

Culture, Communications, Welsh Language, Sport, and International Relations Committee – 17 January 2024

Minister for Economy and Deputy Minister for Arts, Sport & Tourism

Memorandum on the Draft Budget proposals for 2024-25

1.0 Introduction

This paper provides information to the Committee regarding our spending plans as the Minister for Economy and the Deputy Minister for Arts, Sport & Tourism in respect of the culture, creative, heritage and sport budgets within our portfolio. The spending plans are set out in the Draft Budget for 2024-25, published on 19 December 2023. This paper also provides an update on specific areas of interest to the Committee.

A breakdown of changes to the budget allocations (as relevant to Arts, Culture, Heritage, Creative Industries and Sport) by spending area, Action, and BEL for 2023-24 and future years is provided at **Annex A**.

A commentary explaining the changes to each Action relevant to this Committee is also provided at **Annex B**. A transparent narrative explanation has been provided to explain increases and reductions, where not covered in the evidence paper. This only covers the budgets that are being scrutinised as part of this committee. Further details on budget decisions are provided in the updates on areas of interest to the Committee.

1.1 Commentary on Actions and detail of Budget Expenditure Line (BEL) allocations Resource and Capital Budget – Economy MEG

The table below provides an overview of indicative plans for the Economy MEG published in draft Budget 2024-25

Economy MEG – Summary	2024-25 Indicative Final Budget Feb 2023 Restated	2024-25 Changes	2024-25 Draft Budget December 2023
Resource	482,434	-43,532	438,902
Capital	100,492	2,000	102,492
Total Resource & Capital	582,926	-41,532	541,394
Resource AME	58,525	0	58,525
Capital AME	0	0	0
Total AME	58,525	0	58,525
Total – Economy MEG	641,451	-41,532	599,919

Resource

The Economy Resource budget stands at £438.902m for 2024-25.

The Resource budget for the Economy MEG has decreased by £43.532m in 2024-25 when compared to the 2024-25 indicative final budget baseline.

The Welsh Government has undertaken a reprioritisation exercise following the announcement of the Autumn statement to release funding from within portfolios for reallocation across Government due to the increase pressure on the Welsh Government budget and public services in Wales. The Welsh Government published its budget on 19 December as this budget provided as much support as possible to put our public services, people, businesses, and communities first.

As a result of the reshaping of the Welsh Government budgets, the Resource budget for the Economy MEG has decreased by £43.532m in 2024-25 when compared to the 2024-25 indicative final budget baseline. An allocation of £6.4m has been received from central reserves for the Borders programme, which is offset by a return to reserves of £49.932m for the Economy MEG's contribution.

These changes for budget lines relevant to this Committee are summarised in **Annex A** and **Annex B**.

Capital

The Economy capital budget stands at £102.492m for financial year 2024-25. There has been an increase of £2m because of a Financial Transaction repayment for the Cadence Project.

Annually Managed Expenditure – AME

The AME budget of £58.525m provides cover for charges that are outside the control of the portfolio, such as impairments on the property portfolio, pension valuation fluctuations for National Museum of Wales, the National Library of Wales, Sport Wales and Careers Wales. This budget is agreed with the Treasury each year and is fully funded. The AME draft Budget figures reflects the forecasts submitted to the Office for Budget Responsibility in September 2023.

2023-24 Forecast

As outlined in **Annex A**, the forecast revenue out-turn for 2023-24 is £130.704m, compared to the First Supplementary Budget of £130.727m.

The forecast capital out-turn for 2023-24 is £48.358m, compared to the First Supplementary Budget of £50.939m. **The variance is due to the a £3m early repayment of Capital FT from the Welsh Rugby Union and a £0.6m pressure on Support for Local Culture and Sport in relation to re-profiled Co-operation agreement projects.**

2022-23 Final Outturn

An outturn position of £137.263m was reported against the culture, heritage, and sport resource budgets for financial year 2022-23.

An outturn position of £41.408m was reported against the culture, heritage, and sport capital budgets for financial year 2022-23.

1.2 Budget Changes

Resource

The Resource budget for the budgets relevant to this Committee has decreased by £15.579m in 2024-25 when compared to the indicative final budget restated baseline. The decreases relate to reductions due to the Welsh Government reprioritisation exercise.

As part of the Economy MEG's contribution towards the reprioritisation exercise, there has been a 10.5% revenue reduction to Creative Wales and all Culture and Sport Arm's Length Bodies (ALB), the National Library of Wales, Amgueddfa Cymru-National Museum Wales, Arts Council of Wales, Sport Wales, and the National Botanic Gardens of Wales. The Royal Commission on the Ancient and Historical Monuments of Wales) and Cadw have faced a higher reduction of 22%. For Cadw, the ability to generate additional income through increases in admission charges to monuments will help cover some of the additional inflationary pressures that will be faced.

The £14m allocation for culture from the Co-operation Agreement in financial year 2024-25 has been predominantly maintained, with the exception of a reduction of £1.233m towards the Culture Strategy and £0.140m against Welsh place names and support for Heritage sector. A reduction of £0.376m has been applied against the Fusion programme and £0.327m against the National Contemporary Art Gallery, but delivery will still be maintained.

Further detail on funding within Budget expenditure lines (relevant to this Committee) is outlined below. My officials are undertaking detailed work as part of the business planning process for 2024/25 and so consequently, we have kept the narrative at a broad level.

Investing in our internal agencies, national organisations and local sectors is vital and recognises the importance of the arts, culture, sport, and heritage for our wellbeing goals: a Wales of vibrant culture and thriving Welsh language; a healthier Wales and a Wales of cohesive communities.

Investment in the long-term sustainability of our national organisations demonstrates our commitment to preserving our culture and heritage for future generations and our commitments for these organisations to better reflect the diverse communities across Wales. Decarbonisation is a priority for the budget decisions to achieve [Net Zero Wales](#) will enable the organisations to address environmental concerns, particularly CO2 emissions and energy efficiency. During the pandemic the organisations have adapted their offer to the public by making more of their collections available digitally and moved to offering educational and entertainment programmes online so that individuals and families could enjoy culture and heritage at home. The capital budgets will enable further investment in technology for recovery, wider access and

preservation of the collections. The additional allocations from the Co-operation Agreement are particularly important in helping to drive forward these initiatives.

Internal agencies:

The Creative Wales brand supports the international strategy in raising Wales' profile to the world, not only as a centre for creative excellence, but as a great place to visit and live. Creative and cultural investment is vital for regeneration across Wales and capital funding of £15m over three years will support productions and initiatives in both Welsh and English.

Significant development and conservation programmes are planned for our heritage sites with a Cadw budget of £30m over three years, including major development work at Caerphilly Castle.

