in the employ of the council.

[115] **Janet Davies:** I have had several requests for extra questions and I will call Members in turn. Eleanor?

[116] **Eleanor Burnham:** I feel very sorry that you have to answer these almost impossible questions. It seems to be a complete catalogue of disasters, a bit like the Dome, I suppose. It is incredible to think that there were so many senior people involved—and I am grateful to Alison Halford for giving us this written chronology of key office holders. They are obviously all senior civil servants who have come to be chair and chief executives and I would just like to put on record that I think it is rather sad. You would imagine that these people, in their previous and present posts, have a great deal to answer for.

[117] **Alison Halford:** Another point of clarification please, Mr Tyndall. You said, I think—I might have got it wrong—that although there was a lottery director, she became the chief executive. Is that right?

Mr Tyndall: Yes.

[118] **Alison Halford:** But did I understand you correctly when you said that she would not be able to answer the kind of questions that my colleague, Jocelyn Davies, was putting to you, or have I misunderstood?

Mr Tyndall: I understood the question to be whether there were current post holders within the lottery division of the arts council who could answer those questions.

[119] **Alison Halford:** But you would have assumed—

Mr Tyndall: My answer was that none of the senior staff who were then within the lottery division remain within the employ of the arts council. I am not sure whether I misconstrued the question.

[120] **Alison Halford:** I misunderstood. However, having looked at the files very

oedd yn adran y loteri bryd hynny yn dal i fod yn gyflogedig gan y cyngor.

[115] **Janet Davies:** Yr wyf wedi cael sawl cais am gwestiynau ychwanegol ac fe alwaf ar Aelodau yn eu tro. Eleanor?

[116] **Eleanor Burnham:** Mae'n flin iawn gennyf eich bod yn gorfod ateb y cwestiynau hyn, sydd bron yn amhosibl i'w hateb. Mae'n ymddangos yn gatalog llawn o drychinebau, ychydig fel y Dôm, am wn i. Mae'n anhygoel meddwl fod a wnelo cymaint o bobl uchel â'r peth—ac yr wyf yn ddiolchgar i Alison Halford am roi'r rhestr ysgrifenedig hon o ddeiliaid swyddi allweddol inni. Maent yn amlwg i gyd yn uwch weision sifil sydd bellach yn gadeiryddion ac yn brif weithredwyr a hoffwn gofnodi fy mod i'n meddwl ei fod braidd yn drist. Fe feddyliciech fod gan y bobl hyn, yn eu swyddi blaenorol a phresennol, lawer iawn i ateb drosto.

[117] **Alison Halford:** Pwynt arall o eglurhad, os gwelwch yn dda, Mr Tyndall. Dywedasoeh, yr wyf yn meddwl—efallai fy mod wedi camgymryd—fod yna gyfarwyddwr loteri, ond ei bod wedi'i phenodi'n brif weithredwr. A yw hynny'n gywir?

Mr Tyndall: Ydyw.

[118] **Alison Halford:** Ond a ddeallais chi'n iawn pan ddywedasoeh na fyddai hi'n gallu ateb y math o gwestiynau yr oedd fy nghyd-Aelod, Jocelyn Davies, yn eu gofyn i chi, ynteu a wyf fi wedi camddeall?

Mr Tyndall: Y cwestiwn fel y deallais i oedd a oedd deiliaid swyddi cyfredol o fewn adran loteri cyngor y celfyddydau a allai ateb y cwestiynau hynny.

[119] **Alison Halford:** Ond byddech wedi cymryd—

Mr Tyndall: Fy ateb i oedd nad oedd neb o'r staff uwch a oedd yn adran y loteri bryd hynny yn dal i fod yng nghyflogaeth cyngor y celfyddydau. Nid wyf yn siŵr a wneuthum i gamddehongli'r cwestiwn.

[120] **Alison Halford:** Fi wnaeth gamddeall. Fodd bynnag, wedi edrych ar y ffeiliau'n

carefully, would you feel that those who were in place at the time would be able to better answer Jocelyn Davies's questions?

Mr Tyndall: It is difficult for me to answer that.

[121] **Alison Halford:** Who would be able to answer that question, I wonder?

Mr Tyndall: Clearly, the question is, does the lack of documentary evidence indicate a lack of activity or does it indicate—

[122] **Alison Halford:** No, the question is do you think that the previous director of the lottery division, who is the previous chief executive—bearing in mind that you have spent a great deal of time going through the files—or can you speculate that she might be able to answer the questions put to you by Jocelyn Davies?

Mr Tyndall: It seems to me that there are matters of detail that the individual involved might be better placed to answer than I would.

[123] **Alison Halford:** So that is a definite maybe, is it?

[124] **Janet Davies:** I think we will leave it at that, Alison.

[125] **Alison Halford:** Just one last point, please. I am concerned that, as my notes say, the trust continued to deny the arts council information. Rhys seems to indicate by the nod of his head that I have got that bit right. However, the trust supremo was a former chair of the arts council and, therefore, I am surprised that there was this gulf of information between the former chair of the arts council and the then current chair of the arts council, whom we know is not you. Can you explain why they did not seem to be talking to each other when we would assume that they would all be singing from the same hymn sheet?

Mr Tyndall: I will ask Rhys to briefly pick up on that point, but it seems to me that the main communication flow at issue was that at

ofalus iawn, a deimlech chi y byddai'r rheini a oedd yn gweithio yno ar y pryd yn gallu ateb cwestiynau Jocelyn Davies yn well?

Mr Tyndall: Mae'n anodd i mi ateb hynny.

[121] **Alison Halford:** Pwy fyddai'n gallu ateb y cwestiwn hwnnw, tybed?

Mr Tyndall: Yn amlwg, y cwestiwn yw, a yw'r diffyg tystiolaeth ddogfennol yn arwydd o ddiffyg gweithredu ynteu a yw'n arwydd o—

[122] **Alison Halford:** Na, y cwestiwn yw a ydych chi'n meddwl y gallai cyfarwyddwr blaenorol adran y loteri, sef y cyn brif weithredwr—gan gofio eich bod chi wedi treulio llawer iawn o amser yn mynd drwy'r ffeiliau—neu a allwch chi ddamcaniaethu y gallai hi fod yn abl i ateb y cwestiynau a ofynnodd Jocelyn Davies ichi?

Mr Tyndall: Mae'n ymddangos i mi fod yna faterion o fanylder y byddai'r unigolyn perthnasol efallai mewn sefyllfa well i'w hateb nag y byddwn i.

[123] **Alison Halford:** Felly mae hynny'n efallai pendant, ydyw?

[124] **Janet Davies:** Yr wyf yn meddwl y gadawn bethau yn y fan yna, Alison.

[125] **Alison Halford:** Dim ond un pwynt olaf, os gwelwch yn dda. Yr wyf yn bryderus fod yr ymddiriedolaeth, yn ôl fy nodiadau i, wedi parhau i gelu gwybodaeth oddi wrth gyngor y celfyddydau. Mae Rhys fel pe bai'n amneidio gyda'i ben fy mod i'n iawn ynglŷn â hynny. Fodd bynnag, yr oedd pennaeth yr ymddiriedolaeth yn gyn gadeirydd cyngor y celfyddydau ac, felly, yr wyf yn synnu bod y fath fwlch o wybodaeth rhwng cyn gadeirydd cyngor y celfyddydau a chadeirydd cyfredol cyngor y celfyddydau ar y pryd, y gwyddom nad chi ydyw. A allwch chi egluro pam ei bod yn ymddangos nad oeddent yn siarad â'i gilydd, a ninnau'n tybio y byddent i gyd yn canu o'r un llyfr emynau?

Mr Tyndall: Gofynnaf i Rhys ddod i mewn yn fyr ar y pwynt hwnnw, ond mae'n ymddangos i mi mai'r llif cyfathrebu ar lefel

official level. The trust officials and staff were not providing information.

[126] **Alison Halford:** Officials? What level are we talking about, please? I am not entirely au fait with your pecking order.

Mr Tyndall: Sorry, I meant the trust staff. Nothing more complex than that.

[127] **Alison Halford:** So you are now painting a picture that the senior people did not know what the junior people were doing?

Mr Tyndall: No. They were not providing information. The requests for information were coming from staff at the arts council to staff at the trust and they were not getting responses. That was where the communication difficulties lay at that point.

[128] **Alison Halford:** And that is nothing to do with senior management, nothing for it to embrace, discover, monitor, find out, check on and question?

Mr Tyndall: It was a question about the council and whether there was a difficulty of communication between the board of the trust and the council, which I suspect, by that time, there was. However, on the particular issues about information, the financial monitoring and so on would have come from the staff of the trust to the staff of the arts council. The arts council staff at the time—as Rhys will be able to confirm, I think—were having difficulty obtaining that information from their counterparts at the trust.

Mr Parry: Just to confirm what you said, Peter, there was a difficult relationship between the arts council and the trust. It was a continuous struggle to get up to date financial information, for example, from the trust.

[129] **Alison Halford:** This was never brought to the attention of the very senior

swyddogion yw'r prif un y mae cwestiwn yn ei gylch. Nid oedd swyddogion yr ymddiriedolaeth a staff yn darparu gwybodaeth.

