

# **Welsh Government's response to the recommendations in the Senedd's Culture, Communications, Welsh Language, Sport, and International Relations Committee report**

## **National Contemporary Art Gallery for Wales, December 2023**

### **Recommendation 1.**

The Welsh Government should provide an estimate of the ongoing revenue funding for the NCAGW and clarify whether this will be new funding to the culture sector, or a reallocation of funding currently provided to other culture bodies.

#### **Response:** Accept in Principle

For the dispersed gallery model, the full business case (FBC) when submitted will contain an estimate of the ongoing revenue required to operate the dispersed network of galleries. The FBC will be submitted at the end of January 2024, prior to its assessment through the gateway process.

Discussions with the partners have focused on reducing the ongoing public sector revenue support required for operating the network, following the completion of the capital investment. Any ongoing funding for the galleries in the network would not be required until the capital investment has been completed at the end of March 2025.

The three partners and nine network galleries are working through funding cuts for 2024-25 and beyond, however, all delivery partners remain committed to this initiative whilst recognising that priorities may need to be re-aligned to accommodate it.

Given the current challenging financial position, any ongoing public sector funding required would need to be sourced from within existing budget settlements/baseline set at the time. (To note, Welsh Government do not have indicative budgets for beyond financial year 2024-25 and these would be subject to future budget setting processes.) This would be based on the agreed operating model post March 2025 which again, will be provided when the full business case is submitted. A 'lean' model has been the basis for its development, cognisant of budget pressures, as part of the NCAGW FBC.

As part of the modelling future operation and governance arrangements, a funding plan seeking to secure funding from a range of sources is also being developed to support the ambition of the NCAGW, to become more financially sustainable over the longer term.

Cost estimates relating to establishing and running an Anchor Gallery for Wales remain at an early stage. Realistic cost estimates cannot be provided until a site has been selected, a design agreed and an operating model developed. The development of a detailed business case containing this information will follow the selection of a specific site.

### *Financial Implications*

No additional finance implications over and above the costs included in the approved outline business case (OBC) for the dispersed model. Any costs yet to be identified which are beyond the 2024-25 financial year will be subject to future budget setting processes.

### **Recommendation 2.**

The Welsh Government should provide further information to this Committee on the steps it has taken since 2018 to quantify the likely demand for the NCAGW and new revenue opportunities.

### **Response: Reject**

The evidence of need in 2018 and since has been drawn from a number of sources including the 2021-22 National Survey and the Arts Portfolio Wales Survey undertaken every six months. This evidence has been used to inform the development of the business case.

Attendances and participation numbers in Wales have been severely impacted by Covid in recent years and remain lower than the UK as a whole. Surveys carried out by the Arts Council of Wales indicate that engagement numbers continue to be negatively impacted by the cost-of-living crisis.

The 2021-2022 National Survey asked respondents whether they had participated in arts activities in the previous 12 months. In total 8% of respondents had participated and this indicates gives an indication of the low level and therefore the need. The Arts Portfolio Wales Survey gathers information on the number of arts events run every year and how many people have attended or taken part in the activities. The most recent iteration of this (12.05.2023) is available online.

One of the spending objectives for the project is “To increase the audiences attending contemporary art across Wales by 3% year on year, achieving a 30% increase by March 2035.” Therefore, the focus is very clearly on increasing demand and participation from the very low levels recorded over time.

To support this, annual attendance figures as well as participation numbers will be a key feature of monitoring across the gallery network.

In terms of revenue opportunities, the FBC will again include an assessment of the opportunities for securing additional revenue as stated in the evidence presented during the Committee’s inquiry.

New revenue opportunities are being given consideration as part of developing a robust funding plan for an agreed operating model post March 2025, as part of the delivery of the NCAGW FBC. Through this piece of work, there are some positive indications around future revenue opportunities. However, generating this as an income stream this will likely require a dedicated development resource.

Developing revenue income streams are a long-term and ongoing activity which requires a robust prospect pipeline to be built into the operating model. In the current financial climate, NCAGW is likely to face significant competition for revenue income over the shorter-term.

As this information will be continually updated in the development of the business case and monitoring of implementation and future reporting, separate reports to the Committee on this element, should not be required.

#### *Financial Implications*

No additional financial implications during the current budget period. Any costs yet to be identified which are beyond the 2024-25 financial year, will be subject to future budget setting processes.

### **Recommendation 3.**

The Welsh Government should provide further information to this Committee relating to an assessment of the impact of the proposal on existing exhibition programmes.

#### **Response:** Accept in Principle

Collaborative planning is integral to the NCAGW model and structures are being explored and embedded operationally to ensure that planning is cohesive and coherent regarding exhibition programming.

The lead in time for exhibition programme planning for cultural and heritage organisations averages a minimum of 18 months to three years or sometimes longer. Current exhibition programmes were set in motion several years ago and, as such, are not influenced by this new initiative.