National cultural organisations:

In 2024-25 we will provide £68.964m revenue and £7.650m capital collectively to our four national culture bodies (the National Library of Wales, Amgueddfa Cymru-National Museum Wales, Arts Council of Wales, and Royal Commission on the Ancient and Historical Monuments of Wales) and the National Botanic Garden of Wales. For capital, we have allocated £5m to Amgueddfa Cymru and £2m to the National Library of Wales to support the maintenance of their historic estates and small allocations to the other three bodies. We have also made awards for specific projects named in the Programme for Government, digitisation, and decarbonisation from the Support for Local and Culture allocations.

Culture:

The support for local culture and sport budget of £6.668m revenue and £24.7m capital in 23/24 will support the culture strategy and investment in theatres and museums and the wider culture sectors. It makes provision for our Programme for Government commitments on racial equality and implementation of the Anti-racist Wales Action Plan, the five major strategic capital investments (National Contemporary Art Gallery Wales, Football Museum for Wales, Theatr Clwyd, Museum of North Wales and National Slate Museum), provision for investments in developing our national culture bodies, and the development of and our local culture sectors, especially museums and collections. Funding will also be allocated to the Transformation Capital Grant

Sport:

The £20.978m revenue and £8.016m annual capital budgets will provide a significant investment in community as well as elite sports facilities to provide modern and sustainable environments for sports participation, and to nurture and develop talented athletes. It will also ensure Wales is well positioned to compete internationally and to help host international events, providing opportunities to promote Wales brand on the international stage in the future. The £3m allocation as part of the Co-operation Agreement (£9m over 3 years) has been maintained.

Culture, heritage, the creative industries, the historic environment, and sport are essential components of our national life and an integral part of our individual and collective mental and physical well-being. Museums, archives, libraries, arts and sports clubs, facilities and historic sites are the focal point for many communities throughout Wales. Almost all of our support for these sectors helps people to access and enjoy the best of Wales, enhancing quality of life, as well as our education, history, visitor economy and our place in the world. Culture is one of the Wellbeing of Future Generations Goals, and critical to the delivery of the six other goals, in what it can contribute towards wider life and the economy.

What we will do and how we will do it

Our [Programme for Government 2021 – 2026](#) recognises the crucial role that these sectors deliver. See section 4.0 for more information.

Welsh Government have reshaped our budget to provide extra funding and protection for the services which matter most to you. We have done so in line with our priorities:

- Protect core, frontline public services as far as possible.
- Deliver the greatest benefit to households which are hardest hit.
- Prioritise jobs, wherever possible.
- Work in partnership with other public sector bodies to face this financial storm together.
- Refocus funding away from non-devolved areas, which the UK Government should be funding.

Investment is primarily delivered through our internal agencies (Cadw and Creative Wales) and five arm's length bodies (the National Library of Wales, Amgueddfa Cymru – National Museum Wales (7 museums), the Arts Council of Wales, Sport Wales and the Royal Commission on the Ancient and Historical Monuments of Wales). Alongside the National Botanic Garden of Wales, investment in Cadw delivers our heritage ambitions with Capital investment in local museums, archives, and libraries sector via our Capital Transformation Grant programme. Creative Wales leads on, and coordinates, activity, and policy for the creative sectors.

These organisations deliver on the cross-government priorities to support the delivery of key strategies including [Net Zero Wales](#), the Anti-racist Wales Action Plan and [Cymraeg 2050](#). Each of the arm's length bodies are committed to carbon efficiency providing detailed sustainability reports in their annual accounts. An additional £11.75m is allocated to the five public bodies and Cadw via the Co-operation Agreement with an equitable grant in aid / funding uplift (excluding non-cash) to develop a new culture strategy, reflecting Wales' diversity, a thriving Welsh language, our arts, culture and heritage sectors and our duties under the Wellbeing of Future Generations Act. We will ensure the financial sustainability of national cultural institutions as we implement the strategy, and we will also develop the proposals for a national contemporary art gallery.

Cadw will complete phase 1 of the capital investment at Caerphilly Castle (works to the inner ward buildings and Great Hall) and commence phase 2 (the new build visitor centre). This major investment will transform the visitor experience and make the castle a 'must see' attraction in the Caerphilly area. Further capital investment will also allow Cadw to continue its statutory responsibility to conserve and maintain the monuments in its care, keep them safe for people to visit and reduce the carbon footprint of its visitor centres.

Sport is an intrinsic part of our nation's identity. It brings our communities together and provides people with transferrable skills to enhance their learning and find a job or career. Through the many thousands of activities across Wales, sport also supports the growth of Welsh speaking communities by providing opportunities for people to use it on a daily basis as a living, modern language. We will continue to support our communities, clubs, and facilities which will continue to enhance our sense of identity, physical and mental well-being, and will ensure the sector adds value to our health and happiness. The spending

plans for sport, maintained investment levels in the three-year capital budget, enabling the Welsh Government to continue to invest, through its delivery partner, Sport Wales, in the people and places to provide inclusive and equal opportunities for people to lead healthy and active lives, and to realise their sporting potential.

The creative industries and culture sectors according to 2022 data, 3,545 businesses make up the creative industries sectors in Wales, an increase of 8.9% from 2017. Creative industries businesses accounted for 3.3% of total registered businesses in all industries in Wales in 2022. The creative industries in Wales (based on businesses included in the IDBR) generated an annual turnover of £1.4billion in 2022 (down 19.5% from 2021). The wider Welsh economy (including small businesses which are not included in the IDBR) also saw a decrease in turnover, decreasing by 11.2% over the same period to £116.4bn.

In terms of business size, the 2022 data showed that 1% of creative industries businesses were medium and large (50+ employees), 6% small (10-49 employees), 80% micro (1-9 employees) and 14% had zero employees. This compares to figures for all industries in Wales that show 2% of businesses were medium and large, 9% were small, and 89% were micro including zero employees. Data source: Annual Population Survey. Years refer to calendar years (e.g., 2022 refers to the year ending December 2022) unless specified otherwise. As of 2022, 32,500 people were employed in the creative industries sectors supported by Creative Wales. Employment in the creative industries in Wales is down by 6.9% from the previous year, where on average, employment across all industries in Wales has remained constant (up by 0.4%). For the UK, employment in the creative industries, as defined by DCMS is up 4.3% from the year ending June 2021 to the year ending June 2022.

We have a statutory responsibility to continue to support our national cultural sponsored bodies, as well as the local culture sectors, who all play a key role in delivering government priorities and Programme for Government commitments, resulting in better quality of life for so many of our population. We have asked these bodies to all prioritise improving access and tackling inequalities, decarbonisation, and digital improvements over the next three years.

Capital investment is provided to the local museums, archives, and libraries sector via our Capital Transformation Grant programme, and via the Arts Council of Wales to the arts sector, including theatres. We propose to extend and develop these schemes to address the range of Programme for Government commitments, enabling a greater range and diversity of applications and better alignment with Programme for Government priorities. We are revisiting these schemes to put decarbonisation and digital at the centre, to ensure that investments are sustainable and that they tackle inequalities, particularly race inequalities and disability discrimination.