[126] **Alison Halford:** Swyddogion? Am ba lefel yr ydym ni'n siarad, os gwelwch yn dda? Nid wyf yn gwbl gyfarwydd â'ch hierarchaeth.

Mr Tyndall: Mae'n ddrwg gennyf, staff yr ymddiriedolaeth oedd dan sylw gennyf. Dim mwy cymhleth na hynny.

[127] **Alison Halford:** Felly yr ydych yn awr yn peintio darlun nad oedd y bobl uwch yn gwybod beth yr oedd y bobl is yn ei wneud?

Mr Tyndall: Na. Nid oeddent yn darparu gwybodaeth. Yr oedd y ceisiadau am wybodaeth yn dod oddi wrth staff yng nghyngor y celfyddydau i staff yn yr ymddiriedolaeth ac nid oeddent yn cael atebion. Dyna lle'r oedd yr anawsterau cyfathrebu ar y pwynt hwnnw.

[128] **Alison Halford:** Ac nid yw hynny'n ddim o fusnes yr uwch reolwyr, yn ddim byd iddynt ei goleddu, ei ddarganfod, ei fonitro, canfod amdano, ymchwilio iddo a holi yn ei gylch?

Mr Tyndall: Cwestiwn am y cyngor ydoedd ac ynghylch a oedd trafferthion cyfathrebu rhwng bwrdd yr ymddiriedolaeth a'r cyngor, ac yr wyf yn amau bod erbyn yr adeg honno. Fodd bynnag, ar y materion penodol ynghylch gwybodaeth, byddai'r monitro ariannol ac ati wedi dod oddi wrth staff yr ymddiriedolaeth i staff cyngor y celfyddydau. Yr oedd staff cyngor y celfyddydau ar y pryd—fel y gall Rhys gadarnhau, fe gredaf—yn cael anhawster cael y wybodaeth honno oddi wrth y staff cyfatebol yn yr ymddiriedolaeth.

Mr Parry: Dim ond i gadarnhau'r hyn a ddywedasoch, Peter, yr oedd perthynas anodd rhwng cyngor y celfyddydau a'r ymddiriedolaeth. Yr oedd yn frwydr barhaus i gael y wybodaeth ariannol ddiweddaraf, er enghraifft, oddi wrth yr ymddiriedolaeth.

[129] **Alison Halford:** Ni ddaethpwyd â hyn fyth i sylw'r bobl uchel iawn yn yr

people in both the trust and the arts council?

ymddiriedolaeth a chyngor y celfyddydau ill dau?

Mr Parry: I cannot recall any discussions at our council regarding the matter. Certainly, our council was informed of the financial difficulties. If you like, it was informed of financial difficulties in spite of the fact that we were having difficulty obtaining financial information from the trust.

Mr Parry: Ni allaf gofio unrhyw drafodaethau yn ein cyngor ni ynglŷn â'r mater. Yn sicr, cafodd ein cyngor ni wybod am y trafferthion ariannol. Os dymunwch, cafodd wybod am y trafferthion ariannol er gwaethaf y ffaith ein bod yn cael anhawster cael gwybodaeth ariannol oddi wrth yr ymddiriedolaeth.

[130] **Alun Cairns:** Mr Tyndall, we appreciate that you are in a difficult position, but I would ask you not to be defensive in replying to this question if at all possible. It seems to me that the simple situation is that the trust seemed to have a great deal of influence over the arts council, in that it seemed to persuade the arts council to continue to provide funding, and yet withheld information that might have influenced the decision to go the other way. We have heard about the relationship, in that the former chairman was linked with the trust and so on. Is there any potential link or conflict that we should be aware of that might have been pointed out to you, raised to you or suggested to you since you have been in post or even before that time? I ask you not to be defensive. We are trying to get to the bottom of the issues to ensure that they do not happen again. It is not a witch hunt; it is a preventative issue for future occasions.

[130] **Alun Cairns:** Mr Tyndall, yr ydym yn sylweddoli eich bod mewn sefyllfa anodd, ond hoffwn ofyn ichi beidio â bod yn amddiffynnol wrth ateb y cwestiwn hwn os oes modd o gwbl. Mae'n ymddangos i mi mai'r sefyllfa syml oedd bod yr ymddiriedolaeth fel petai â chryn dipyn o ddylanwad dros gyngor y celfyddydau, yn gymaint ag yr ymddangosai ei bod yn darbwylo cyngor y celfyddydau i barhau i ddarparu cyllid, ac eto'n dal yn ôl wybodaeth a allasai wthio'r penderfyniad y ffordd arall. Yr ydym wedi clywed am y berthynas, sef bod y cyn gadeirydd yn gysylltiedig â'r ymddiriedolaeth ac ati. A oes unrhyw gysylltiad neu wrthdaro posibl y dylem fod yn ymwybodol ohono y gallesid bod wedi ei grybwyll, ei godi neu ei awgrymu wrthyhych chi ers i chi fod yn eich swydd neu hyd yn oed cyn hynny? Gofynnaf ichi beidio â bod yn amddiffynnol. Yr ydym yn ceisio mynd i waelod y materion hyn er mwyn sicrhau na ddigwyddant eto. Nid erlid gwrachod yr ydym; mater ataliol ydyw er mwyn achlysuron yn y dyfodol.

Mr Tyndall: I have obviously asked the question as to what the nature of the relationships were and were there conflicts and so on. It seems to me that there is a couple of construction of events possible. There is one that suggests that this is a prestigious project with enormous enthusiasm for it. People wanted to see this happen and wanted to see it succeed. It was the first major lottery project in Wales. There was a degree of cachet attached to achieving that distinction. Initially at least, it is very clear that the then Cardiff City Council and the arts council were collaborating to bring this about. The trust came in place and there was general agreement all round that this was a desirable project and that it was worth

Mr Tyndall: Yn amlwg yr wyf fi wedi holi ynghylch natur y berthynas ac a oedd gwrthdaro ac ati. Mae'n ymddangos i mi fod dau ddadansoddiad posibl o'r hyn a ddigwyddodd. Awgryma un fod hwn yn brosiect llawn bri gyda brwdfrydedd enfawr drosto. Yr oedd pobl yn deisyfu gweld hyn yn digwydd ac eisiau ei weld yn llwyddo. Hwn oedd y prosiect loteri mawr cyntaf yng Nghymru. Yr oedd rhyw radd o ragoriaeth ynghlwm wrth sicrhau'r statws hwnnw. Ar y cychwyn, o leiaf, mae'n amlwg iawn fod Cyngor Dinas Caerdydd, fel yr oedd, a chyngor y celfyddydau yn cydweithio i wireddu hyn. Sefydlwyd yr ymddiriedolaeth ac yr oedd cytundeb cyffredinol fod hwn yn brosiect i'w ddeisyfu a'i bod yn werth

making the investment in order to make it succeed, and that it was something that there was a need for in the context of the display of art in Wales that would justify public investment as a consequence. From that stage onwards it is possible and reasonable to put a construction on events that there were many visionary and well intentioned people. You then hit a situation where, clearly, the degree of scrutiny applied to the project falls short of what we would apply today. So ultimately, you have a situation where what started off as something visionary and well intentioned suddenly becomes a source of difficulty because of the financial issues that we have explored at some length today. It is clear that the work on developing the building did not go smoothly and nor were the builders' plans sufficiently robust to enable the project to be sustainable. At that point, it seems to me that relationships began to become more strained. Inevitably, it will reach a point.

Once the project was open, I think the intention of the arts council at that time was to find out whether, such a large investment having been made, it was possible to find a sustainable future for it. So the arts council invested some money in keeping the centre open for a little longer, but that was to provide sufficient time for a detailed assessment to be done as to whether there were any options that would allow the centre to stay open. At that point, of course, the trust decided that the option which came forward, which would have been a scaling down of the original ambitious vision, was simply too much of a compromise—from its perception of what the artistic requirements were—to proceed, and it closed the centre.

Now, in terms of conflict of interest, I have pursued this issue, notably in advance of today, because it seems to me a reasonable question to expect to be asked. I have found no evidence. It does seem to me that, in essence, this was a project that started off well, made some serious mistakes and then stumbled into failure and relationships broke down at that point. I can only speculate and, clearly, those are issues that you will want to reach conclusions on yourselves. However, that is my perception, on the basis of the

gwneud y buddsoddiad er mwyn gwneud iddo lwyddo, a'i fod yn rhywbeth yr oedd angen amdano yng nghyd-destun arddangos celf yng Nghymru a fyddai'n cyfiawnhau buddsoddiad cyhoeddus o ganlyniad. O hynny ymlaen mae'n bosibl ac yn rhesymol cynnig y dadansoddiad fod yna lawer o bobl â gweledigaeth a bwriadau da. Wedyn yr ydych yn taro sefyllfa lle, yn amlwg, mae'r radd o archwilio a wnaethpwyd ar y prosiect yn syrthio'n fyr o'r hyn a wnaem ni heddiw. Felly yn y pen draw, mae gennych sefyllfa lle mae rhywbeth a gychwynnodd fel testun gweledigaeth a bwriadau da yn sydyn yn troi'n ffynhonnell trafferthion oherwydd y materion ariannol yr ydym wedi ymchwilio iddynt yn faith heddiw. Mae'n amlwg nad aeth y gwaith ar ddatblygu'r adeilad rhagddo'n ddiraffferth ac nad oedd cynlluniau'r adeiladwyr yn ddigon cadarn i alluogi'r prosiect i fod yn gynaliadwy. Ar y pwynt hwnnw, mae'n ymddangos i mi fod y berthynas wedi dechrau dangos mwy o straen. Yn anochel, bydd yn cyrraedd pwynt.

