



Llywodraeth Cymru  
Welsh Government

## **EVIDENCE PAPER TO THE CULTURE, COMMUNICATIONS, WELSH LANGUAGE, SPORT AND INTERNATIONAL RELATIONS COMMITTEE**

### **Introduction**

The sectors in our portfolio areas have faced significant challenges both this year and last year as a result of the Coronavirus pandemic. The impact of these challenges will continue into the future as we aim to support our sectors in recovery.

Whilst our focus has been on the health and economic response it cannot be denied that we have also been robust in ensuring the survival of our culture and heritage, our national institutions and the communities that protect and nurture them.

The Welsh Government's support measures, such as the Cultural Recovery Fund (CRF) and the Economic Resilience Fund (ERF), have clearly enabled our sectors to survive. However, further action is needed now, and over the course of the next few years, to help these vital sectors return to sustainable operation and contribute to Wales' recovery.

### **Spending to assist organisations and individuals recover from the effects of the COVID-19 pandemic on their livelihoods**

The Welsh Government has made unprecedented levels of funding available to support Welsh businesses and organisations through the pandemic, including through the ERF and the non-domestic rates (NDR) linked grants and discretionary grants which were delivered by local authorities. To date we have provided more than £2.5bn in financial support, safeguarding more than 160,000 Welsh jobs. This is in addition to a full twelve-month rates holiday package for those in the hardest hit sectors. The measures we have taken are in addition to those provided by the UK Government, such as the Self Employment Income Support Scheme, Job Retention Scheme and Bounce Back Loans.

In addition, early in the pandemic eligible businesses could apply to the Covid-19 Wales Business Loan Scheme delivered by the Development Bank of Wales (DBW) which provided loans of between £5k and £250k at favourable interest rates. The DBW continues to have loan and equity funding available for Welsh businesses and an additional £270m has been allocated to the Flexible Investment Fund. This means more than £500m is available through the fund up to 2030 to support the long-term success and sustainable growth of our firms, in turn creating and protecting thousands of Welsh jobs.

## Cultural Recovery Fund (CRF)

Across two phases of the CRF we have provided £93m of funding which has supported business, organisations and individuals in the cultural, sport, heritage and creative sectors. The delivery of the first phase of the Cultural Recovery Fund supported 646 businesses and 3,500 individuals with funding of £63m.

The Welsh Government allocated £30m for a second phase of funding to continue to support the sector. This was put in place to support the sector until the end of September 2021 and has continued to support businesses and organisations in the areas of creative industries, events, heritage and culture. As our *Programme for Government* makes clear, we are doing everything we can to support the visitor economy having offered £19m to more than 500 organisations.

The **Museums, Archives and Libraries** sectors received initial support of £486,000 from the Cultural Resilience Fund to respond to short-term pressures and recovery actions. The Federation of Museums and Galleries of Wales received £450,000 to administer two Covid-19 related grant schemes to support museums. £500,000 was provided towards digital library resources for public libraries to provide additional digital resources to the public to read and engage with whilst self-isolating. Over £1.5m was distributed from the CRF to support local authority museums, archives, libraries, cinemas and heritage attractions. The culture strand of CRF2 supported local museums and community libraries and based on the current position, 24 organisations will receive c. £550,000 to ensure that they are able to re-open and operate on a sustainable basis.

In December 2020 the cultural sponsored bodies were awarded an increase in funding to further support their work throughout the pandemic and enhance their digital offer; Amgueddfa Cymru received £0.300m revenue and £0.720m in capital to support the acceleration of digital activity during the pandemic. The National Library of Wales received £0.250m, Sport Wales £1m and the National Botanic Garden of Wales £0.240m

The Arts Council of Wales worked closely with Welsh Government on the **Arts** element of the CRF package, offering a total of £8.8m to 127 arts organisations. The CRF's primary goal of avoiding the permanent closure of arts organisations has been achieved. Nearly 1500 jobs were reported as being saved by CRF1 alone. Without CRF, the sector would have been severely and permanently damaged.

A range of financial support was provided to the **Sport Sector** in Wales. An allocation of £14m was awarded for the Sport and Leisure Recovery Fund for 2020-21 to help the sector meet the ongoing challenges and to help provide longer-term sustainability. Sport Wales used this funding to support the Sport Private Providers Fund (£4.28m) and Sport Freelancers Fund (£2.71m), and to bolster the Be Active Wales Fund.

An additional £17.7m funding package (Spectator Sports Survivor Fund) to help spectator sports severely impacted by the pandemic was announced by the Welsh

Government in January 2021. This ensured the short-to-medium term survival of sports which rely on income from spectators and had been adversely affected by the necessary restrictions during the pandemic. The funding provided immediate financial support to the sector to cover losses, to sustain them through the winter period and ensure they were ready for the beginning of next season.

**Creative Wales** set aside funding of more than £1.375m for a suite of funds to support the creative industries through the challenges of the pandemic. These covered immediate support for grassroots music organisations, a repackaging of planned development funding for the TV and digital sectors, and an additional emergency award to the Books Council of Wales, all to help our priority sectors survive while unable to operate as usual in light of the COVID-19 restrictions.