The rationale for investing in culture, heritage, sport, and creative sectors.

The [Economic Mission](#) has already set Wales on a path that links our pandemic response with long term, active industrial policies. Over the next two years, we will progress our economic mission, focusing on the levers that can help young people plan ambitious futures in Wales. This will draw upon international best practice, whilst responding to the evolving labour market to support the conditions needed for businesses to thrive.

The [Programme for Government](#) includes a commitment to progress the Economic Mission and significant cultural commitments, recognising the important role of culture for well-being

and providing employment opportunities. As the response to the pandemic testified, culture and heritage are central to what matters to people, what they enjoy doing, their mental wellbeing and physical health.

The culture, creative, sport and heritage sectors play a vital role in supporting the economy of Wales. They create jobs in the creative industries (media, journalism, and publishing), heritage, traditional building construction and repair, and the arts, sport and cultural sectors. Sport Wales has recently published the Social Return on Investment (SROI) study for sport in Wales, conducted by the world leading Sport Industry Research Centre at Sheffield Hallam University. The findings of the report show that for every £1 spent on sport and active recreation in Wales, £4.44 worth of social benefits are generated. This demonstrates the incredible annual contribution sport makes to health, and other areas, particularly the potential sport has to be the most effective preventative health tool at our disposal. Our cultural attractions help sustain 12,110 businesses in the tourism industry and creative industries employ 32,500 people. They demonstrate strong economic benefits in terms of the visitor economy, regeneration and place-making and strong environmental benefits through decarbonisation and support for biodiversity and the natural environment.

Our culture, heritage, sport, and creative industries are central to the Wales brand and promoting Wales in the UK and internationally. These sectors have faced significant challenges. The ongoing impact of rising costs is particularly high across the portfolio, highlighting organisations and sectors struggling to recover financially from the pandemic, where falls in attendance numbers mean a reduced ability to generate income. Large increases in energy prices are adding significant pressures on budgets. Increased living costs are also impacting on the recruitment and retention of staff and volunteers, as people struggle to afford travel costs and child-care, or opt for better paid work. In some instances, the combined result of these challenges is reduced programmes of activity across Wales. Less disposable income means people are also having to tighten belts and spend less on leisure activities. Significant increases in supply chain costs, particularly in relation to materials and labour, are also impacting on capital projects and maintenance work. The impact of these challenges will continue into the future as we aim to support our sectors in recovery.

3.0 Response to Specific Information Requested by the Committee

3.1 Information on how the delivery of the Arts, Culture and Heritage portfolio and their associated outcomes are monitored and evaluated to demonstrate value for money.

Key priorities for each arm's length body are set out in their remit letters, which they use as a basis for their operational plans and key performance indicators. The Deputy Minister meets at least biannually with each of the organisations, and officials formally monitor progress against their operational plans at quarterly monitoring meetings and more regularly through close working relationships with the senior executive teams at the arm's length bodies. At the invitation of the bodies, officials also attend Board meetings as observers, allowing Welsh Government to maintain a good overview of potential issues. Monthly grant in aid claims are scrutinised to ensure that progress is being achieved against specified lines of expenditure.

Cadw has its own internal agency board with non-executive members. It meets quarterly and part of its role is to scrutinise Cadw's performance against its business plan and

financial reporting and provide challenge and advice. In December 2022, The Deputy Minister announced a review of Cadw's current governance arrangements and the wider provision of public heritage services across Wales. The intention was to assess the success of these arrangements after having been in place for five years. The [report of this review was published on the 5th December 2023](#) and a response to the recommendations will be published in early 2024. The review complemented the achievements of Cadw in recent years and concluded that Cadw's mission and purpose was best served by remaining, at this moment, as an internal agency of Welsh Government. However, it also made 29 recommendations that range in scope and include several that are intended to help clarify the role of the Cadw Board and the ways in which government procedures might be adapted to allow Cadw to operate even more effectively. Several recommendations make suggestions on how the ways in which Cadw works with its partners can be reinforced and others consider how some of Cadw's wide-ranging activities can be enhanced to assist its core purpose.

Each major project has governance arrangements in place related to the specific project. These are frequently reviewed to ensure they reflect the stage of the project. Major capital investments are supported by business cases which are scrutinised to ensure they are robust. This includes a range of Welsh Government officials and independent review via gateway reviews. Smaller capital and revenue grants and contracts are awarded based on either an open application process or a direct commission. They are monitored by officials throughout the project life cycle, with agreed deliverables and check in points.

Major projects and activity are monitored using the Business Information Report Tool (BIRT). An Evidence Plan presents the research, evaluation, and data collection projects that the Culture Division is either undertaking or committed to. It is updated yearly, based on discussions with staff and wider stakeholders, to ensure activity is supporting key divisional priorities and Programme for Government commitments.

3.2 Details of specific policies or programmes within the relevant MEGs (relevant to Arts, Culture and Heritage) that are intended to be preventative and how the value for money and cost benefits of such programmes are evaluated.

Arts, culture, sport, and heritage play an important role in tackling disadvantage and preventing poverty. Participating in cultural activities (such as volunteering at a museum or playing music) can boost skills, self-esteem, learning and aspiration, particularly in areas experiencing economic disadvantage.

Health and wellbeing

The importance of culture to promoting positive wellbeing and physical health was dramatically underlined by the pandemic, and again this year in relation to the sector response to the rising costs of living. Culture and heritage provide an outlet for many during these difficult and uncertain times, and our sector always demonstrates innovative and creative responses to supporting individual and community well-being.

Some examples of how our sectors have delivered preventative policies and programmes in 2023/24 include:

- Establishing warm hubs in libraries – these have continued beyond the initial funding period.

- Providing books on prescription through the 'Reading Well' scheme.
- Developing the House of Memories Cymru app which uses museum collections to support people living with dementia.
- Continuing with the Arts Council of Wales partnership with Health Boards to provide a range of tailored programmes to support well-being.
- Supporting the framework for Social Prescribing through tailored volunteer programmes.

2024/25 looks challenging in terms of the financial flexibility available to our sectors to support preventative activity outside of their core purposes, but the focus on well-being, and on delivering a number of Welsh Government policy priorities such as ARWAP, the LGBTQ+ Action Plan, the Age-Friendly Wales strategy, and tackling loneliness and isolation are already deeply embedded in day-to-day activity.

Examples of projects that will be funded directly in 2024/25 include extending the books on prescription offer in collaboration with Child and Adolescent Mental Health Services: (CAHMS) and the Reading Agency. Evaluation of books on prescription is undertaken by the Reading Agency as part of the grant monitoring. We will continue to work with local museums to promote the use of the Welsh Government funded House of Memories Cymru App, which uses museum collections to support people with dementia. HARP - Health Arts Research People is one arts example of interventions to prevent ill-health, a collaboration with the NHS to develop new approaches to health, wellbeing, and creativity.