Unwaith yr oedd y prosiect yn agored, yr wyf yn meddwl mai bwriad cyngor y celfyddydau ar y pryd oedd canfod a fyddai modd, wedi gwneud buddsoddiad mor fawr, sicrhau dyfodol cynaliadwy iddo. Felly buddsoddodd cyngor y celfyddydau rywfaint o arian i gadw'r ganolfan yn agored am ychydig eto, ond yr oedd hynny er mwyn darparu digon o amser i wneud asesiad manwl ynghylch a oedd unrhyw opsiynau a fyddai'n caniatáu i'r ganolfan aros ar agor. Ar y pwynt hwnnw, wrth gwrs, penderfynodd yr ymddiriedolaeth fod yr opsiwn a ddaeth ymlaen, sef lleihau'r weledigaeth uchelgeisiol wreiddiol, yn ormod o gyfaddawd—yn ôl ei chanfyddiad hi o'r gofynion celfyddydol—i fynd ymlaen, a chaeodd y ganolfan.

Yn awr, yn nhermau gwrthdaro buddiannau, yr wyf wedi edrych i mewn i'r mater hwn, yn enwedig cyn heddiw, oherwydd y mae'n ymddangos i mi yn gwestiwn rhesymol i ddisgwyl y caiff ei ofyn. Nid wyf wedi dod o hyd i unrhyw dystiolaeth. Y mae'n ymddangos i mi, yn ei hanfod, mai prosiect a ddechreuodd yn dda oedd hwn, cyn gwneud rhai camgymeriadau difrifol ac wedyn baglu i fethiant a bod y berthynas wedi chwalu bryd hynny. Ni allaf ond damcaniaethu ac, yn amlwg, mae'r rheini'n faterion y byddwch

evidence available to me.

[131] **Alun Cairns:** I am grateful for that answer, in that you have said that you have investigated a potential conflict of interest between the trust and the arts council in light of your expectation of questions today. For you to make investigations, there must have been some sort of indication, or there must have been something to spark that thought off in your mind. Clearly, if it is difficult to share whatever information may well exist now, can that information be shared so that the Auditor General could pursue those issues, in the hope that we can establish and rule out any potential conflict of interest or confirm that one did exist?

Mr Tyndall: May I say, Chair, that it was not sparked by any particular piece of information. It was simply sparked by exactly the fact that was alluded to, that there are individuals who had the potential for a conflict of interest within the arrangements. Consequently, I investigated to establish whether there was any evidence that conflict of interest had occurred in fact. I found none.

[132] **Janet Davies:** We will now move on to the events that led to the closure of the centre. The whole issue of the growing financial deficit and the action of the arts council has been discussed quite considerably and we have had many answers from you, Mr Tyndall, about it. However, I still think that, perhaps, while it was operating, leading right up to the closure, you were still not getting the full facts about the financial difficulties. It seems that, until very late on, you were still having difficulty in obtaining them. Could you give us an idea of why this was, particularly considering that the centre eventually had to turn to the arts council for the supplementary revenue grant that has been mentioned?

Mr Tyndall: I think that Rhys attempted to answer that question earlier. Perhaps we could return briefly to that. It seems to me that there was poor communication and that there was a reluctance to disclose. However,

chi eisiau dod i gasgliadau amdanynt eich hunain. Fodd bynnag, dyna fy nghanfyddiad i, ar sail y dystiolaeth sydd ar gael imi.

[131] **Alun Cairns:** Yr wyf yn ddiolchgar am yr ateb hwnnw, gan ichi ddweud eich bod wedi ymchwilio i botensial gwrthdrawiad buddiannau rhwng yr ymddiriedolaeth a chyngor y celfyddydau yng ngolau'ch disgwyliadau am gwestiynau heddiw. I chi wneud ymchwiliadau, mae'n rhaid bod rhyw fath o arwydd, neu mae'n rhaid bod rhywbeth a daniodd y syniad yn eich meddwl. Yn amlwg, os yw'n anodd rhannu pa wybodaeth bynnag a fo'n bodoli yn awr, a ellir rhannu'r wybodaeth honno fel y gallai'r Archwilydd Cyffredinol fynd ar ôl y materion hynny, yn y gobaith y gallwn sefydlu a datgan nad oedd unrhyw wrthdaro buddiannau, neu gadarnhau fod y fath beth yn bodoli?

Mr Tyndall: A gaf fi ddweud, Gadeirydd, na thaniwyd y syniad gan unrhyw ddarn arbennig o wybodaeth. Fe'i taniwyd yn syml gan yr union ffaith y cyfeiriwyd ati, sef bod yna unigolion yr oedd potensial iddynt fod â buddiannau a oedd yn gwrthdaro o fewn y trefniadau. O ganlyniad, fe ymchwiliais i sefydlu a oedd unrhyw dystiolaeth fod gwrthdrawiad buddiannau wedi digwydd mewn gwirionedd. Ni chefais ddim.

[132] **Janet Davies:** Symudwn ymlaen yn awr at y digwyddiadau a arweiniodd at gau'r ganolfan. Mae holl gwestiwn y diffyg ariannol cynyddol, a'r modd y gweithredodd cyngor y celfyddydau, wedi ei drafod yn eithaf sylweddol ac yr ydym wedi cael llawer o atebion gennych chi, Mr Tyndall, am hyn. Fodd bynnag, yr wyf yn dal i feddwl, efallai, tra'r oedd y ganolfan yn gweithredu, hyd at y cau, nad oeddech chi'n cael y ffeithiau llawn am y trafferthion ariannol. Mae'n ymddangos eich bod yn dal i gael anhawster cael gafael arnynt tan yn hwyr iawn yn y dydd. A allech chi roi syniad inni pam yr oedd hyn, yn enwedig o ystyried y bu raid i'r ganolfan yn y diwedd droi at gyngor y celfyddydau am y grant refeniw ategol y soniwyd amdano?

Mr Tyndall: Yr wyf yn meddwl y ceisiodd Rhys ateb y cwestiwn hwnnw'n gynharach. Efallai y gallem ddychwelyd at hynny am ychydig. Mae'n ymddangos i mi y bu cyfathrebu gwael ac amharodrydd i

the council was aware of the difficulties from quite early on, from the first council meeting after the centre opened. A working party was established at that time, with input from a consultant, to work with the trustees to investigate the alternatives. However, as you say, there were still some difficulties in obtaining information at the time.

Mr Parry: I will just give an example, if you like. As part of the revenue grant conditions, we stipulated that the centre had to supply us with monthly management accounts within a month's time. It was a constant battle to try to get those in on time. Although the information was provided on some occasions in line with the timetable, on many other occasions it was not.

[133] **Janet Davies:** Would you say that there was any improvement in this as time went by? You have just said that sometimes you received the information and sometimes you did not. Does that possibly suggest that perhaps even the centre was not up to date with its financial information? Did it itself know what state it was in?

Mr Parry: It did have some staff changes, specifically in its finance department, so that may have contributed.

Mr Tyndall: I think, Chair, that it is difficult to ascribe motive. As a council, we sought but did not receive information. Why the trust was slow in providing it is a question that probably only it could answer.

[134] **Janet Davies:** Yes, you could go through a gamut of different motives, and it seems to me that one, possibly, is that the centre did not know itself.

Mr Tyndall: Yes. We do not have information available to us that can tell us what its difficulties were.

[135] **Alison Halford:** Who took responsibility for the funding stream after Joanna Weston left?

Mr Tyndall: Are we talking about revenue

ddatgelu. Fodd bynnag, yr oedd y cyngor yn ymwybodol o'r trafferthion o adeg eithaf cynnar, o gyfarfod cyntaf y cyngor wedi agor y ganolfan. Sefydlwyd gweithgor bryd hynny, gyda mewnbwn gan ymgynghorydd, i weithio gyda'r ymddiriedolwyr i ymchwilio i'r gwahanol ddewisiadau. Fodd bynnag, fel y dywedwch, yr oedd rhai anawsterau o hyd i gael gwybodaeth ar y pryd.

Mr Parry: Rhoddaf enghraifft, os hoffech. Fel rhan o amodau'r grant refeniw, yr oeddem yn mynnu bod yn rhaid i'r ganolfan ddarparu cyfrifon rheoli misol inni o fewn y mis. Bu'n frwydr gyson ceisio cael y rheini i mewn yn brydlon. Er y darparwyd y wybodaeth ar rai adegau yn unol â'r amserlen, ar lawer o adegau eraill ni wnaethpwyd hynny.

