

Briefing Document for the Culture, Communications, Welsh Language, Sport, and International Relations Committee following Arts Council Wales' Decision to Defund National Theatre Wales

National Theatre Wales Today

As with the establishment of any national organisation, there is no single moment of origin or a sole originator of National Theatre Wales (NTW). The company was conceived through extensive advocacy, both in the realm of public support and political backing, aimed at establishing an English-language National Theatre for Wales. Over many decades, there were a number of attempts to establish such a theatre. Finally, a consensus emerged, bringing together the political will and muscle of **both Labour and Plaid Cymru**, the consistent advocacy of key individuals within Arts Council Wales (ACW), and a shared understanding among the informed public that the formation of the company was imperative and time-sensitive. This collaborative effort culminated in the inception of NTW in 2007, made possible through the "**One Wales Agreement**", which allocated additional funding under ACW's jurisdiction to facilitate its establishment and continued operation.

The decision to create a new institution to celebrate, communicate, and catalyse the evolving culture of an ancient nation is an act of profound optimism, long-term thinking, and confidence. In 2023, NTW is a young national institution, and is committed, as every public institution must be, to ongoing evolution of its model, programme, and practices to best serve the needs of 21st century Welsh society. With respect, NTW urges the Culture, Communications, Welsh Language, Sport, and International Relations Committee to consider its responsibility to hold the government to account in their management of Wales' cultural assets. Further, as outlined in the Cooperation Agreement, Plaid and Labour have committed to ensuring the financial sustainability of Wales's national cultural institutions. Given NTW's nature, its stakeholders, and the significant impact of its potential and imminent loss, NTW **questions the appropriateness** of ACW's decision to defund NTW through an annual Investment Review, without broader consultation with key stakeholders, and without providing a transparent, well-researched impact analysis and a robust plan to address the gaps this loss will create in within the Welsh theatre sector.

Prior Commitment

Further to the immediate question, NTW believes there is an important point about the financial resources allocated to NTW that must be considered. In the June 2007 Coalition Agreement between Labour and Plaid Cymru, the parties committed to found a National English Language Theatre for Wales. It is NTW's understanding that the new financial resources initially allocated to ACW to support the creation and operation of NTW were protected in an institutionally ring-fenced manner, as with all of Wales' National Companies, albeit subject to strategic advice and regular assessment by ACW to sustain and nourish these unique cultural agencies for Wales, at home and abroad. As such it is not only possible, but in our submission necessary, for the Committee and the Deputy Minister to not invoke the arm's-length principle and rather to consider their responsibility to examine both the historic process and the future impact of this year's ACW decision. An investigation into

the deliberations of the House of Commons Select Committee on Culture, Media and Sport in 2005-6 could easily form the subject of another long Report. The material is easily accessible.

As with all institutions, during the past three years NTW has encountered significant changes and challenges. The profound impacts of the pandemic, the ongoing effects of the cost-of-living crisis, escalating staff and material costs, and the diminished financial capacity of partners within and outside the cultural sector to invest in co-production or delivery models have all left their mark. As a building-free theatre company which delivers site-specific or touring work, NTWs' model requires complex medium-term cross-sectoral partnership for delivery, which creates additional challenges for re-starting our programme in a post-pandemic world. It should also be noted that due to our low overheads NTW was one of very few large cultural organisations that did not have to receive emergency funding during the pandemic. During this period NTW has experienced a change in Artistic Director/Chief Executive Officer, extensive staff restructuring, a change in the Chair, and a public recruitment process to its Board which has resulted in a welcome increase in diversity amongst NTWs' Trustees.

It is essential to note that throughout this period, NTW has continued to deliver an extensive range of theatre productions across Wales, along with far-reaching community engagement initiatives, artist development programmes, educational resources, and partnerships with organisations in Wales and further afield. Attached as *Appendix 1* is a brief summary of the nature and impacts of the programmes inspired and managed by NTW over the last three years.

As a company, NTW acknowledges that since 2020 it has not achieved a 'blockbuster' production that has resonated in the public consciousness in the manner of "The Passion" or "City of the Unexpected." But its work elsewhere has been very extensive, fruitful and remarkably effective right across the country. NTW is mindful of past criticism in the earlier years of its history.