Sport can be the nation's most effective preventative health tool, but greater cross-sector prioritisation is needed to create the long-term sustainable shifts in participation. The Healthy and Active Fund and Healthy Weight: Healthy Wales Delivery Plan are two examples of success in this area. Sport Wales will also continue to invest funding and resource in the Welsh Government's 'Healthy Weight: Healthy Wales' delivery plan, including the delivery of the 60+ Active Leisure scheme.

The Fusion Programme

The budget makes provision for continued support for the Fusion Programme in 2024-25 and its work in engaging with individuals and communities in areas of deprivation.

The Fusion programme aims to be a catalyst for positive change for health, wellbeing, and poverty, through cultural activity. The programme has continued to engage with local communities and culture heritage organisations to form partnerships, and to identify and enable opportunities, including new ways of delivering cultural activities and to increase and widen participation in cultural activities.

Employment Opportunities

The Economic Action Plan and the Employability Plan are underpinned by the evidence that well paid work is the best route out of poverty and the greatest protection against poverty for those at risk. By supporting jobs and sustainable growth, particularly with Creative Wales investments and opportunities to work in the wider arts, culture and heritage sectors and taking action to try to alleviate some of the challenges faced by people when accessing jobs, we aim to reduce the likelihood of families experiencing poverty and avoid the long-

term costs that poverty bring to society. We continue to create opportunities for individuals and families with initiatives and targeted investment across Wales.

3.3 Information on allocations (and their location) in your portfolio to provide for legislation which has the potential to impact in the financial year 2024-25 as relevant to Arts, Culture and Heritage.

Through our legislative programme and our Co-operation Agreement commitment with Plaid Cymru we will introduce a statutory registration and licensing scheme for all visitor accommodation in 2024. Creation of this legislation will be subject to further conversation and, of course, ongoing annual budget discussions. For 2024-25 this work will be delivered within the budget allocation for tourism and discussed annually as part of our budget discussions.

3.4 Implications of the ongoing effect of the COVID-19 pandemic, the UK exit from the EU and the cost-of-living crisis on the Arts, Culture, Heritage, Creative Industries and Sport portfolios and how the Welsh Government will manage ongoing impact.

Cadw, Amgueddfa Cymru, the National Library, the National Botanic Garden of Wales and Arts Portfolio Wales organisations may be adversely affected from fewer visitors, particularly overseas visitors. This position will continue to be monitored closely. For example, the restrictions due to the pandemic have had a significant impact on the number of visitors and commercial income levels at Cadw sites over the last two years.

Spotlight on Museums 2022 indicated that: Museum visitor levels overall have recovered to 69% of pre Covid-19 levels. National Trust, independent and university museums are at over 80% recovery Museum Spotlight Survey: 2022 | GOV.WALES

In 2022/23 there was 1,308,628 visits across all Amgueddfa Cymru sites and 2,322,184 visits to the Museum's website. For 2023/24, Amgueddfa Cymru's target for number of visits to its sites is 1.46m. Up to the end of October, it had 1,075,825 visits which means it is on course to meet or exceed its target. The Museum's target for number of website visits is 1.9m. Up to the end of October, it had over 1,578,027 visits which means it is on course to exceed its target. During 2022-23, there were 52,546 visits to the National Library and for the first five months of the 2023-24 financial year 38,767 have visited the Library.

The local arts, heritage and culture sectors have benefitted from the Cultural Recovery Fund, and other sources of Covid relief funding including the Economic Resilience Fund and the furlough scheme. It is too early to assess the full impact of the pandemic on these sectors. The sector was amongst the last to re-open and the impact of the pandemic is likely to be felt for some time and until public confidence returns. We have seen reductions in visitors and volunteers.

The portfolio has greatly benefited over the years from EU funding for certain projects. Cadw in particular has benefited with investment in the visitor infrastructure of monuments in west and north Wales. However, Cadw is not able to benefit directly from the UK government's Shared Prosperity Fund.

The impact of the pandemic on public libraries has seen a shift to increased usage of online resources, that has continued to rise despite a return to physical visits and loans. This has implications for budget provision, as electronic resources are more expensive. Demand is outstripping provision in terms of increased wait times for popular resources.

The UK Government announced in December 2020 that a replacement for the Creative Europe programme would not benefit from direct funding as part of the comprehensive spending review, the Culture element has not been supported directly however the creative film and screen element has. Opportunities still remain to access a very limited fund via the Shared Prosperity Fund.

The Creative Europe programme has been superseded by the Global Screen Fund (GSF) which has run since 2021, with a budget of circa £7m per annum. While a small number of Welsh businesses have benefited from this programme, the overall benefit to Wales continues to be limited. Officials continue to provide feedback to DCMS and the BFI about the need for devolved nations to be more involved in the programme delivery. There has been no direct replacement to date for the Creative Europe cultural sub-programme and that the Welsh Government continues to engage with DCMS and other devolved nations to raise issues and identify options for support for the sector.

Sectors across the creative industries continue to be affected by increasing costs. This includes broadcasters and Film and TV productions concerned that increased costs and inflationary issues are adding to existing budget challenges and wider impacts on trainees on screen productions who are struggling with the cost of living. The music sector and publishing sectors are also being affected by increasing costs related to energy prices and the cost of materials.

3.5 Information on allocations in your portfolio to deliver the Culture Strategy for Wales and an update on development of the Culture Strategy, and any allocations for the coming financial year to take forward its actions.

Officials have worked to develop a draft Culture Strategy in 2023.

The work to develop a strategy was based on an extensive engagement exercise, led by our external contractor The Means, and their associates. During November 2022 through to April 2023, The Means engaged with representatives of our cultural sectors, with cultural arm's length bodies, and with community representatives from across Wales. In addition, officials led on an engagement process which included conversations with staff at our cultural bodies, with digital experts, with social partners, and policy teams across the Welsh Government. In all, over 400 people participated in the engagement conversations. In May 2023, a draft structure was developed for the strategy built around four ambition statements. This was tested with trusted partners, including social partners, for their feedback prior to drafting the strategy.

A draft of a complete strategy was developed and tested with policy leads, social partners, and trusted partners in the autumn of 2023.

This work to develop the strategy has been overseen by a Steering Group, with regular updates being provided to Ministers and the Plaid Cymru Designated Member across the year.

We are now at a stage where we have a revised draft strategy and a draft implementation plan. Unfortunately, the budget settlement for our cultural bodies in Wales is now confirmed and they will be facing a reduction of 10.5% in 2024/25. The Welsh Government budget which supports our local cultural sectors is also facing a 22.3% reduction. These are extremely challenging figures which will lead to job losses, with many of our sector organisations now considering their future viability.

