

## **Culture Commite CC 12-02(p.2)**

**Date:** 19 June 2002

**Time:** 9.00am-12.30pm

**Venue:** Committee Room 1, National Assembly Building

### **TITLE: INITIAL CONSIDERATION OF BUDGET PRIORITIES**

#### **PURPOSE**

1. This paper sets out the Culture Minister's assessment of the demands on her budget for the period covered by the 2002 Budget Planning Round. The budgets for 2002-03, and the indicative planning figures for 2003-04 and 2004-05, are set out for convenience at Annex 1. The increases in the figures against original baselines arising from the last Budget Planning Round have already enabled considerable progress against targets.

2. The Culture Minister would like to receive the views of the Committee on the broad priorities that should underpin decisions on future budget allocations. The Budget Planning Round will allocate firm budgets for 2002-03, and indicative budgets for the subsequent 2 years. It will have an important bearing on progress towards meeting the targets set out in Plan for Wales, and the Priority Action Plans set out in Creative Future:Cymru Greadigol and those which will be set out later this year in the Government's Action Plan for the Welsh Language. At this stage of the Planning Round, the Committee is invited to give its views on broad priorities; the Committee will be asked for its views on detailed budgets after recess at draft budget stage.

#### **TIMING**

3. To meet the timescale for this Budget Planning Round laid down by the Finance Minister, the Committee's views will need to be conveyed to the Culture Minister in a formal note by Friday 5 July.

#### **INTRODUCTION**

##### **Investing in Our Creative Future**

4. It is a fundamental underlying proposition of the culture strategy **Creative Future: Cymru**

**Greadigol** that culture can be a springboard to a more prosperous society. In 1998 the turnover of the arts and cultural industries in Wales exceeded £1 billion, and 29,000 people were employed in the sector. In the three years to 2001, the UK growth rate in the creative industries was 16% a year. The high value for money arising from investment in the creative industries is reinforced by the World Economic Forum assessment that culture industries are the one of fastest growing sectors in the world economy and by the draft guidance for the EC structural funds which identified culture as an economic growth point. Culture is also acknowledged as a powerful tool in combating social disadvantage and promoting equality of opportunity.

4.1 Creative Future can deliver the shared vision of excellence and participation agreed by the Cymru'n Creu partnership and by local authorities to:

- make cultural development a prime cross cutting theme for the Welsh Assembly Government
- establish cultural development as a primary task for local government
- co-ordinate planning and activity across all cultural bodies
- extract cultural value from a wide range of public and private expenditure.

4.2 Creative Future reinforces the economic benefits, the educational benefits, the health and wellbeing benefits, the contribution to bilingualism, as well as the intrinsic value of investment in cultural enterprises.

4.3 Although often at the periphery of strategic plans in the past, culture is no longer a bit player. Major arts capital projects in Wales on site in 2002 have a total budget of £130 million and major capital investments totalling £45 million are in progress or planned by the National Museum and National Library. In the case of sport, consumer spending on sport in Wales has been estimated at £586m (2.5% of total consumer spending). Employment in sport was estimated at 20,500 (1.8% of total employment).

4.4 The benefits of culture for individuals, communities and the nation include improved physical and mental health, better education outcomes, a positive alternative to crime and improving community amenities. Culture contributes to cross cutting Assembly strategies, adds value and enhances quality, with significant benefits from modest inputs.

4.5 The **Plan for Wales** sets out the Cabinet's strategic plan and targets to promote the cultural life of Wales; excellence, inclusion and diversity in the arts; participation and excellence in sport and recreation; to extend access to and awareness of the Welsh language; and to increase access to libraries and museums.

4.6 This paper provides an overview of general policies and priorities for funding. It provides:

- an assessment of performance and activity in 2001-02;

an outline of future plans and priorities.

4.7 Delivery of our aims and objectives is largely through the Assembly Sponsored bodies – but not entirely. Local Authorities, the voluntary sector, individuals and the private sector are all key stakeholders and partners.

## REVIEW OF 2001 - 02

5. My Culture Strategy, **Creative Future: Cymru Greadigol** was published, after extensive consultation, in February 2002. It has been very well received. The action plans for 2001-02 are at annex 2, which also provides an update on progress.

5.1 **Plan for Wales** commits us to "a distinctive and creative culture; one which values diversity, where bilingualism is a growing reality and where there are strong links between community arts and sport and our national cultural institutions."