[133] **Janet Davies:** A ddywedech y cafwyd unrhyw welliant yn hyn gydag amser? Yr ydych newydd ddweud eich bod weithiau'n cael y wybodaeth ac weithiau ddim. A ydyw hynny o bosibl yn awgrymu efallai nad oedd y ganolfan ei hun hyd yn oed yn meddu ar ei gwybodaeth ariannol ddiweddaraf? A oedd hi ei hun yn gwybod ym mha gyflwr yr oedd hi?

Mr Parry: Fe gafodd rai newidiadau staff, yn benodol yn ei hadran gyllid, felly gallai hynny fod wedi cyfrannu.

Mr Tyndall: Yr wyf yn meddwl, Gadeirydd, ei bod yn anodd pennu cymhelliad. Fel cyngor, ceisiasom wybodaeth ond nis cawsom. Mae pam yr oedd yr ymddiriedolaeth yn araf yn ei darparu yn gwestiwn na allai neb ond hi ei ateb, mae'n debyg.

[134] **Janet Davies:** Ie, fe allech fynd drwy res o wahanol gymhellion, ac mae'n ymddangos i mi mai un o'r rheini, o bosibl, yw nad oedd y ganolfan ei hun yn gwybod.

Mr Tyndall: Ie. Nid oes gennym wybodaeth ar gael inni a all ddweud wrthym beth oedd ei thrafferthion.

[135] **Alison Halford:** Pwy gymerodd y cyfrifoldeb am y ffrwd cyllido wedi i Joanna Weston ymadael?

Mr Tyndall: A ydym yn sôn am gyllid

funding?

[136] **Alison Halford:** Who looked after the lottery funding, doubtless as required by the Lottery Act 1993? It had to have certain controls, did it not?

Mr Tyndall: Yes. Robert Edge took Joanna Weston's place as director of the lottery division when she became chief executive.

[137] **Alison Halford:** He was the only individual who looked after this important aspect of financial expenditure?

Mr Parry: May I just add that, after Joanna Weston left the council, the Assembly undertook the accounting officer role. So, if you like, all decisions in terms of finance, whether it be lottery or revenue finance, were channelled to the Assembly to make those decisions, because it was carrying the accounting officer's role.

Mr Tyndall: I think that I possibly need to correct that slightly; it was not the Assembly as a body corporate that carried the accounting officer role. It was discharged on behalf of the council, as I understand it. However, I think that the critical point in pursuit of the question is that you asked a question about lottery funding but, by and large, by this stage we were looking at revenue funding.

[138] **Alison Halford:** When Joanna Weston left, was she the director of the lottery division and also the chief executive?

Mr Tyndall: No, she stopped being director of the lottery division and became chief executive and a new director of the lottery—

[139] **Alison Halford:** So when the chief executive left, who took responsibility for her role as chief executive and funding officer—the role in which you are now currently sitting before us?

[140] **Eleanor Burnham:** Do you mean when she left the lottery post or when she left the arts council?

refeniw?

[136] **Alison Halford:** Pwy oedd yn edrych ar ôl cyllid y loteri, yn unol, mae'n siwr, â gofynion Deddf Loteri 1993? Yr oedd yn rhaid cael rhyw fesurau rheoli, onid oedd?

Mr Tyndall: Oedd. Cymerodd Robert Edge le Joanna Weston fel cyfarwyddwr adran y loteri pan aeth hi'n brif weithredwr.

[137] **Alison Halford:** Ai ef oedd yr unig unigolyn a ofalai am yr agwedd bwysig hon ar wariant ariannol?

Mr Parry: A gaf i ychwanegu, wedi i Joanna Weston ymadael â'r cyngor, yr ymgymerodd y Cynulliad â rôl y swyddog cyfrifo. Felly, os mynnwch, cafodd pob penderfyniad yn nhermau cyllid, boed gyllid loteri neu gyllid refeniw, ei sianelu i'r Cynulliad i wneud y penderfyniadau hynny, am mai'r Cynulliad oedd yn cario rôl y swyddog cyfrifo.

Mr Tyndall: Credaf efallai fod angen imi gywiro hynny ryw fymryn; nid y Cynulliad fel corff corfforaethol a ymgymerodd â rôl y swyddog cyfrifo. Fe'i cyflawnwyd ar ran y cyngor, fel y deallaf fi'r sefyllfa. Fodd bynnag, yr wyf yn meddwl mai'r pwynt allweddol yn nhermau'r cwestiwn yw eich bod chi wedi gofyn cwestiwn am gyllid loteri ond ein bod, ar y cyfan, erbyn hynny yn edrych ar gyllid refeniw.

[138] **Alison Halford:** Pan ymadawodd Joanna Weston, a oedd hi'n gyfarwyddwr adran y loteri ac yn brif weithredwr hefyd?

Mr Tyndall: Na, peidiodd â bod yn gyfarwyddwr adran y loteri ac aeth yn brif weithredwr a chafodd cyfarwyddwr loteri newydd—

[139] **Alison Halford:** Felly pan ymadawodd y prif weithredwr, pwy gymerodd gyfrifoldeb am ei rôl hi fel prif weithredwr a swyddog cyllido—y rôl yr ydych chi ynddo ar hyn o bryd yn eistedd o'n blaen?

[140] **Eleanor Burnham:** A ydych yn golygu pan ymadawodd hi â swydd y loteri ynteu pan ymadawodd hi â chyngor y celfyddydau?

[141] **Alison Halford:** When she left the arts council.

Mr Tyndall: The roles split, in that Frances Medley became the acting chief executive and Jon Shortridge became the accounting officer.

[142] **Alison Halford:** He became the accounting officer. Fine. Have you had any meetings or conversations with your arts council chief executive predecessor?

Mr Tyndall: The acting chief executive or the former chief executive?

[143] **Alison Halford:** The former chief executive. I am happy to say the name, but I am sure that you know who I am talking about. Have you had any conversations, dealings or dialogue with the previous chief executive of the arts council, who started in 1995 and left in 1999?

Mr Tyndall: In my previous role, I had dealings with her in her previous role, which had nothing to do with this project. Other than that, no.

[144] **Alison Halford:** I am talking about the former chair of the arts council.

Mr Tyndall: With the former chair, no.

[145] **Alison Halford:** None. Would that not have been sensible, in order to brief yourself for this afternoon?

Mr Tyndall: I am sorry, I am not—

[146] **Alison Halford:** We are talking about the former chair of the arts council—

Mr Tyndall: Which—?

[147] **Alison Halford:** Who is a Richard Lloyd Jones. In your new role of chief executive of the arts council, briefing yourself with six months in the post, did you have any conversation, dialogue or communication with the former chairperson of the arts council?

[141] **Alison Halford:** Pan ymadawodd hi â chyngor y celfyddydau.

Mr Tyndall: Rhannwyd y rolau, ac aeth Frances Medley yn brif weithredwr gweithredol a Jon Shortridge yn swyddog cyfrifo.

[142] **Alison Halford:** Aeth ef yn swyddog cyfrifo. Iawn. A ydych wedi cael unrhyw gyfarfodydd neu sgysiau gyda'ch rhagflaenydd yn swydd prif weithredwr cyngor y celfyddydau?

Mr Tyndall: Y prif weithredwr gweithredol ynteu'r cyn brif weithredwr?

[143] **Alison Halford:** Y cyn brif weithredwr. Yr wyf yn hapus i ddweud yr enw, ond yr wyf yn siŵr y gwyddoch am bwy yr wyf yn siarad. A ydych wedi cael unrhyw sgysiau, trafodion neu ddeialog gyda chyn brif weithredwr cyngor y celfyddydau, a gychwynnodd yn 1995 ac ymadael yn 1999?

Mr Tyndall: Yn fy rôl flaenorol, cefais drafodion gyda hi yn ei rôl flaenorol, nad oedd yn ddim i'w wneud â'r prosiect hwn. Ar wahân i hynny, naddo.

[144] **Alison Halford:** Sôn am gyn gadeirydd cyngor y celfyddydau yr wyf fi.

Mr Tyndall: Gyda'r cyn gadeirydd, naddo.

[145] **Alison Halford:** Dim. Oni fuasai hynny wedi bod yn ddoeth, er mwyn briffio'ch hun ar gyfer y prynhawn yma?

Mr Tyndall: Mae'n ddrwg gennyf, nid wyf yn—

[146] **Alison Halford:** Yr ydym yn sôn am gyn gadeirydd cyngor y celfyddydau—

Mr Tyndall: Pa—?

[147] **Alison Halford:** Sef un Richard Lloyd Jones. Yn eich rôl newydd fel prif weithredwr cyngor y celfyddydau, wrth ymgyswddo, a chithau yn y swydd ers chwe mis, a gawsoch unrhyw sgwrs, ddeialog neu gyfathrebiad â chyn gadeirydd cyngor y celfyddydau?

Mr Tyndall: No.

[148] **Alison Halford:** You would not have thought that that would have been a good idea?

Mr Tyndall: I thought that I should rely on what was available to me by way of evidence within the council.

[149] **Alison Halford:** Do you think that that would have been helpful to us, if we are trying to elicit the full facts? Eleanor Burnham and I will arrive home at 11 p.m. tonight having spent a lot of time on these papers. Clearly, we want to ensure that we get as much out of this as possible and, therefore, quite naturally, you would wish to give us as much as possible too.