Alongside emergency interventions, Creative Wales continued to invest in key areas of work, to provide ongoing support and a pipeline of activity to sustain the sector and its supply chain. This included investment of more than £11m to 13 productions during the pandemic including to The Pact commissioned by BBC Cymru Wales and to Lucasfilm. This will provide over £110m in Welsh spend that directly supports the creative and wider economy to recover from the pandemic. Creative Wales also partnered with the BBC to bring the National Film and Television School to Wales and continued funding to the Books Council of Wales, which enabled the launch of ffolio.wales, the first-ever bilingual platform to focus on selling e-books from Wales to the wider world. In addition, the Momentum Music Fund is supporting the development of Welsh musicians.

As we continue our recovery from the pandemic and adapt to the new ways of working, Creative Wales will support the sector through a suite of new production and development funding schemes for its priority sectors. This will include support to increase skills and develop talent in Wales, and a dedicated fund to support an increase in coverage of news, on an arms-length basis. This will sit alongside pan-economy business support and external funding sources, such as the £50m Strength in Places project – ‘media.cymru’, which has been supported by Creative Wales.

We introduced the Freelancer Fund in Wales (the first of its kind in the UK), the second round of which has been delivered in partnership with local authorities. Through this latest round we will have supported 720 freelancers with funding of £1.8m. We built the Cultural Contract and Freelancer and Public Sector pledge into the Cultural Recovery Fund to encourage fair work, good employment practices and greater collaboration across the sector.

### **An assessment on how the pandemic has affected your long term policy goals for these sectors**

Over the coming months it is clear it will be easier for some sectors to resume activity and operate in ways similar to pre-pandemic conditions. Other sectors will require ongoing support to navigate continued challenges. We will continue to evaluate the impact of the pandemic on all our published strategies and priorities, but overall it remains too early to say what the lasting impact will be over the long term.

## **Your priorities for these sectors for the duration of the Sixth Senedd, including any proposed legislation.**

[The Programme for Government 2021-2026](#) was published on 16 June and it is our aim to deliver the culture/sport/ creative and heritage commitments within it, such as *inter alia*, supporting the redevelopment of Theatr Clwyd, establishing the Football Museum and the National Contemporary Art Gallery.

### Culture & Sport

Among our priorities for Sport for the duration of this Senedd term are the promotion of equal access to sports, and support for young and talented athletes and grassroots clubs. We intend to invest in our world-class sports facilities, and in new facilities such as 4G pitches. We will also work across portfolios to support policy development and delivery of social prescribing to tackle isolation, and in reforming the school day and school year.

Priorities for the arts sector for the duration of this Senedd term will be to: promote equalities as the foundation of a clear commitment to reach more widely and deeply into all communities across Wales; to strengthen the capability and resilience of the sector, enabling creative talent to thrive; and, to enable the Arts Council of Wales to work more effectively, collaborating more imaginatively with like-minded partners across Wales.

Our support for the local cultural sectors will focus on building their resilience to continue their recovery from the impacts of the pandemic; equipping the sectors to meet the Programme for Government; and future-proofing the sectors, enabling them to take advantages of opportunities presented in a post-Covid world. The pandemic has brought the integral role local museums, archives and libraries play in supporting their communities and vulnerable people within them, into sharp focus. Over the Senedd term we will seek to develop and support our local sectors to work in new and relevant ways, building on their existing health and wellbeing impacts, work with diverse communities, contribute to formal and informal learning, and respond to the climate crisis. We will focus this support via providing training and development opportunities, grant funding, and by working in partnership with relevant community and sector support bodies.

### Creative Industries, Media and Journalism

Our priority for the creative industries is to work with our partners to support the sector to emerge from the pandemic stronger than ever, and to build on the growth experienced prior to the crisis. The sector is well placed to support the post-COVID economic recovery, with a report by the Creative UK Group suggesting that, with the right investment, the sector could recover faster than the UK economy as a whole with the potential to create 300,000 new jobs across the UK by 2025. Our priority is to ensure Wales capitalises on these opportunities, as well as ensuring wider cultural, social and wellbeing benefits are maximised.

We will do this by prioritising actions that create the right environment for growth, with flexible funding pots that meet the needs of the sector, the right infrastructure

with quality studio space and thriving grassroots music venues and that deliver for the whole of Wales. We will also deliver our Programme for Government commitments around skills and innovation to support a diverse skills and talent base and investment in research and development.

### Cadw/Historic Environment

As the First Minister announced in July, the first consolidation Bill as part of the programme to improve the accessibility of Welsh law, will bring together legislation relating to the historic environment. The Bill will create distinct, bilingual legislation for Wales, which is as accessible as possible.

Cadw will continue to deliver its wide-ranging statutory responsibilities, both in relation to the 130 historic properties in State Care and the wider protection and management framework for the historic environment of Wales. Over the next two years, we will be completing the ambitious capital investment projects at Caernarfon and Caerphilly Castle and at Tretower Court and will be developing new opportunities elsewhere for growing the visitor experience and our income, informed by the emerging audience development plan. We will also take forward the next steps identified in the Gaynor Legall audit – ‘The slave trade and the British Empire: an audit of commemoration’ and the previous Committee report ‘Set in Stone: a report on who gets remembered in public spaces’.