We need to consider the implications of the re-shaping of our indicative spending allocations within our budget, following the reduction of £1.233m towards the Culture Strategy, in consultation with the Designated Member.

We have outlined an ambitious and comprehensive vision for the culture sector in the draft strategy, and we are still determined that this should lay the foundations for our sector over the next seven to ten years but cannot ignore the challenges that are being set out for the 2024/25 budgets.

Specific areas:

Cadw

3.6 Allocations and commentary in respect of Cadw including revenue generation targets, and recent annual income generation figures.

The Cadw commercial income figure for 2019-20, immediately prior to the pandemic, was £8m – a record for Cadw. Income has recovered strongly since restrictions were eased, to an actual figure for 2022/23 of £9.6m, and a forecast figure for this year in excess of £10m.

We are forecasting further increases in commercial income during 2024/2025 – with a stretching income generation target of c £10.8m. We will seek to deliver this target through:

- Increases in admission charges and membership costs by an average of 6.2%
- A number of new income generating initiatives – for example introducing car parking charging where possible
- Marketing campaigns – with an emphasis on where we have made significant investment in the visitor offer such as the recently opened major work at Caernarfon Castle and Tretower Court

This stretching income target should be sufficient to cover many of the inflationary pressures that Cadw continues to face on pay and other costs, particularly utilities costs and the costs of maintaining sites. However, there are some concerns about the impact which the cost-of-living crisis may have on visitor numbers and retail spend.

The income target for 2024/2025 will not be sufficient to cover the reduction of £2.123m that has been applied against the Cadw revenue budget. This results in a 22% reduction compared to the indicative Final Budget restated baseline. The reduction made is the Economy MEG contribution towards the wider Welsh Government reprioritisation exercise.

Core statutory commitments – such as regulatory and planning work and maintaining and providing safe public access to monuments will be prioritised. Most of these activities we undertake directly, although some are delivered indirectly through others - notably the Welsh Archaeological Trusts. Consequently, the budget reductions will have a significant impact on a number of other work programmes such as life-long learning, educational visits, volunteering and participation, monument interpretation, non-income generating events and support for third-sector organisations. Some of the

reductions in a number of these programmes will have a longer-term impact on future income generation – but wherever possible direct income generating activities will need to be protected. However, the budget reduction in budget will impact on the opening times of many of our smaller visitor centres throughout Wales – with some possibly having to close altogether – again with an impact on income generation.

More broadly, Cadw is working for an accessible and well-protected historic environment for Wales. It looks after, and provides access for the public to, 132 monuments across Wales. Capital expenditure on the conservation of monuments, health and safety measures and investment in visitor facilities remains an important priority. However, increasing costs and inflationary pressures have had an impact on what can be delivered with the capital budget of £10m for 2024/25. For example, this will not be sufficient to fully deliver the Caerphilly Castle development as well as essential Health and Safety and conservation work elsewhere. Consequently, only phase 1 of the Caerphilly project will be fully complete in 2024/2025 and Phase 2 will extend into subsequent years.

3.7 Allocations towards funding for owners of historic assets

There are more than 30,000 listed buildings and 4,200 scheduled monuments in Wales, and the majority are in private ownership. Most of those owners conscientiously care for their properties, which constitute a precious legacy for present and future generations.

Cadw has published an extensive range of guidance and signposting to available grant funding which can be downloaded without charge from the Cadw website. The listing of a building or the scheduling of a monument brings no entitlement to grant assistance. As with any building, the maintenance liability is a matter for the owner. However, Cadw does have grant schemes and in each case value for money judgements are made on the submission of costed estimates by the applicant, assessed by Cadw's Inspectors.

Cadw currently has the following capital grant schemes:

- **Historic Buildings Capital Grants** - for the repair of listed buildings at risk or in a vulnerable condition
- **Historic Buildings Maintenance and Repair Grants** – for small scale maintenance and repairs
- **Urgent Works for Buildings at Risk** – Grants for Local Authorities to meet the costs of preparing and serving Urgent Works Notices to secure the condition of at risk and vulnerable listed buildings.
- **Ancient Monument Grants** – to support owners of monuments in repair works and the conservation of sites ranging in date from the Neolithic to buildings of the industrial revolution.

The total value of capital grants for owners of historic assets for 2022/2023 was £2.831m. During 2023/2024, an initial allocation of £1.800m was set, although forecast allocations for the end of 2023/2024 will likely exceed £2.000m. The intention is to set a similar allocation for 2024/2025.

National Museum Wales and National Library of Wales.

3.8 Allocations and commentary in respect of the National Museum of Wales and the National Library of Wales, including any revenue generation targets.

The National Library of Wales and Amgueddfa Cymru are pro-active in delivering Government priorities and engaging the people of Wales in cultural activities as well as important facilitators for projecting Welsh culture internationally.

This is an extremely challenging time for our arm's length bodies. In addition to reductions to their budgets, they are facing significant inflationary pressures and pay increases. They are also experiencing increased costs for utilities and capital projects. This is particularly acute for those with the historic estates (Amgueddfa Cymru and the National Library) who have seen particularly large increases in costs.

There has been a reduction of £2.992m against the 2024-25 indicative final budget for the National Museum for Wales and a reduction of £1.301m for the National Library. Both the reductions have contributed towards the Welsh Government re-prioritisation exercise.

The Library does well in attracting charitable donations and bequests but finds the commercial income generation target challenging, with less on-site options for generating revenue when compared to the Museum with its shops and cafes across seven sites. The Library has recently established a department with its aim to lead and support transformative fundraising across the organisation. Both the Library and Amgueddfa Cymru are continuing to undertake detailed planning and mapping exercises in light of the current financial climate.

The National Library's capital budget for financial year 2024-25 is maintained at £2m. A further £1.55m from the Support for Local Culture and Sport BEL 6170 will enable digitisation and decarbonisation projects as well as helping to increase its storage capacity.

Amgueddfa Cymru's capital budget is maintained at £5m for financial year 2024-25. The budget will help to address some of the maintenance challenges of operating in historic buildings and the need to keep our national collections safe, plus a further allocation of £0.300m from the Local Culture and Sport BEL to enable decarbonisation projects.

Royal Commission for Ancient and Historic Monuments of Wales

In 2024/25 the Royal Commission will see a reduction of 22% to its indicative revenue grant in aid allocation for 2024/25. This significant reduction is being made due to increase costs elsewhere in Welsh Government, including the funding needed for the NHS. Officials are working with colleagues at the Royal Commission to consider the impact of this reduction and to plan accordingly. Like this financial year, the Royal Commission will receive a capital allocation of £0.05m plus a further award of £0.045m from the Support for Local Culture and Sport BEL 6170 to digitise the national aerial photographic collection.