Mr Tyndall: Yes. Sorry.

I had not considered doing that. I did not consider it.

[150] **Alison Halford:** Okay, fine. I have got to talk about the depressing subject of the recovery of funds and assets, which we know is not your responsibility. It has been a year since the closure of the centre. Has any decision been made, either by you or, to your knowledge, by your predecessor, as to whether you wish to exercise your legal right to clawback in relation to the renovation grant?

Mr Tyndall: The decision was taken in principle not to proceed with the clawback.

[151] **Alison Halford:** Who made that decision?

Mr Tyndall: The decision is mine.

[152] **Alison Halford:** The decision was yours. Okay. Why did you make that decision, please?

Mr Tyndall: In terms of the renovation grant—it is a decision in principle, and no final decision has yet been reached. I think that that is important to stress. The building has reverted to Cardiff City and County

Mr Tyndall: Naddo.

[148] **Alison Halford:** Oni fyddech wedi meddwl y buasai hynny'n syniad da?

Mr Tyndall: Meddyliais y dylwn ddibynnu ar yr hyn oedd ar gael imi o ran tystiolaeth o fewn y cyngor.

[149] **Alison Halford:** A ydych yn meddwl y byddai hynny wedi bod yn fuddiol i ni, os ydym yn ceisio canfod y ffeithiau llawn? Bydd Eleanor Burnham a minnau'n cyrraedd adref am 11 p.m. heno wedi treulio llawer o amser ar y papurau hyn. Yn amlwg, mae arnom eisiau sicrhau y cawn gymaint ag sydd yn bosibl allan o hyn, ac felly, yn gwbl naturiol, byddech chithau'n dymuno rhoi cymaint ag sydd yn bosibl i ni hefyd.

Mr Tyndall: Ie. Mae'n ddrwg gennyf.

Nid oeddwn wedi ystyried gwneud hynny. Nid ystyriais y peth.

[150] **Alison Halford:** O'r gorau, iawn. Mae'n rhaid imi siarad am bwnc digalon adennill cyllid ac asedau, nad yw'n gyfrifoldeb i chi fe wyddom. Aeth blwyddyn heibio ers cau'r ganolfan. A wnaethpwyd unrhyw benderfyniad, naill ai gennyich chi neu, hyd y gwyddoch, gan eich rhagflaenydd, ynghylch a ydych yn dymuno arfer eich hawl gyfreithiol i gael arian y grant adnewyddu yn ôl?

Mr Tyndall: Gwnaethpwyd y penderfyniad o ran egwyddor i beidio â mynd ymlaen i hawlio'r arian yn ôl.

[151] **Alison Halford:** Pwy wnaeth y penderfyniad hwnnw?

Mr Tyndall: Fi biau'r penderfyniad.

[152] **Alison Halford:** Chi oedd biau'r penderfyniad. Iawn. Pam y gwnaethoch chi'r penderfyniad hwnnw, os gwelwch yn dda?

Mr Tyndall: O ran y grant adnewyddu—penderfyniad mewn egwyddor ydyw, ac nid oes penderfyniad terfynol wedi'i wneud eto. Yr wyf yn meddwl ei bod yn bwysig pwysleisio hynny. Mae'r adeilad wedi'i

Council so, therefore, it is not possible for the arts council to regain value from the building. Since this scheme was funded, the council has put a charge on the building for all major schemes, which would enable it to reclaim its assets. That is not only in respect of schemes undertaken since, but we have an active programme of retrospectively placing charges on schemes that were in receipt of capital funding, so that we will be in a position in the future to reclaim funding. However, it was not possible in this instance.

[153] **Alison Halford:** So does that mean that, given the passage of time, you are able to recover your lottery funding, or the former chair's lottery funding, for this project?

Mr Tyndall: The decision as to whether to attempt to reclaim it has not been made. I think that there are a couple of issues in terms of conditions. We are hoping to see the 'Fantasmic' exhibition being transferred to Newport. Newport County Borough Council is currently undertaking a feasibility study to see if it can be transferred there. The decision has been taken in principle that—if it is possible to make that transfer—the arts council will not proceed to attempt to reclaim the grant. In terms of the building, we are in active discussions with Cardiff council in an attempt to secure that a cultural role for the building goes forward. Those discussions are taking place in the context of the Culture Capital of Europe bid. The council has a number of options on the table in front of it and I cannot, ultimately, draw any conclusions as to which they may choose. However, we are actively encouraging it to find a future cultural use for the building.

[154] **Alison Halford:** To be terribly sarcastic, is there a danger that, in seven years' time, we might be sitting around this table looking at the same sort of venture again?

Mr Tyndall: No. The procedures that we have now would stop some of the blatant mistakes that took place on this project. I

ddychwelyd i Gyngor Sir a Dinas Caerdydd, ac felly nid yw'n bosibl i gyngor y celfyddydau gael gwerth yn ôl o'r adeilad. Ers ariannu'r cynllun hwn, mae'r cyngor wedi rhoi prydiant ar yr adeilad ar gyfer pob cynllun mawr, a fyddai'n ei alluogi i hawlio'i asedau yn ôl. Mae hynny mewn perthynas nid yn unig â chynlluniau a gyflawnir wedi hynny, ond mae gennym raglen weithredol o roi pridiannau ôl-weithredol ar gynlluniau a dderbyniodd gyllid cyfalaf, fel y byddwn mewn safle yn y dyfodol i hawlio cyllid yn ôl. Fodd bynnag, nid oedd yn bosibl yn yr achos hwn.

[153] **Alison Halford:** Felly a ydyw hynny'n golygu y byddwch, gydag amser, yn gallu adennill eich cyllid loteri, neu gyllid loteri'r cyn gadeirydd, ar gyfer y prosiect hwn?

Mr Tyndall: Nid yw'r penderfyniad ynghylch p'run ai i geisio ei adennill wedi'i wneud. Yr wyf yn meddwl fod un neu ddau o faterion yn nhermau amodau. Yr ydym yn gobeithio gweld trosglwyddo'r arddangosfa 'Fantasmic' i Gasnewydd. Mae Cyngor Bwrdeistref Sirol Casnewydd wrthi'n gwneud astudiaeth ymarferoldeb i weld a ellir ei throsglwyddo yno. Mae'r penderfyniad wedi'i wneud mewn egwyddor—os bydd yn bosibl gwneud y trosglwyddiad hwnnw—na fydd cyngor y celfyddydau yn mynd ati i geisio hawlio'r grant yn ôl. O ran yr adeilad, yr ydym mewn trafodaethau ar hyn o bryd gyda chyngor Caerdydd i geisio sicrhau fod rôl ddiwylliannol i'r adeilad yn mynd yn ei flaen. Mae'r trafodaethau hynny'n digwydd yng nghyd-destun y cais i fod yn Brifddinas Diwylliant Ewrop. Mae gan y cyngor nifer o opsiynau ar y bwrdd o'i flaen ac ni allaf, ar ddiwedd y dydd, ddod i unrhyw gasgliadau ynghylch pa un y gallent ei ddewis. Fodd bynnag, yr ydym yn brysur yn ei annog i ganfod defnydd diwylliannol i'r adeilad i'r dyfodol.

[154] **Alison Halford:** A bod yn ofnadwy o sarcastig, a oes perygl y gallem, ymhen saith mlynedd, fod yn eistedd o amgylch y bwrdd yma'n edrych ar yr un math o fenter eto?

Mr Tyndall: Nac oes. Byddai'r gweithdrefnau sydd gennym yn awr yn rhoi terfyn ar rai o'r camgymeriadau amlwg a

have tried, I think, to elaborate how things have changed. However, as you can imagine, I came with a view to establishing whether the systems were sufficiently robust in order to achieve that. What I have seen has largely satisfied me, but I am also commissioning—and a draft has been prepared of the tender brief—an independent review of the assessment and monitoring procedures going forward, and the restructuring is also intended to tackle some of those issues. In broad terms, many changes were put in place in 1999 that would prevent a recurrence, but given the legitimate concern that there is about this grant, I am commissioning an independent review to give added rigour to the assessment of those systems.

[155] **Alison Halford:** On pages 18 and 19 of the Auditor General's report, paragraph 3.18 and figure 11 state that more than £100,000 worth of assets funded by the Arts Council of Wales have not been recovered. Would you like to take a view on this?

Mr Tyndall: I will ask Rhys, in a moment, to give an update on the position in the report. At the point at which it was produced, there was an element of that unaccounted for. We have since had some of it accounted for. So if possible, I will update the Committee as to the figures and then answer the remainder of the question.