During the last three years, NTW has rigorously addressed legitimate concerns expressed in the artistic and political worlds in a transparent manner and has made significant strides in areas such as promoting and supporting Welsh creatives, establishing closer strategic and operational ties with the cultural infrastructure in Wales, commissioning Welsh writers, and implementing a casting policy that prioritises Welsh actors. NTW's vision for the company's future has been publicly outlined in its most recent and well-received Strategic Plan, which is attached as *Appendix 2*.

Arts Council Wales

Throughout this period, ACW has not only refrained from expressing concerns about NTWs' performance or direction, but also expressed clear support for its achievement of newly agreed-upon targets and a renewed strategic approach. These positive sentiments are clearly documented in ACWs' Annual Reports. Shortly before submitting its 2023 Investment Review application, NTW was placed on 'Red Risk' by ACW. NTW was assured in writing and verbally at the time that this was a "standard system response" (sic) triggered by the

recent appointments of new Co-Chairs to the board and two new additions to the Senior Management Team. ACW noted that these processes were being managed by NTW without concern, and also noted that it had no concerns over NTWs' performance on its agreed targets or its financial management.

The question may fairly be asked, if ACW had fundamental concerns regarding NTWs' direction or performance, why were these not formally raised with the Board or Management in any format that ACW has available to it? Why did ACW not deploy strategies like a 'special measures' intervention, as effectively applied with other cultural institutions in the past? It is our contention that this failure to signal or communicate any serious concerns, and then to make such a fundamental strategic and structural decision with wide ranging implications for the entire sector evidences a clear failure in ACWs' duty of care towards NTW and its remit for the whole of Wales. We respectfully request that the committee examine ACWs' inaction, non-communication, and profound lack of strategic transparency and communication throughout this period.

It is NTWs' contention that ACWs' decision to remove funding appears to be a political move, masquerading as an operational one. Dafydd Rhys (the CEO of ACW) has repeatedly stated in public and private that "NTW's application" (for the investment from 2024) "did not convince."

NTW strongly disputes this characterisation of its application and has confidence in the ambition and sophistication of its Investment Review application. NTW has lodged an appeal against ACWs' decision. The appeal is extensive and detailed, and demonstrates that NTW has suitably addressed every topic brought into question by ACW, providing detailed proposals and evidence which can be easily understood, and in a manner, scale and scope fitting into ACWs' application form.

The appeal also comprehensively demonstrates that ACWs' judgement is based on at least one material error; takes into account irrelevant considerations; fails to take account of relevant and material considerations; and does not correspond with its own guidelines and strategic positioning.

It is important to note that the scope of an appeal under ACWs' rules is strictly limited to assessing whether ACW has adhered to its own procedures. It does not permit public scrutiny of ACWs' assessment of NTWs' application, nor how ACWs' evaluators have quantified or qualified the impact of their decisions upon the broader theatre/arts sector. ACW have published no art-form strategies, no impact assessment or any of the normal apparatus for their decision making to be appropriately interrogated, nor is there a wider current Strategic or Business Plan against which their new Arts Portfolio fits.

NTW also holds serious concerns about the transparency and independence of the appeals process. Attached to this briefing paper is an exchange of correspondence between ACW and NTW Appendix 3. In this correspondence, NTW requests transparency on the process for the appointment of independent individuals to judge the appeal in a manner consistent with the Nolan Principles and ECHR. ACW has taken the remarkable position that it will not release any details of how the independent reviewer is appointed, how conflicts of interest

are declared or the identity of independent reviewers in either the first or second phase of appeal. Given that ACWs' part in the decision-making process is now over; its role should now be limited to presenting its case. Yet by the rules it has set, it remains able to influence the outcome of an appeal by way of appointments. This creates a situation in which NTW, and all other applicants to the appeals process, are asked to accept an assurance of independence and transparency that cannot be checked.

Upon announcing the 100% cut to NTW, ACW also revealed its intention (for the first time) to conduct '*A Strategic Review of English Language Theatre Provision in Wales.*' NTW believes that there are three significant aspects that must be addressed concerning this new policy intention:

1. During a meeting with Dafydd Rhys and Lleucu Siencyn on 9 October 2023, after the Investment Review defunding decision was announced, NTW was informed that ACW came up with the idea for this 'Strategic Review' as a consequence of its decision to cut NTWs' funding to nothing. NTW was also told that ACW does not have a proposed timeline, draft scope, draft terms of reference, or a planned consultation schedule for its new 'Strategic Review'. In other words, the Strategic Review does not exist and is an excuse after the fact to cut out a National Institution.
2. ACW has not been willing to commit to consultation on the terms of reference for the 'Strategic Review', or whether they would be determined internally. NTW respectfully questioned the value of timing and a strategy that first cut NTWs' funding and then announced a Blank Canvas review of this magnitude without any concrete plans – even in draft – in place for its extent and purpose, and without purposefully drawing on NTWs' work. Hypothetically, assuming that the minimum timeline for a meaningful sector review is from 18-24 months, any recommendations would be delivered to a sector of public life that is halfway through a delivery and business planning cycle, without a clear plan for addressing the gaps left by NTWs' absence.
3. It should be noted that the theatre sector has endured an extended period of uncertainty due to ACW twice delaying the proposed Investment Review. It is also now reacting to a net £533,250 cut across the sector. This review introduces another extended period of uncertainty and instability in a sector desperately in need of resourcing, skills, confidence and capacity.
4. The theatre sector across Wales has wholeheartedly embraced the potential and reality of a bilingual operating model. NTWs' venue partners, producing organisations, sectoral bodies, artists, audiences, partners in health and education, local authorities, shared strategies, and every aspect of the theatre industry operate across the languages of Wales and in every local authority. In any event, NTW questions the feasibility or likely benefit of conducting a theatre provision review limited to a single language.
5. National Theatre Wales is not a building-based organisation; it thrives within its relationships and networks across Wales, its staff teams and freelance partners, its projects, productions, reputation, and the value of its brand. It is not feasible to place

it into mothballs while a 'Strategic Review' takes place, in order to retain its knowledge, value or networks.

6. Once NTW has gone, it is gone. As demonstrated by the lengthy, intricate and sometimes contentious journey leading to its establishment, it is not an institution that can easily or affordably be recreated. By dismantling the company that is NTW before the proposed 'Strategic Review', ACW would also eliminate the possibility of reshaping or refocusing NTWs' energy and capacity to address any needs identified by the 'Review'.
7. NTW questions both the effectiveness and the financial responsibility of this so-called strategy, given the sustained investment by the public purse of the £24.4 million that ACW has invested in NTW over the last 13 years.

What would be lost?

1. **Future Projects:** Typically, the journey from the inception of an idea or a relationship to the delivery of a project spans 18-36 months. Currently, NTW has 17 projects in various stages of commission and development, scheduled for delivery over the next 3-4 years. New ideas and embryo projects bubble to the surface all the time. In a shortened list, current projects include:
 - **New commissions:** including works by major Welsh writers such as Ed Thomas and Menna Elfyn, explosive new talents like Connor Allen and Faebien Averies, and opportunities for established artists like Hannah McPake and Seiriol Davies. Without NTWs' producing capacity and investment capability, there is a significant risk that these projects will not come to fruition, and the substantial public funding already invested in them will be lost. With £533,250 cut to theatre sector funding across Wales, these projects showcasing the best Welsh talent to Wales and the world cannot simply be passed to another company to deliver.
 - **Marquee international collaborations:** NTW is in advanced stages of development for co-productions with: National Theatre of Scotland and The Abbey Theatre, Dublin; a partnership with the Public Theatre in New York featuring A-List Welsh actors; an Australian and Canadian touring presentation in collaboration with WNO and BBC National Orchestra of Wales to amplify the key messages of the Future Generations Act through the voices of Welsh children; and a large-scale commercial musical depicting the story of Owain Glyndŵr. While NTW is currently managing to hold these projects in tandem with its partners, the absence of an ability to move forward with confidence in the near future puts these projects at risk of being lost.
 - **Partnership Working and Delivery:** As outlined in NTW's Investment Review application, NTW is collaborating with multiple partners across Wales and internationally. This includes, or will include organisations such as Sherman Theatre, Common Wealth, Torch Theatre, Ffwrnes Theatre, Pontio, Theatr Brycheiniog, Riverfront Theatre, Theatr Genedlaethol Cymru, Theatre Clwyd,

Creu Cymru, Yellow Brick, Yureka Network, the World Health Organisation, National Theatre in London, Abbey Theatre in Dublin, Maxim Gorki Theater in Berlin, Barbican in London and Harbourfront Centre in Toronto. This is not an exhaustive list but serves as an indication of the very substantial impact of defunding NTW on the capacity and planning of others in Wales and internationally, and the risk of removing a Welsh voice from UK and international partnerships.