There are particular commitments by 2003/4 to:

- Increase attendance at arts events to 42% of the population
- Stabilise the proportion of Welsh speakers and sustain the growth amongst young people
- Increase the number of remote users of the National Library to 151,000
- Ensure all public libraries are online by 2002
- Undertake a major redevelopment of the visitors facilities at Big Pit, Blaenavon
- Maintain the increase in visitor numbers at museums, through a programme of exhibitions
- Increase extra – curricular participation in sport by 7 – 16 year olds to 80%
- Increase sports participation by Welsh adults to 60%
- Halve the gap between men and women's participation in sport by 2005

And by 2010 to:

- Ensure more people can speak Welsh, with the sharpest increase amongst young people
- Substantially increase international knowledge and appreciation of Welsh music, film, art, drama, cultural heritage and sport.
- To maximise the opportunities available as a result of the Ryder Cup coming to Wales in 2010

Good progress is being made. Attendance at arts events is already at 41.2%, and the Arts Council of Wales expects to meet the target by next year.

Sports participation is on the increase, with 55% of adults taking part in sporting activities (an increase of 7.9% on the 47.1% taking part in 1997-98) and 72% of children taking part in sporting activities (an increase of 46% on the 49% taking part in 1997-98. Specific initiatives have been

introduced by the Sports Council for Wales to encourage more sports participation by women and girls. Through the Girls First Secondary School Challenge, schools are offering new opportunities for about 13,300 girls who did not previously take part in extra-curricular sporting activities.

The statistics on Welsh speakers will become available when the results of the Census are published in late 2002 or early 2003.

The National Library has already exceeded the target by attracting 200,000 remote users during 2001-02; and has therefore set revised targets of 207,000 for 2002-03, 238,000 for 2003-04 and 274,000 for 2004-05.

All public libraries in Wales are currently on target to be on line by the end of December 2002. There may prove to be isolated cases where this proves impracticable because of technical difficulties but any such problems are expected to be overcome in the first quarter of 2003.

The National Museum has exchanged contracts with the main contractors for a phased redevelopment at Bit Pit; and continue to seek the funding support that will be needed to complete the full set of facilities.

The abolition of entry charges to the sites of the National Museums and Galleries of Wales has been a dramatic success, leading to an 89% increase in visitor numbers in 2001-02 over the previous year.

In relation to the Royal Commission, the projects approved from £400,000 EYF money in the last budget round - a new IT project and building repairs - are proceeding as planned. The disabled access scheme to the Commission's offices at Plas Crug approved from previous years EYF money which had been delayed due to construction difficulties has now been substantially completed.

5.2 The Chair of the Culture Committee wrote to the Culture Minister on 24 July 2001 to formally convey the Committee's views on budget priorities for the last budget planning round. The Committee wanted to see support for particular projects:

- the establishment of a Youth Arts Fund
- better provision of studios and rehearsal space for young artists
- revenue support for the WNO including an ACW contribution
- the development of a BT/University of Wales Press computer programme for an English – Welsh, Welsh – English dictionary
- support for the National Botanic Garden
- start up costs for an International Theatre Institute for Wales

The Arts Council of Wales is currently consulting on its Five Year Arts Development Strategy which includes a cross cutting plan for Arts and Young People, including provision for studios and

rehearsal space for young artists. The Council plan to launch the Youth Arts Fund later this year.

The Council has also signed an agreement with the Arts Council of England for a joint package of funding to stabilise the Welsh National Opera.

The Council has funded, on behalf of the Welsh Assembly Government, work to produce a detailed business plan for an International Theatre Institute. The plan is expected in July.

The Assembly Government has worked closely with the National Botanic Garden during the year and is currently considering a business case related to a request for additional financial support.

I have invited the Welsh Language Board to let me have their proposals for the development of a dictionary project. I will look at the project sympathetically in this Budget Planning Round if the proposals provide for a phased development, over a realistic timescale, on the basis of sound and cost effective costings, which provide a worthwhile product for potential users.

## **PRIORITIES FOR THE BUDGET PLANNING ROUND**

6. Plan for Wales and Creative Future set priorities for the Welsh Assembly Government until 2010. Creative Future also sets out Assembly Government action to promote culture so far, and through its seven Priority Action Plans sets clear targets to meet the "Vision for 2010."

6.1 In my view, the key priorities for this budget planning round should be as follows:

- **Support for the Welsh Language**

To make a step change in the nature and scale of the Assembly Government's support for the Welsh language, in the light of the Culture Committee's review.

- **Creative Future:Cymru Greadigol**

To establish a new fund "Investing in our Creative Future" as a focussed way of delivering the Creative Future commitments, to be deployed via the cultural ASPBs, the local authorities, or directly by the Assembly Government. The fund will be piloted in the current financial year.