Mr Parry: In terms of paragraph 3.19, which refers to the assets totalling £20,230, we have now received a reply from the trust saying that various information technology items were sold to its staff based on valuations by a computer supplier. Some of the other items that appear in figure 11 under 'not found', for example some of the equipment that was in the cafeteria, the trust believe were taken by the cafe proprietor in lieu of the additional costs incurred because the cafe proprietor was given short notice because the centre closed. The trust has also said that it has made all endeavours to recover the other items that you will see under 'not found' in figure 11. However, the trustees of the trust cannot give a definite answer as to what has happened to the other assets.

ddigwyddodd ar y prosiect hwn. Yr wyf wedi ceisio, yn fy marn i, ymhelaethu ar y modd y mae pethau wedi newid. Fodd bynnag, fel y gallwch ddychmygu, deuthum gyda'r bwriad o sefydlu a oedd y systemau'n ddigon cadarn i gyflawni hynny. Mae'r hyn yr wyf wedi'i weld wedi fy modloni i raddau helaeth, ond yr wyf hefyd yn comisiynu—ac mae drafft o'r briff tendro wedi'i baratoi—adolygiad annibynnol o'r gweithdrefnau asesu a monitro wrth symud ymlaen, a bwriedir i'r ailstrwythuro fynd i'r afael â rhai o'r materion hynny hefyd. Yn fras, gwnaethpwyd llawer o newidiadau yn 1999 a fyddai'n atal ailddigwyddiad, ond yn wyneb y pryder teg sydd ynghylch y grant hwn, yr wyf yn comisiynu adolygiad annibynnol i roi mwy o gadernid i asesiad y systemau hynny.

[155] **Alison Halford:** Ar dudalennau 18 a 19 yn adroddiad yr Archwilydd Cyffredinol, dywed paragraff 3.18 a ffigur 11 fod gwerth dros £100,000 o asedau a noddwyd gan Gyngor Celfyddydau Cymru heb eu hadennill. A hoffech chi fynegi barn ar hyn?

Mr Tyndall: Gofynnaf i Rhys, mewn munud, roi'r wybodaeth ddiweddaraf am y sefyllfa yn yr adroddiad. Ar adeg ei gyhoeddi, yr oedd elfen o hynny nad oedd cyfrif amdani. Ers hynny yr ydym wedi cael cyfrif am rywfaint ohoni. Felly os oes modd, rhoddaf y ffigurau diweddaraf i'r Pwyllgor ac wedyn atebaf weddill y cwestiwn.

Mr Parry: Yn nhermau paragraff 3.19, sydd yn cyfeirio at yr asedau gwerth cyfanswm o £20,230, yr ydym bellach wedi cael ateb gan yr ymddiriedolaeth yn dweud y gwerthwyd amryfal eitemau technoleg gwybodaeth i'w staff ar sail prisiau gan gyflenwr cyfrifiaduron. Ynghylch rhai o'r eitemau eraill sydd yn ymddangos yn ffigur 11 dan bennawd 'heb eu canfod', er enghraifft peth o'r offer a oedd yn y caffeteria, cred yr ymddiriedolaeth y'u cymerwyd gan berchennog y caffi yn lle'r costau ychwanegol a ddaeth i'w ran oherwydd y byr rybudd a roddwyd i berchennog y caffi fod y ganolfan yn cau. Mae'r ymddiriedolaeth wedi dweud hefyd ei bod wedi gwneud pob ymdrech i adennill yr eitemau eraill a welwch dan 'heb eu canfod' yn ffigur 11. Fodd bynnag, ni all ymddiriedolwyr yr ymddiriedolaeth roi ateb pendant ynghylch

beth a ddigwyddodd i'r asedau eraill.

[156] **Alison Halford:** The Auditor General has told us that £200,000 worth of assets are unaccounted for.

[156] **Alison Halford:** Dywedodd yr Archwilydd Cyffredinol wrthym fod gwerth £200,000 o asedau nad oes cyfrif amdanynt.

Mr Parry: It is £107,000, as per figure 11.

Mr Parry: £107,000 ydyw, fel yn ffigur 11.

[157] **Alison Halford:** The press release talked about—

[157] **Alison Halford:** Soniodd y datganiad i'r wasg am—

Mr Parry: I think that it is £20,000.

Mr Parry: Yr wyf yn meddwl mai £20,000 ydyw.

[158] **Alison Halford:** Okay, £20,000. I have got my noughts in the wrong place, have I? As you have just realised, I am not terribly good at costings. Can you tell me what the actual cost of the IT equipment was originally?

[158] **Alison Halford:** Iawn, £20,000. Yr wyf wedi rhoi un 'dim' yn ormod, do? Fel yr ydych newydd sylweddoli, nid wyf yn arbennig o dda gyda chostiadau. A allwch chi ddweud wrthyf beth oedd cost wirioneddol yr offer TG yn wreiddiol?

Mr Parry: I do not have the total figure with me today. I have part figures in terms of the IT.

Mr Parry: Nid yw'r cyfanswm gennyf fi heddiw. Mae gennyf ffigurau rhannol ar gyfer yr offer TG.

[159] **Alison Halford:** So you cannot give us any assurance that the £7,733 that you managed to get by the staff purchasing the equipment—

[159] **Alison Halford:** Felly ni allwch roi unrhyw sicrwydd inni fod y £7,733 y llwyddasoch i'w gael wrth i'r staff brynu'r offer—

Mr Parry: We did not get it.

Mr Parry: Ni chawsom y swm hwnnw.

[160] **Alison Halford:** You did not?

[160] **Alison Halford:** Naddo?

Mr Parry: The trust itself received that income.

Mr Parry: Yr ymddiriedolaeth ei hun a dderbyniodd yr incwm hwnnw.

[161] **Alison Halford:** But you, in your new found role, would not be able to say whether or not the staff got a brilliant deal from the purchase of the IT equipment?

[161] **Alison Halford:** Ond ni fyddech chi, yn eich rôl newydd, yn gallu dweud a gafodd y staff fargen wych ai peidio wrth brynu'r offer TG?

Mr Parry: All I can say is that the trust took advice from a computer supplier as to the value of those items and they were sold to the staff based on that computer supplier's advice.

Mr Parry: Y cyfan y gallaf ei ddweud yw y cymerodd yr ymddiriedolaeth gyngor gan gyflenwr cyfrifiaduron ynghylch gwerth yr eitemau hynny ac y'u gwerthwyd i'r staff ar sail cyngor y cyflenwr cyfrifiaduron hwnnw.

[162] **Alison Halford:** Would you be able to provide this Committee with a note of the actual original cost of the IT equipment?

[162] **Alison Halford:** A fyddech chi'n gallu rhoi nodyn i'r Pwyllgor hwn o wir gost wreiddiol yr offer TG?

Mr Parry: We can provide that information.

Mr Parry: Gallwn ddarparu'r wybodaeth honno.

[163] **Alison Halford:** You might have answered this question already—please forgive me if you have—but what happened to the proceeds from assets part-funded by the council being sold to staff?

Mr Tyndall: There is a table showing an inventory of lottery-funded assets unrecovered by the Arts Council of Wales. Those were not wholly lottery-funded. Our estimate is that approximately 40 per cent of those assets were—there was multiple funding so, to that extent, such funding as was recovered from the sale of the computer equipment is with the trust. The other items are items of equipment that are deemed to be at large—the reception desk, for example, which is difficult to move as it was custom-built. If a subsequent cultural use is found for the building, then that equipment hopefully will find a purpose within that.

[164] **Alison Halford:** I think that Rhys might have answered my next question, but obviously I can only proceed from reading the brief. What is the latest information on these ‘not found’ items, and what is the realistic chance of locating them?

Mr Parry: The latest information is that the trust says that it has made all endeavours to try to recover the assets, but that there are still a few thousand pounds’ worth of assets which it cannot account for.

[165] **Alison Halford:** You talked earlier, Mr Tyndall, about a breakdown in the audit trail. That was early on at the start of the questions. Is it possible that you wish to develop on what was the breakdown and why it broke down, bearing in mind that we are talking about vast sums of public money?

Mr Tyndall: Clearly, the systems that we now have in place are intended to avoid such breakdowns of audit trail. I think that—

[166] **Alison Halford:** Forgetting about that, you have to answer for your predecessor. Why were there not simple audit trails, which have been a basic part of public audit

[163] **Alison Halford:** Efallai eich bod wedi ateb y cwestiwn yma’n barod—maddeuwch imi os ydych—ond beth a ddigwyddodd i’r elw o werthu i’r staff asedau y talwyd amdanynt yn rhannol gan y cyngor?

Mr Tyndall: Mae tabl sydd yn dangos rhestr o’r asedau a brynwyd ag arian y loteri ac nad adenillwyd gan Gyngor Celfyddydau Cymru. Ni thalwyd am y rheini yn gyfangwbl ag arian loteri. Ein hamcangyfrif ni yw bod y loteri wedi talu am ryw 40 y cant o’r asedau hynny—yr oedd y gost wedi’i rhannu, felly, i’r graddau hynny, yr ymddiriedolaeth a gafodd hynny o arian ag a gafwyd drwy werthu’r offer cyfrifiadurol. Mae’r eitemau eraill yn eitemau o offer y bernir eu bod ar gael—desg y dderbynfa, er enghraifft, sydd yn anodd ei symud am iddi gael ei hadeiladu’n arbennig. Os canfyddir defnydd diwylliannol wedi hyn i’r adeilad, yna gobeithio y canfyddir pwrpas i’r offer hynny o fewn hynny.