Libraries and Museums

3.9 Allocations and commentary in respect of the Libraries and Museums Strategies.

The draft budget total allocations for Support for Local Culture and Sport are revenue £6.668m and capital £24.7m capital, excluding support for the ALBs and the National Botanic Gardens of Wales specified in the respective BEL lines.

While a challenging settlement, funding has been allocated to enable us to support local museums, archives and libraries in line with our responsibilities as the development agency for the local culture sector. Our funding will ensure the management, preservation, protection and accessibility of both physical and digital assets within archives, museums and library collections. We will work with key sector support bodies to build capacity and resilience, to ensure that statutory obligations are met, and professional standards maintained for the benefit of users.

Public libraries are a statutory requirement under the 1964 Public Library and Museums Act and Ministers have a responsibility to 'superintend' public library provision. For archives there are statutory responsibilities in relation to provision for local government records and for Places of Deposit under the Public Records Act 1958. Ensuring the discharge of these statutory requirements is a key activity within the budget allocation.

We support collaborative initiatives to provide efficiency, value for money, service resilience and ensuring equality of access to collections across the sectors. We invest in digital collection building and skills to enhance resilience, access to resources, and to increase engagement.

We intend to continue our Capital Transformation Grants programme to fund capital developments and improvements, including digital projects, to support decarbonisation and those to promote equalities. Funding for this is included within the Local Culture and Sport budget.

3.10 Funding allocated to take forward recommendations in the Review of Local Museums

The viability of the Review's key recommendations hinged on implementation of the creation of three regional bodies. This remains a decision for local authorities across Wales. The Welsh Government explored the recommendation further via the feasibility study 'To Create and Run a Regional Museum Structure', completed in summer 2019. Both the original Review and this feasibility study recognised that the recommendations had significant cost implications and since 2015 the creation of regional bodies was not deemed a priority by local authorities.

As noted above, the draft budget for supporting the local sectors will be reduced by 22.3%. It is therefore challenging to allocate funding to take the Expert Review's recommendations forward, or to revisit them under the Culture Strategy as was originally planned.

In 2023-24 further work was undertaken that supported several of the Review's recommendations. Welsh Government published a new significance toolkit to aid museums to identify and safeguard items of significance and to support the rationalisation of

collections. It continued to offer a workforce training and development programme and also worked in partnership with other sector bodies to fund an update to the Association of Independent Museums' research and guidance on museum admission policy and practice. In 2024-25 and taking account of the challenge inherent in the budget reductions, the Welsh Government will continue to support the local museum sector through offering a workforce development programme. It will also seek to promote the use of the significance toolkit, to facilitate progress towards the Review recommendation around understanding the nationally significant collections held across Wales within local museums.

Arts and Arts Council of Wales

3.11 Allocations and commentary in respect of the Arts Council of Wales

Under the arm's length funding principle, our primary investment in the arts in Wales is channelled through the Arts Council of Wales.

This is an extremely challenging time for our cultural arm's length bodies including the Arts Council of Wales. In addition to budget reductions, ACW and the arts sectors it supports face significant inflationary pressures.

There has been a reduction of £3.570m against the 2024-25 indicative final budget for the Arts Council of Wales which has contributed towards the Welsh Government re-prioritisation exercise. The draft budget revenue allocation for the Arts Council of Wales is £30.429m.

ACW completed its Investment Review based on its indicative GIA allocations, and made indicative awards, subject to the outcome of the appeals process and confirmation of its budget for 24/25. In light of this budget, officials/ the Welsh Government are aware that ACW may now need to reevaluate the detail of the investment review awards in order to best enable it to continue to deliver vital support for the arts sector within these parameters.

The Arts Council of Wales capital budget for financial year 2024-25 is maintained at £400,000. In addition, we have made an allocation towards capital maintenance in theatres, concert halls and performance venues from BEL 6170 as well as for the National Contemporary Art Gallery. Funding to support the redevelopment of Theatr Clwyd will continue to be made through ACW.

3.12 Allocations and commentary in respect of funding to promote access to the arts.

Working with the Arts Council of Wales we will continue to support and promote the vital contribution that the arts make to Wales.

Increasing and diversifying levels of access and participation in the arts continues to be a priority in the Government's Remit letter to the Arts Council of Wales. The Arts Council of Wales uses the majority of its grant-in-aid to core fund strategic arts organisations, and we expect them to continue to prioritise access and engagement work.

Our investment in major culture capital projects, especially Theatr Clwyd and the National Contemporary Art Gallery is designed to tackle inequalities and provide better access, including particularly in North and Mid Wales.

3.13 Allocations and commentary in respect of funding aimed at using arts and culture to tackle poverty.

The budget makes provision for continued support for the Fusion Programme in 2024-25 and its work in engaging with individuals and communities in areas of deprivation.

The Arts Council of Wales is a strategic partner in the Fusion programme, supporting organisations to participate by providing practical advice and brokering introductions between Fusion partners and artists/arts organisations in their areas.

3.14 Allocations and commentary in respect of funding aimed at encouraging/enabling arts organisations to generate more of their own income.

The Arts Council of Wales offers the opportunity for any organisation to apply for business development funding via the Create programme which is open year-round. These types of applications often focus on how an organisation operates and connected to that, how its financial model works and can be improved.

All ACW grant applications ask for a budget, and this is reviewed as part of the process. Nearly all applications require the organisation to raise a proportion of its own funding, and this also forms part of the decision-making process.

Creative Wales - Media and broadcasting

3.15 Allocations and commentary in respect of Creative Wales (including funding to be distributed by Creative Wales).

The Draft Budget total allocations over three years for Creative Wales are revenue £21.364m and capital £15m (including the Books Council of Wales). In 2023-24 Creative Wales total budget allocation is £7.119m revenue & £5m capital (£12,119m).

The focus of our investment is on the priority sectors of screen (Film & TV), music, digital and publishing alongside the broadcasting and journalism commitments set out in the Co-operation Agreement as well as delivering on the Programme for Government commitments in improving skills for the industry.

Since April 2023, we have invested in 9 capital projects totalling £6.7m in Creative Wales capital funding and over £83.2m in projected Welsh spend and creating 50 new jobs. The aim of the scheme is to support the growth of Wales as a destination for the production of world class content. The funding supports Wales-based production and games development companies who are looking to develop productions intended for international audiences and create jobs also for those productions from outside of Wales that are seeking to film in Wales.

Working with Ffilm Cymru (FfC) £1.3m has been allocated to 5 projects in 2022/2023 and work continues with the FfC team on a pipeline of projects which are expected to be presented for consideration to the December 2023 board panel to reallocate the balance of funding already committed as well as remaining balance of the overall programme.

With the growth in productions looking to film in Wales we also have a strategic priority to invest in our studio infrastructure. Following our investment in Aria Studios in North Wales last year, Creative Wales has invested in Great Point Studios alongside Cardiff Capital

Region, for a major expansion of the site. Building work is yet to start but will see this site expanded to a total of 257,000 sq ft.