Going forward, partners are working together to share creative programming and scheduling, across exhibition, learning and wider engagement activities. As the NCAGW exhibition programme develops, impact assessments will be undertaken.

As part of the current delivery phase, the project will commission Benchmarking and Impact assessments that will further identify the opportunities for growing impact and ensuring the model and the work around it makes the most of timetabling, maximising the public offer.

The Full Business Case will include plans to commission additional surveys to take place in years five and ten of the next phase of the NCAGW project, to assess its wider impact with the general public in Wales.

#### *Financial Implications*

No additional financial implications during the current budget period. Any costs yet to be identified which are beyond the 2024-25 financial year will be subject to future budget setting processes.

#### **Recommendation 4.**

The Welsh Government should return to the Committee early in the parliamentary summer term of 2024, with an update and more detailed plans. In particular, the Welsh Government should clarify the net amount of new gallery space that is to be created.

#### **Response:** Accept in Principle

One of the spending objectives is “To ensure provision of 2,000 – 3,000 square metres of permanent or temporary exhibition space across Wales by March 2025 that comply with UKRG standards to display a Welsh national collection of contemporary art and find innovative ways to display contemporary art in outdoor settings.”

Therefore, the project is not simply about creating a net amount of new gallery space but includes ensuring that the gallery space that exists is brought up to and complies with the UKRG/GIS standards.

GIS guidelines are a set of minimum benchmarks and requirements for the display and storage of works from the national collection that can be insured under the government backed scheme, for works that are otherwise not economically insurable.

By investing in gallery spaces and by using capital investment to bring spaces up to GIS standards, the model will provide secure and climatically controlled environments into which works from the national collection can be safely and securely programmed.

The additional space that is being brought up to GIS standards as part of this initiative is 2,455 square metres across Wales. Together with the exhibition spaces at Amgueddfa Cymru, this means that after the capital investment programme is complete, the NCAGW will have up to 3,000 square metres of permanent or temporary exhibition space across Wales, of a consistent high quality, to display the Welsh national collection of contemporary art, as specified as the preferred option in the OBC.

In terms of a potential Anchor Gallery, the criteria set for candidate sites included:

- 7,500m<sup>2</sup> as a minimum requirement to 12,000-15,000m<sup>2</sup> as the maximum, with at least 2/3rd gallery space; and
- at least one single gallery of 1,000m<sup>2</sup> with the potential to extend further in the future.

#### *Financial Implications*

No additional finance requirement over and above the requirement stated in the OBC. Any costs yet to be identified which are beyond the 2024-25 financial year will be subject to future budget setting processes.

### **Recommendation 5.**

The Welsh Government should provide this Committee with progress updates every six months on the delivery of the NCAGW. This should include whether key timelines and milestones are being met.

#### **Response: Reject**

During the last six months, the NCAGW Project Team has focused on strengthening the governance structure for NCAGW which has included expanding the Project Board to include independent members and setting in a place a sub-group structure drawing upon a wider group of stakeholders.

As well as improving governance arrangements for the project, a more robust process is now in place regarding oversight with the NCAGW Project Board actively monitoring project progress and risks at its monthly meetings.

While delivery of the NCAGW model is now making good progress, committing to a six-month update to the Committee is not felt to be the most pertinent approach for project at this point in the delivery timeframe.

Therefore, it is proposed that any updates are provided in line with planned project reporting against the delivery of agreed project milestones or targets such as those to be included in the Welsh Government Award of Funding letter.

A written update from the Chair of the Project Board can be provided following the formal submission of the FBC and its successful review. Further updates can then follow as milestones are achieved.

Any reporting should be timed to reflect the delivery of key milestones and should not increase the reporting burden on delivery partners who we recognise have a great deal to deliver before April 2025.

#### *Financial Implications*

No additional financial implications during the current budget period. Any further costs beyond the 2024-25 financial year, will be subject to future budget setting processes.

### **Recommendation 6.**

The Welsh Government should develop a clear communications plan to encourage sector wide support and advocacy for the NCAGW.

#### **Response: Accept**

In addition to wider stakeholder sub groups, the NCAGW Project Board maintains a Communications Sub-group comprised of suitably qualified representatives from each of the partner organisations. It has a formal meeting schedule with Welsh Government representatives in attendance as observers.

In November 2023, the NCAGW Communications Sub-group oversaw the appointment of an external agency, who will develop and deliver an outline communications plan for the NCAGW. Communications workshops with a range of stakeholders took place in November and December 2023 and a draft Communications Plan was presented to the NCAGW Project Board at its January 2024 meeting.

It is anticipated that the active delivery of the plan will commence with a formal announcement in March 2024 around Welsh Government's capital investment, following successful submission and review of the project's FBC.