- **An Events Strategy for Wales**

Development of a National Events Strategy for Wales to build on Wales existing reputation for hosting events such as Rugby World Cup, Hay Literary Festival etc. to ensure the success of forthcoming events e.g. Ryder Cup 2010, to consider what other events might be bid for/supported and to ensure the benefits of bringing events to Wales are maximised.

- **Resource**

Subject to the outcome of the public consultation, to establish the new strategic and advisory structure for museums, libraries and archives during 2003-04.

- **Welsh College of Music and Drama**

To develop the Assembly Government partnership with WCMD to deliver Creative Future priorities in education and the performing arts professions.

- **The National Botanic Garden of Wales**

To take forward detailed proposals for further financial assistance to support the National Botanic Garden's work programmes.

- **Welsh Institute of Sport**

To consider fully developed proposals for the upgrading of the Welsh Institute of Sport currently located in Cardiff and run by the Sports Council for Wales.

- **The Royal Commission**

The Commission has bid for £184,000 increase in 2003/4 to continue the development of their IT project together with a £100,000 baseline increase to cover software licensing and support.

## **Compliance**

7. The Assembly's procedures in relation to the allocation of programme budgets are covered under standing order 19. This paper relates to the Culture Main Expenditure Group of the Assembly's budget. The powers related to them have been transferred to, or made exercisable by, the Assembly and authority to operate the associated schemes and programmes has been delegated to the Minister and officials. There are no issues of propriety or regularity.

## ASPB Budgets

<b>CULTURE</b>	<b>£000</b>			
<b>Expenditure Groups</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>
	<b>Out-turn</b>	<b>plans</b>		
National Museums and Galleries of Wales*	17,029	20,536	19,706	19,706
National Library for Wales**	10,883	13,169	12,531	12,531
Arts Council of Wales***	16,529	20,748	22,722	22,722
Sports Council of Wales****	7,570	9,565	9,468	9,468
Welsh Language Board*****	7,213	7,380	7,773	7,773
Other Arts and Libraries	1,296	2,112	2,432	2,432
RCAHM*****	1,418	1,489	1,560	1,580
<b>Total</b>	<b>61,938</b>	<b>74,999</b>	<b>76,192</b>	<b>76,212</b>

Provision for the Wales Millennium Centre is contained in End Year Flexibility/Pressures monies. The Welsh Assembly Government has committed up to £37m to the project.

£20K was spent on Chamber Orchestra provision in 2001-02 with £150,000 available for future financial years to be shared between a number of organisations and routed through appropriate local authorities. This money has been made available through end year flexibility.

\* The increase in the NMGW budget for 2002-03 relates to the cost of the 2001 pay award.

\*\*The increase in the NLW budget for 2002-03 relates to the cost of the 2001 pay award.

\*\*\*The Arts Council of Wales' budget for 2002-03 (and 2003-04 and 2004-05) has been reduced by £35,000 following Ministerial agreement to a baseline transfer from the Arts budget to the Higher Education Student Support budget for Dance and Drama student bursaries.

\*\*\*\* The Sports Council's request for the transfer of a capital underspend of £341k from the capital expenditure BEL to the current expenditure BEL for 2001-02 was rejected on the basis that SCW had failed to submit their application in time to effect the 2001 BPR. The underspend was surrendered to support commitments elsewhere within the Culture MEG.

An additional £197k was added to SCW's baseline budget for 2002-03 in the Spring Supplementary Budget to help meet the 2001 and 2002 costs of the 2001 Pay Award. A further £650k in End Year Flexibility monies have been agreed and will be added to SCW's baseline budget for 2002-03 during the financial year.

\*\*\*\*\* The Out-turn figure for the Welsh Language board for 2001-02 was £7,213k (the original budget was increased with EYF moneys for individual projects and to meet the analogued pay settlement). In addition a special payment of £150,000 was made by the National Assembly to the Board for payment to Urdd Gobaith Cymru, and this was administered by the Board. The Board's published outturn will therefore be greater than its grant in aid.

For 2002-03 the original published budget figure for the Board was £7.380 million but an additional £115k was added to this to allow for next year's analogued pay settlement. However an in year transfer is to take place reducing this allocation by £623k since the Welsh Assembly Government is going to fund the Welsh Books Council direct from 2002-03 onwards for its publishing grant formerly administered by the Board. Therefore the actual grant in aid to figure for the Board will be £6.872million.

In addition, a special payment of £250,000 will be made by the National Assembly to the Board for Urdd Gobaith Cymru's project in Glanllyn. This funding will be paid out of a separate account and not out of the WLB's grant in aid accounts.

\*\*\*\*\* The increase in the Royal Commission budget is owing to the extra funding agreed by Ministers in relation to the pay award.