We continue to provide funding to support the commercial music sector, with £0.700m in capital funding to support venues, recording studios and rehearsal rooms via the Music Capital Fund 2023 to 17 business. This is in addition to the £0.200m revenue via strategic support to programmes such as Focus Wales, PRS Momentum and Power up, BBC comedy festival and Beacons programme delivery.

The additional funding for broadcasting and media will support action to strengthen the media in Wales as set out in the Co-operation Agreement with Plaid Cymru.

Support for skills and talent development in the creative industries is a *Programme for Government* commitment and Creative Wales is committed to supporting and nurturing both the current and future workforce.

This financial year there have been 73 trainees on paid placements on Creative Wales funded productions with an additional 45 trainees committed to date on current funded productions including: Out There, Maid of Sker (game) and Tŷ Gwyrdd. This includes entry level and upskilling placements as well as apprentices from the CRIW Shared Apprenticeship Scheme (Sgil Cymru). There are paid trainees on all films funded via our agreement with Ffilm Cymru Wales All placements are monitored, and productions are visited to gain employer/employee feedback. Creative Wales are working closely with other industry stakeholders to look at creating meaningful career pathways for trainees.

There are currently 17 high quality skills and training projects being delivered via the Creative Skills Fund (CSF) which was launched in September 2022.

In addition to the 17 projects, Creative Wales is supporting four additional skills partnership projects including a wellbeing facilitator programme, a new six-month course; *O'r Sgript i Sinema* being delivered by NFTS Cymru Wales, in conjunction with S4C, which is designed to help writers develop their cinematic voice in the Welsh language. Creative Wales is also continuing to support Culture Connect Wales for a third year. The project aims to support diverse talent across Wales to find opportunities in film & TV. Creative Wales is one of five partners who support this project alongside BBC Cymru Wales, ITV Cymru, S4C and C4.

Diversity and inclusivity is embedded in activity and the Creative Wales Non-Executive Board have set this as their number one priority. Creative Wales' ambitions for a more diverse and inclusive creative industries sector in Wales clearly align to the Programme for Government's commitments to maximise fairness for all, eliminate equality and to celebrate diversity.

3.16 An update on plans to provide further support to English-language journalism "similar to the Welsh language model".

In 2022/23 independent community journalism was supported through a £0.100m award to PING! News to deliver the Journalism Accelerator Fund, a follow-on project to the Wales Public Interest Journalism Fund supported by the 2021/22 budget. To date, the Journalism Accelerator Fund has supported ten publications from across Wales to increase the provision of locally relevant public interest news and promote growth in the Welsh community news sector. In addition, the three dedicated journalism pilot projects; the

Independent Community News Network led dedicated Senedd reporter post and the Inclusive Journalism Cymru led Inclusive “Media Development Lab” project funded through the 2022/23 budget and the Cardiff University’s Sector Data Research project, funded through the 2023/24 budget continue to deliver. Work is underway to commit the remaining 2023/24 media financial support budget.

3.17 Allocations and commentary in respect of any funding for the media and broadcasting.

To date, in 2023-24 a total of £3.,760m was awarded to the Books Council of Wales to support the publishing sector in Wales. This included revenue funding for the Digital Welsh-language News Service. The budget for the Books Council of Wales for 2024-25 will be agreed as part of the formal budget publication. We continue to use the Memorandums of Understanding with the BBC and S4C to guide co-commissions and support increased partnership working on broadcasting issues and funding opportunities for Welsh organisations. This approach has supported a suite of productions in 2023/24, including *Pren ar y Bryn / Tree on a Hill* and *Men Up*. Our production funding continues to attract a high volume of new enquiries and we maintain a broad pipeline of national and international potential projects.

3.18 Allocations and commentary in respect of broadcasting and communications actions in the Cooperation Agreement, and what they are intended to achieve.

To date, in 2023-24 a total of £0.216m has been committed to support delivery of the broadcasting and journalism commitments in the Co-operation Agreement, as follows:

Activity	Funding
Expert panel administration and reports	£10,658
Support for the development of the AM platform	£173,799
Cardiff University’s Sector Data Research project	£31,750

In 2024-25 an annual budget of £1m for broadcasting and £0.100m for journalism has been set aside, as set out in the Co-operation Agreement budget. In addition, £0.700m has been allocated to Welsh language film and content through the Co-operation Agreement. Decisions on activities and projects to be supported by these budgets will be taken following agreement of the Welsh Government’s response to the recommendations set out in the Broadcasting Expert Panel report and in the context of the recommendation set out in the Wales Public Interest Journalism Working Group’s report. Funding is intended to support improvements in the broadcasting and communications framework in Wales, to close the information deficit and develop existing and new enterprises to improve Welsh journalism and support Welsh-based media.

Creative Wales - Support for film and television production

3.19 The latest revenue and projected revenue figures, and occupancy rates for Pinewood Studios/Seren Stiwdios since the commencement of the Management Services Agreement in November 2017.

The Great Point lease for Seren Stiwdios commenced 1st October 2020 and ended when the studio was sold. Rent received up until the sale is as follows:

01.10.20 – 30.09.21 -	£0.319m
01.10.21 – 30.09.22 -	£0.478m
01.10-22 to 21.08.23	£0.683m

The studio has hosted 2 major productions to date, HAVOC for Netflix and Black Cake for Hulu alongside a number smaller number of productions including 'The Famous Five'.

3.20 The latest figures for the Media Investment Budget, including total investment, return on investment and Welsh spend (broken down by project) and the same figures for investments in screen productions made by Creative Wales.

To confirm, the total recouped to date in 2023/2024 is £40,690.63 via the Media Investment Budget which was a commercial investment fund for TV and film. The fund is now closed and has been for several years. Due to the time that has lapsed since this fund was closed, it is now considered unlikely that there will be much further recoupment via this fund.

A summary of the Media Investment Budget is included at **Annex C**.

3.21 The latest figures for production funding provided by the Welsh Government including total investment and Welsh spend (broken down by project).

Since 2020 this is at £22.1m in production funding (which now also games investment as a result of amended criteria) and this has supported 39 projects and will generate over £269m into the Welsh economy. Since 2020 Creative Wales have supported a total of **341** paid placements on funded productions.

A list of the projects is provided at **Annex D**.

3.22 The latest figures for the Wales Screen Fund including total investment and Welsh spend (broken down by project).

All production supported prior to the launch of Creative Wales in 2020 can be seen in Annex C. To clarify, there is no Wales Screen Fund, this is the subsidy control mechanism used to support production funding.

3.23 The latest figures regarding the Welsh Government's loan to Bad Wolf Studios including total repayments and Welsh spend (benchmarked against Welsh Government targets).

Total interest due on the loan arrangement is £1.064m and repayments commenced in 2020-21. **Bad wolf has repaid £669,314 of the interest loan and have a balance of £394,686.** The latest financial detail is provided at **Annex E**.