[164] **Alison Halford:** Yr wyf yn meddwl efallai fod Rhys wedi ateb fy nghwestiwn nesaf, ond yn amlwg ni allaf ond symud ymlaen drwy ddarllen y briff. Beth yw’r wybodaeth ddiweddaraf am yr eitemau hyn oedd ‘heb eu canfod’, a beth yw’r tebygolrwydd realistig o ddod o hyd iddynt?

Mr Parry: Y wybodaeth ddiweddaraf yw bod yr ymddiriedolaeth yn dweud iddi wneud pob ymdrech i geisio adennill yr asedau, ond bod gwerth ychydig o filoedd o asedau yn aros na all roi cyfrif amdanynt.

[165] **Alison Halford:** Soniasoch yn gynharach, Mr Tyndall, am fethiant yn y trywydd archwilio. Yn gynnar tua dechrau’r cwestiynu yr oedd hynny. Mae’n bosibl yr hoffech ymhelaethu ar beth oedd y methiant a pham y digwyddodd, gan gofio ein bod yn sôn am symiau anferth o arian cyhoeddus?

Mr Tyndall: Yn amlwg, mae’r systemau sydd gennym ar waith erbyn hyn wedi’u llunio i osgoi methiannau o’r fath yn y trywydd archwilio. Yr wyf yn meddwl fod—

[166] **Alison Halford:** Ac anghofio am hynny, mae’n rhaid i chi ateb dros eich rhagflaenydd. Pam nad oedd trywyddau archwilio syml, a fu’n rhan sylfaenol o

management systems for so many years? It is not rocket science, with the greatest respect to your predecessors. What is your opinion on why such audit trails were so lacking even just a few years ago?

Mr Tyndall: May I say that, in the context of the sums in figure 11, those are matters for the trust's accounts and audit trail. The council can reasonably request information of it, but the trust itself took decisions to sell assets, for instance, which were not taken with the council's knowledge or agreement. However, those are matters for the trust.

[167] **Alison Halford:** Fine. I am sorry to hammer you on areas that are not your responsibility. So in order for the Audit Committee to ensure that it gets the full facts of this sad story, are you suggesting that some member of the trust should come before us at some time in the future? Your body language is awful, Mr Tyndall—you only have to say 'yes' or 'no'.

[168] **Janet Davies:** It is not really for the witnesses to suggest what other witnesses we should call.

[169] **Alison Halford:** Okay, fine. It is a very difficult line, as you appreciate, is it not, Chair?

[170] **Janet Davies:** Yes, but I really think that that is for us to decide.

[171] **Alison Halford:** Fine. I will ask one last question, and then accept the slap on the wrist from the Chair. What action is planned in relation to the items worth—we have said this, have we not—£87,000? This is the dreaded desk, is it not? What is happening about the £87,000 desk, which we understand cannot be moved? If that is not a question that you should answer, then I am quite prepared to withdraw it.

Mr Tyndall: I am not sure whether I could

systemau rheoli archwilio cyhoeddus ers cynifer o flynyddoedd? Nid gwyddoniaeth rocedi yw hyn, gyda'r parch mwyaf i'ch rhagflaenwyr. Beth yw'ch barn chi ynghylch pam yr oedd y cyfryw drywyddau archwilio mor ddiffygiol, a hynny ddim ond ychydig flynyddoedd yn ôl?

Mr Tyndall: A gaf i ddweud, yng nghydestun y symiau yn ffigur 11, mai materion yw'r rheini i drywydd archwilio a chyfrifon yr ymddiriedolaeth. Gall y cyngor yn rhesymol ofyn am wybodaeth ganddi, ond yr ymddiriedolaeth ei hun a wnaeth benderfyniadau i werthu asedau, er enghraifft, penderfyniadau a wnaethpwyd heb wybodaeth na chytundeb y cyngor. Fodd bynnag, materion i'r ymddiriedolaeth yw'r rheini.

[167] **Alison Halford:** Iawn. Mae'n ddrwg gennyf eich pastynu ar feysydd nad ydynt yn gyfrifoldeb i chi. Felly er mwyn i'r Pwyllgor Archwilio sicrhau ei fod yn cael ffeithiau llawn y stori drist hon, a ydych yn awgrymu y dylai rhyw aelod o'r ymddiriedolaeth ddod ger ein bron ryw bryd yn y dyfodol? Mae eich iaith gorfforol yn ofnadwy, Mr Tyndall—nid oes ond raid ichi ddweud 'ydwyf' neu 'nac ydwyf'.

[168] **Janet Davies:** Nid mater i'r tystion mewn gwirionedd yw awgrymu pa dystion eraill y dylem eu galw.

[169] **Alison Halford:** O'r gorau, iawn. Mae'n llinell anodd iawn, fel y sylweddolwch, onid yw, Gadeirydd?

[170] **Janet Davies:** Ydyw, ond yr wyf yn wir yn meddwl mai mater i ni ei benderfynu yw hynny.

[171] **Alison Halford:** Iawn. Gofynnaf un cwestiwn olaf, ac wedyn derbynaf y cerydd gan y Cadeirydd. Beth y bwriedir ei wneud ynghylch yr eitemau gwerth—yr ydym wedi dweud hyn, onid do—£87,000? Y ddesg drybeilig yw hon, onid e? Beth sydd yn digwydd am y ddesg £87,000, na ellir ei symud, yn ôl a ddeallwn? Os nad yw hynny'n gwestiwn y dylech chi ei ateb, yna yr wyf yn gwbl fodlon ei dynnu'n ôl.

Mr Tyndall: Nid wyf yn siŵr a allwn i ei

carry it out, Chair, and, if I could, I am not sure where I would put it. I think that the difficulty is that the desk was built for the purpose, although it is not technically a fixture. It is difficult to see it having any value other than where it is. It may well be that, as I said in my previous answer, we will, hopefully, find a cultural use for the building and the desk will regain its original purpose.

[172] **Alison Halford:** Perhaps we could leave it there for posterity as a reminder of the extreme sadness of this particular story.

Mr Tyndall: Yes.

[173] **Eleanor Burnham:** I am absolutely intrigued. Do you have a photograph of this desk worth £87,000?

Mr Parry: May I come in there? There were actually a number of items included in this £87,000 figure. It is not just a desk. You will see a brief description of them in the first three figures in figure 11.

[174] **Eleanor Burnham:** So the desk itself is worth £46,000?

Mr Parry: Well, it would be part of the £46,000 figure.

[175] **Eleanor Burnham:** Is there no photograph? What a shame, I am absolutely intrigued.

Mr Parry: The building is currently open. Cardiff City and County Council has arranged for the Welsh Development Agency to use it for an exhibition of Welsh food. Members could visit, but I am sure that we could arrange for a picture of the desk to be provided.

[176] **Eleanor Burnham:** Brilliant.

[177] **Janet Davies:** Thank you, Eleanor. I would just like to ask one short question on this, and then a final question. You will be pleased to hear that we are nearing the end of this hearing. Can you tell me who the third party charitable organisation or organisations—because it is not quite clear—

chario allan, Gadeirydd, a phe medrwn, nid wyf yn siŵr ym mhle y'i rhoddwn. Yr anhawster dybiaf fi yw bod y ddesg wedi'i hadeiladu i'r pwrpas, er nad yw yn dechnegol yn osodyn. Mae'n anodd gweld bod iddi unrhyw werth ac eithrio yn y fan lle y mae. Efallai'n wir, fel y dywedais yn fy ateb blaenorol, y gwnawn, gobeithio, ganfod defnydd diwylliannol i'r adeilad ac y bydd y ddesg yn adennill ei phwrpas gwreiddiol.

[172] **Alison Halford:** Efallai y gallem ei gadael yno i'r oesoedd a ddél fel coffad o dristwch eithriadol y stori arbennig hon.

Mr Tyndall: Ie.

[173] **Eleanor Burnham:** Yr wyf yn gwbl chwilfrydig. A oes gennych lun o'r ddesg hon sydd yn werth £87,000?

Mr Parry: A gaf i ddod i mewn yn y fan hon? Yr oedd nifer o eitemau mewn gwirionedd wedi'u cynnwys yn y ffigur £87,000 yma. Nid desg yn unig ydyw. Fe welwch ddisgrifiad cryno ohonynt yn y tri ffigur cyntaf yn ffigur 11.

[174] **Eleanor Burnham:** Felly mae'r ddesg ei hun yn werth £46,000?

Mr Parry: Wel, byddai'n rhan o'r ffigur £46,000.

[175] **Eleanor Burnham:** Oes yna ddim llun? Dyna drueni, yr wyf yn gwbl chwilfrydig.

Mr Parry: Mae'r adeilad yn agored ar hyn o bryd. Mae Cyngor Sir a Dinas Caerdydd wedi trefnu i Awdurdod Datblygu Cymru ei ddefnyddio ar gyfer arddangosfa o fwyd Cymreig. Gallai aelodau ymweld â'r lle, ond yr wyf yn siŵr y gallem drefnu i ddarparu llun o'r ddesg.

[176] **Eleanor Burnham:** Gwych.

[177] **Janet Davies:** Diolch, Eleanor. Hoffwn i ofyn dim ond un cwestiwn byr ar hyn, ac wedyn gwestiwn olaf. Byddwch yn falch o glywed ein bod yn nesu at ddiwedd y gwrandawriad hwn. A allwch chi ddweud wrthyf pwy yw'r corff neu gyrff elusennol trydydd parti, oherwydd nid yw hynny'n glir

is or are?