- **Community Partnership and Collaboration:** NTWs' flexibility and extensive network underpins its community partnerships. Its contributions extend to Pupil Referral Units, mental health providers, Men's Sheds, schools (TEAM), Foster Care Wales, Unlimited (commissioning disabled artists), Hijinx, Focus Wales, MIF, the DO Lectures, Theatr Iolo, Newport Chartist Festival, Visit Wales, Unearthed, and numerous other initiatives that enrich Wales' communities. The removal of NTW from the contribution it makes will disrupt these essential connections and collaborations.
2. **Sector leading co-creative and Collaborative Practice:** TEAM, NTW's flagship collaboration network is an internationally recognised model for the development and empowerment of creative practice within communities traditionally marginalised and excluded from creative practice. NTW is currently engaged in the submission of three major applications to trusts and foundations for the next phase of TEAM delivery, with the potential to bring £300,000+ of income into Wales. This work will be focussed around a three-year programme of work in Carmarthenshire, Ceredigion and Pembrokeshire culminating in a festival of change, celebrating the profound democratic and community roots of creative cultural practice in Wales. TEAM is a globally recognised model of excellence in collaborative practice, which is nuanced and has a deep commitment to social justice at its core. *Appendix 4* outlines the scale of operation and impact of TEAM over the last three years.
 3. **Talent Development with a focus on artists from marginalised and excluded communities:** NTW has a very substantial track record of the sustained support of theatre makers, and one need only look at the CVs of the current leaders of theatre companies in Wales to see the profound impact that the company has had on Wales' cultural life in only 13 years. The vast majority of this work is funded through investment from UK charitable trusts into Wales, secured solely by the efforts of NTW. At present NTW is in receipt of multi-year funding from the Esmée Fairbairn Foundation and the John Ellerman Foundation to deliver our transformative 'Creative Development' work, which has benefitted 6,500 theatre makers in Wales.
 4. **The ability to respond with agility to National and International opportunities:** As a partner in **14-18 Now**, the landmark centenary of WW1 events; as the delivery partner for the remarkable **City of the Unexpected**; in the delivery of **Galwad** with a global reach of over 5 million viewers, NTW has repeatedly proven itself to be able to flex and react with agility and speed to high profile opportunities, bringing together cross-sector partnerships with capacity, vision and efficiency. This is a critical

capacity for the Welsh Government to have at its disposal and cannot be easily replicated, if lost.

The Road Ahead:

ACWs' decision to defund NTW without consultation, with no transparent planning for the implications of that decision, and in the absence of a strategy to support any transition to a new business model, has created a complex and urgent problem for the sector. As NTW sees it, there are broadly three possible routes forward:

1. **NTWs' appeal is successful and ACW reinstates some or all of the requested Investment Funding.** A possible issue with this outcome is that ACWs' financial resource is not ring-fenced for individual organisations but has been allocated within the conditional offers made to new clients of the ACW portfolio and is absorbed within the net £533,250 cut to theatre. Any claw back of this resource from those clients will therefore cause huge disruption and substantial ill-feeling within the sector.
2. **NTWs' appeal is not successful and no core revenue model can be agreed from any other source or avenue.** Given the very short timeline within which these events are unfolding, it does not seem credible, nor indeed possible that NTW can develop and establish any sustainable new business model between now and the beginning of the next financial year. In this case, the most likely outcome is that NTW delivers the projects it is committed to in the current financial year and then either begins the process of winding the company up from April 2024, or scales the company down to a skeleton staff with no public facing delivery objectives, while attempting to establish a new business model. Clearly, key staff would leave and, with reduced funding for theatre in Wales, we risk losing the very talent that NTW was established to develop to other sectors or countries.
3. **An interim model.** ACW, Welsh Government and NTW work together to define a three-year operating remit and model of support for NTW. This would enable NTW to:
 - a. contribute fully to any proposed 'Strategic Review' of English language theatre;
 - b. to investigate and develop sustainable new income streams and funding sources on a realistic timeline. This work would have a particular focus on commercial partnership, cross sector working with creative industries, international collaboration and domestic touring;
 - c. offer a flexible and responsive producing model to address the outcomes of the proposed 'Strategic Review' once its parameters and remit are set.

NTW thanks the Committee for its consideration of this briefing paper and warmly invites any requests for further or more detailed explorations of any of the questions or areas which have been raised. For further information we also attach a fact sheet, *Appendix 5*, of some of the operating parameters and context of NTWs' current and historical model as well as addressing some common misconceptions and inaccuracies in recent coverage of the company.