The delivery of the agreed Communications Plan will continue until the end of the current delivery phase to March 2025 and has summarised campaign objectives as including but not limited to the following:

- To explain, increase awareness and understanding of the NCAGW and the unique dispersed model;
- To support project objectives to increase attendances at galleries across Wales from its current baseline;
- To raise awareness, understanding of and affinity for the role contemporary art can play in people's lives in communities across Wales
- To drive an increased footfall to NCAGW galleries and increase engagement with the national contemporary art collections via digital platforms;
- To advocate for the NCAGW on UK wide and international platforms; and
- To build connections and opportunities for contemporary artists in Wales.

The development and delivery of the NCAGW Communications Plan is a discrete piece of work but which runs alongside, is informed by, and supports the development of the NCAGW brand. Branding development is a bespoke work package which commenced in December 2023 and is due for first phase sign off by April 2024.

#### *Financial Implications*

No additional financial implications, over and above those costed in the approved OBC. Any costs for activity beyond the 2024-25 financial year, will be subject to future budget setting processes and a business-as-usual model.

#### **Recommendation 7.**

The Welsh Government should produce a clear plan for widening engagement with the visual arts sector, including public, third and private sector providers to ensure that the widest range of views and experience are considered in the planning and design of the remaining elements of the NCAGW.

#### **Response: Reject**

The governance model for the current phase of the NCAGW has been considerably strengthened during the last six months, including the co-option of three independent members to the Project Board. One of the co-opted members is a practising Welsh

visual artist who will continue to influence forward planning of the model at Project Board level.

In addition, a formal Project Board Sub-group structure, each with its own formal terms of reference, was created in Autumn 2023. Two of these, the Gallery Sub-group and the Stakeholder Sub-group will continue to be at the centre of ensuring that wider engagement is maintained across NCAGW. Membership of the latter includes a mixture of co-opted members from public and third sector organisations including tourism, with other members being recruited via an open call process.

The creation of a NCAGW Project Team in August 2023 has considerably improved wider engagement across the project and the NCAGW Creative Director and Project Director actively engage with opportunities to increase the diversity of views and experiences that might influence the current delivery phase. These opportunities have to date ranged from hosting stakeholder workshops to sector presentations. This is an ongoing activity designed to inform and raise awareness about NCAGW as well as provide an opportunity to influence its development and delivery in its current phase.

Given this work and that of the Communications Plan, both of which address the key issues, a separate plan for widening engagement is not considered necessary at this point in time.

#### *Financial Implications*

No additional financial implications over and above those included in the OBC. Any costs beyond the 2024-25 financial year will be subject to future budget setting processes.

#### **Recommendation 8.**

The Welsh Government should take steps to ensure that the branding and marketing teams and the tourism sector work closely to align plans for the NCAGW and ensure it is embedded into tourism campaigns.

#### **Response:** Accept

The development of the NCAGW brand and its marketing and communications planning is underway but not yet complete. The Project Team are aware that a fuller alignment with and integration into relevant tourism campaigns to support visitor engagement across the localities of the dispersed gallery network would be beneficial.

The NCAGW Project Team and external agencies currently supporting the delivery of NCAGW branding and communications, began a formal meeting schedule in January 2024 with the relevant government departments and other public sector organisations specifically to support this purpose. At the same time a senior representative from Visit Wales has been invited onto the NCAGW Stakeholder Sub-group.

It is anticipated that as the NCAGW exhibition programme further develops, from early to mid-2024 onwards, the gallery network will commence working more closely with local tourism initiatives. For example, this may include local authority visitor engagement strategies to maximise the opportunities created by NCAGW and to drive footfall from tourists at each location during peak periods.

#### *Financial Implications*

No additional financial requirements over and above that agreed for the OBC. Any cost for activity beyond the 2024-25 financial year, will be subject to future budget setting processes and a business-as-usual model being implemented.

#### **Recommendation 9.**

The Welsh Government should provide further information to this Committee relating to the plans to provide assurance that the NCAGW is environmentally sustainable.

#### **Response:** Accept in Principle

The capital investment programme will be delivered in-line with environmental standards and allows for the gallery network to further improve approaches to environmental sustainability over time.

On an individual basis, the National Contemporary Art Gallery for Wales gallery network and each of the project partners maintain their own up-to-date Environmental Policies and Procedures, all of which support Welsh Government's ambitions around net zero and sustainability targets. For example, a number of the gallery partners in the network are local authority organisations and conform to local authority environmental plans.

All the partner organisations maintain a continuous cycle of further developing sustainable working practices across all departments. Amgueddfa Cymru, also by way of example, agreed a new Sustainable Procurement Policy in 2023, to which all NCAGW procurement through Amgueddfa Cymru, such as sourcing materials for conservation purposes, will comply.

Once the capital investment programme has been completed, the model for the NCAGW will reduce and shorten visitor journey times by making the national contemporary art collection more available and accessible, closer to where people live, work and stay.

However further work around the environmental sustainability of the NCAGW model will be carried out over the next period to create a stand-alone strategy or statement of principles with regard to its environmental sustainability.

#### *Financial Implications*

No additional financial requirements over and above that agreed for the OBC Any costs for work beyond the 2024-25 financial year, will be subject to future budget setting processes.