Mr Tyndall: I will turn to Rhys, if I may.

Mr Parry: Are you referring to the Colwinston Charitable Trust?

[178] **Janet Davies:** No.

Mr Parry: Sorry, you mean in terms of the organisations that have received the assets?

[179] **Janet Davies:** Yes.

Mr Parry: There were quite a few organisations. A lot of the assets were transferred to the Chapter arts centre initially, and it undertook the distribution of some of those assets to other charitable organisations.

Mr Tyndall: Diversions dance company was also a recipient, Chair. The report says 'other charitable institutions', but it was other charitable organisations with similar aims, so it was in the artistic sphere.

Mr Parry: Again, we can produce a list of those organisations.

[180] **Janet Davies:** Okay. I think that it has to be said that the evidence here today paints a sorry picture of mismanagement and failure on the part of the council, which did not ensure that the business case for the project was based on realistic and prudent judgments. It was not sufficiently alert to risk and did not ensure that contingency plans were in place. It had weak monitoring arrangements and it did not act vigorously when concerns emerged. On closure, it did not safeguard the assets that had been partly funded with lottery money. Mr Tyndall, could you summarise the action that has been taken to learn from this case and make your procedures more robust? I know that we have gone through them a lot this afternoon, but could you give us a quick summary?

Mr Tyndall: Yes. I am grateful for the opportunity, Chair. In terms of actions, the council has had new procedures in place since 1999, based on the recommendations arising from scrutiny of lottery projects in

iawn?

Mr Tyndall: Trôf at Rhys, os caf.

Mr Parry: A ydych chi'n cyfeirio at Ymddiriedolaeth Elusennol Colwinston?

[178] **Janet Davies:** Na.

Mr Parry: Mae'n ddrwg gennyf, a ydych yn meddwl yn nhermau'r cyrff a dderbyniodd yr asedau?

[179] **Janet Davies:** Ydwyf.

Mr Parry: Yr oedd cryn nifer o gyrff. Trosglwyddwyd llawer o'r asedau i ganolfan gelfyddydau Chapter ar y dechrau, ac ymgwymerodd honno â dosbarthu rhai o'r asedau hynny i gyrff elusennol eraill.

Mr Tyndall: Yr oedd cwmni dawns Diversions yn gorff arall a gafodd asedau, Gadeirydd. Dywed yr adroddiad 'sefydliadau elusennol eraill', ond cyrff elusennol eraill gydag amcanion tebyg oeddent, felly yr oedd yn y byd celfyddydol.

Mr Parry: Eto, gallwn gyflwyno rhestr o'r cyrff hynny.

[180] **Janet Davies:** Iawn. Yr wyf yn meddwl bod yn rhaid dweud fod y dystiolaeth yma heddiw'n peintio darlun truenus o gamreoli a methiant ar ran y cyngor, na sicrhodd fod yr achos busnes dros y prosiect wedi'i seilio ar farn realistig a doeth. Nid oedd yn ddigon effro i risg ac ni sicrhodd fod cynlluniau wrth gefn wedi'u paratoi. Yr oedd ganddo drefniadau monitro gwan ac ni weithredodd yn gryf pan ddaeth pryderon i'r wyneb. Pan gaewyd, ni ddiogelodd yr asedau y talwyd amdanynt yn rhannol ag arian loteri. Mr Tyndall, a allech chi grynhoi yr hyn a wnaethpwyd i ddysgu oddi wrth yr achos hwn ac i gryfhau'ch gweithdrefnau? Gwn ein bod wedi mynd drwyddynt yn helaeth y prynhawn yma, ond a allech chi roi crynodeb sydyn inni?

Mr Tyndall: Gallwn. Yr wyf yn ddiolchgar am y cyfle, Gadeirydd. O ran gweithredu, mae gan y cyngor weithdrefnau newydd yn eu lle ers 1999, yn seiliedig ar yr argymhellion a gododd o archwiliad

England, which are designed to be more robust. The new structure will have increased staffing for monitoring. We are conducting the external review of monitoring and assessment. We have adopted risk management in respect of individual projects and a corporate risk management strategy is being put in place. We placed charges subsequently on all major lottery funded projects and are putting retrospective charges in place on projects where a charge was not put in place at the time of the grant award. We switched to a detailed three-stage scrutiny of all applications over £100,000, which—as I have explained, I think, in the course of the hearing—is designed to provide a far more robust assessment of the various strands of each application. We offer grant only when the project has been developed to the Royal Institute of British Architects stage D, which gives us confidence that the figures for capital have been developed to a sufficient stage to provide a robust basis for the award of grant. There is an intensive scrutiny of all business plans to ensure that the assumptions made within them are correct and a sensitivity analysis is applied. We have improved monitoring enforcement, as I suggested earlier. We have the legal agreement in place as a consequence of grants being awarded, which requires the recipients to make available the information that we need in order to properly monitor projects and ensure that public investment in them is safe. I think that that is it, Chair.

[181] **Janet Davies:** Thank you, Mr Tyndall—

[182] **Alun Cairns:** Three issues arise from all this.

[183] **Janet Davies:** I will come to that in a moment, Alun. This is the end of the questions and the hearing. I thank all the witnesses for your efforts, in very difficult circumstances, to give us full and helpful answers. We appreciate your efforts. I know that the Committee wants to discuss a possible second hearing with different witnesses. I know that Alun Cairns wishes to raise some general issues which would apply to Assembly sponsored bodies across the board. We will then go on to the minutes.

prosiectau loteri yn Lloegr, a gynlluniwyd i fod yn fwy cadarn. Bydd y strwythur newydd yn cynnwys mwy o staff ar gyfer monitro. Yr ydym yn cynnal yr adolygiad allanol o fonitro ac asesu. Yr ydym wedi mabwysiadu trefn reoli risg ar gyfer prosiectau unigol ac mae strategaeth reoli risg gorfforaethol yn cael ei sefydlu. Rhoesom bridianau yn dilyn hyn ar bob prosiect mawr a ariennir gan y loteri ac yr ydym yn sefydlu pridiannau ôl-weithredol ar brosiectau lle na osodwyd pridiant ar yr adeg y dyfarnwyd y grant. Yr ydym wedi newid i archwiliad tri cham manwl ar bob cais dros £100,000, sydd—fel yr eglurais, yr wyf yn meddwl, yng nghwrs y gwrandawriad—wedi'i gynllunio i roi asesiad llawer cadarnach o wahanol geinciau pob cais. Dim ond pan fydd y prosiect wedi'i ddatblygu hyd at gam D Sefydliad Brenhinol Penseiri Prydain y byddwn yn cynnig grant, gan y bydd gennym hyder wedyn fod y ffigurau ar gyfer cyfalaf wedi'u datblygu yn ddigon pell i ddarparu sail gadarn ar gyfer dyfarnu grant. Ceir archwiliad trylwyr ar bob cynllun busnes i sicrhau fod y rhagdybiaethau a wneir ynddynt yn gywir ac y ceir dadansoddiad sensitifrwydd. Yr ydym wedi gwella mesurau sicrhau monitro, fel yr awgrymais yn gynharach. Mae'r cytundeb cyfreithiol yn ei le gennym yn sgîl dyfarnu grantiau, sy'n gofyn bod y derbynwyr yn darparu'r wybodaeth y mae arnom ei hangen er mwyn monitro prosiectau'n iawn a sicrhau fod buddsoddiad y cyhoedd ynddynt yn ddiogel. Dyna ni, yr wyf yn meddwl, Gadeirydd.

[181] **Janet Davies:** Diolch, Mr Tyndall—

[182] **Alun Cairns:** Mae tri mater yn codi o hyn i gyd.

[183] **Janet Davies:** Dof at hynny mewn munud, Alun. Dyma ddiwedd y cwestiynau a'r gwrandawriad. Diolch i'r tystion i gyd am eich ymdrechion, mewn amgylchiadau anodd iawn, i roi atebion llawn a defnyddiol inni. Yr ydym yn gwerthfawrogi'ch ymdrechion. Gwn fod ar y Pwyllgor eisiau trafod ail wrandawriad posibl gyda thystion gwahanol. Gwn fod Alun Cairns yn dymuno codi rhai materion cyffredinol a fyddai'n berthnasol i gyrrff a noddur gan y Cynulliad ar draws y bwrdd. Awn ymlaen wedyn at y cofnodion.

The witnesses are welcome to stay for the rest of the meeting, but the hearing is at an end and you need not feel that you have to stay. Mae croeso i'r tystion aros am weddill y cyfarfod, ond mae'r gwrandawriad ar ben ac nid oes angen ichi deimlo bod rhaid ichi aros.

*Daeth y sesiwn gymryd tystiolaeth i ben am 4.25 p.m.
The evidence-taking session ended at 4.25 p.m.*

- (1) Cynhwysir copi o'r siartiau llif yn adroddiad y Pwyllgor Archwilio ar y mater hwn.
- (1) A copy of the flowcharts will be included in the Audit Committee's report on this matter.