3.24 A description of the strategy and targets for investments in screen productions made by Creative Wales.

We launched our new production funding model in May last year. The aim of the scheme is to support the growth of Wales as a destination for the production of world class content. The funding supports Wales-based production and games development companies who are looking to develop productions intended for international audiences and also for those productions from outside of Wales that are seeking to film in Wales. Whilst one of the main outputs continues to be the impact on the Welsh economy through spend on crew, facilities, locations etc, the fund also seeks to maximise the amount of training and skills development opportunities available on funded productions. The fund prioritises content that shows the best of Wales in Culture, language and geography, but also prioritises the development of a sector that provides equal and diverse opportunities for a long term, skilled employment base and one that looks after the wellbeing of existing staff. Also, in July 2022, Welsh Government entered into an agreement with Ffilm Cymru to administer the grant funding for feature films on our behalf. To date, £1.3m has been allocated to 5 projects in 2022/2023 and work continues with the Ffilm Cymru team and project board on these projects.

3.25 An assessment of the impact of production funding provided via Ffilm Cymru, and allocations for the coming financial year.

We will be evaluating the programme at the end of pilot two-year period.

4.0 Programme for Government commitments

4.1 Ensuring that Black, Asian, and Minority Ethnic histories are properly reflected throughout our cultural and heritage sectors including in National Museums [and Ensure the history and culture of our Black, Asian, and Minority Ethnic communities are properly represented by investing further in our cultural sector and museum network”];

The Culture, Heritage and Sport commitments in the Anti-Racist Wales Action Plan (ArWAP), and associated specific Programme for Government commitments aim to make a measurable difference to the lives of Black, Asian and Minority Ethnic. Our work has focused on widening access, participation, and engagement of Black, Asian, and Minority Ethnic people as well as building capacity and capability of our cultural and heritage sectors in tackling both institutional and systematic racism. To achieve this, we have committed capital and revenue funding of a total of just over £5m over financial years 2023-25 to support our national, local, regional and grassroots cultural, heritage and sport organisations. Included in the total allocation is a contribution of just over £1.3m from the Co-operation agreement budget to support this work.

All projects receiving funding have a focus on co-production, demonstrating a commitment to placing lived experience at the centre of policy / service design, development, and delivery. We know that co-production with Black, Asian and Minority Ethnic is not a matter for diversity and inclusion; it is a strategic imperative that leads to more equitable and culturally appropriate services and where our heritage offers a more balanced and authentic account of our past.

Significant strides have been made within the culture and heritage sectors delivering against our ArWAP goals and actions and related PfG commitments. Last year, the Arts

Council of Wales and Amgueddfa Cymru published a joint [Widening Engagement Action Plan 2022-25 | Arts Council of Wales](#), which is underpinned by work to address the current inequalities experienced by people, groups and communities, particularly those currently under-represented, in access to and participation in the arts. Whilst Cadw is finalising guidance for public bodies on public commemorations in Wales. This follows on from the monuments and street names audit that identified numerous examples of commemorations in public spaces that could be considered contentious. The guidance has gone through a public consultation and the intention is to publish it early in the New Year.

4.2 Creating a Creative Industry Research and Development Fund

Creative Wales have not specifically designed a new R&D fund. R&D was included as a key priority area as part of the development funding programme. 2021/22 Development funds have been fully allocated for delivery throughout 2021/22 and 22/23 to the value of £1.1m to 51 creative companies. In July 2023 a second round of development funds was launched and 35 projects totalling over £0.980m for spend in 2023/24 and 2024/25.

The £50m media.cymru programme is funded through £22m from UK Research and Innovation's (UKRI) flagship Strength in Places Fund, £3m from Cardiff Capital Region, £0.500m from Welsh Government, through Creative Wales, and £23m match funding from industry and university partners. The Media Cymru programme, supported by Creative Wales, includes a work package to deliver a Wales wide R&D fund for the Creative Industries. This will be delivered between 2022 and 2026 and £0.100m has been claimed to date and a further £0.100m profiled for 2023/24 FY.

A pioneering sustainable research project for the screen industry run by the BFI and BAFTA Albert has been secured to Wales, following a successful bid from Creative Wales with delivery partners Ffilm Cymru and Clwstwr. The report has now been published and we are working on the recommendations.

4.3 National Music Service

The National Music Service, funded by the Welsh Government Education Directorate over the period 2022-23 to 2024-25, is progressing a wide-ranging programme to support music education and activities. The establishment of the Service in May 2022 fulfilled a Programme for Government commitment. A key focus of activity, as set out in the [National Plan for Music Education](#), is on provision in schools and settings, with the 'First Experiences' and 'Music Pathways' programmes being rolled out across all local authority areas.

At its establishment, it was outlined that the funding for the National Music Service over the three-year period would be in total £13.5 million (equating to £4.5million per annum). However, in the light of the wider Welsh Government budget position, it is planned that the allocation for the Service for 2024-25 will be reduced by £500,000 (that is to say, a budget of £4 million).

4.4 Investing in Theatr Clwyd

The redevelopment of Theatr Clwyd is a programme for government commitment. We have awarded a total of £26.5m (2021/22-24/25), including £23.5m from the Co-operation

Agreement towards this project, which will be administered by the Arts Council of Wales, and including £7.768m in 2024/25. This reflects a change to the profile of spend to more accurately reflect the development timetable.

During 2023-24, significant progress has been made on site, the demolition phase of the project has now been completed and the construction phase has commenced. The Theatr Clwyd team continue to progress with the fundraising campaign for the redevelopment project, with the public fundraising campaign now launched. Following a thorough review, and a successful Gateway 3 assurance review, the Welsh Government have also now approved the Full Business Case for the project.

4.5 Establishing a Football Museum for Wales

In February 2023, a further £5.458m was announced for the Football Museum for Wales, to take it through content development, construction to delivery and opening (scheduled for March 2026), within this the allocation for 2024-25 is £4,258,120.

During the course of 2023-24 the project team at Wrexham Museum have progressed the building and content designs for the new Football Museum for Wales, developed the Full Business Case for the project, activity planning pre- and post-opening and the museum business plan.

Construction phase drawings and specifications for the future museum building, and design drawings for the galleries and public spaces have been finalised. Following a PIN notice to the market for the construction work contractor, tenders will be issued for the construction phase in early January.

Collecting and engagement activity has raised the profile of the project, and ensures the objects and stories required for the museum are sourced, aiding the content development work to enable diverse stories of the game, the grassroots and the international, the fan and the player stories are represented. During the year the Museum acquired a large, important collection from Alun Evans/FAW President.

The Wrexham team continue to progress fundraising for the project, including their National Lottery Heritage Fund application. Funding from the UK Shared Prosperity Fund was secured this year.

A Gateway 3 assurance review of the full business case will be held in February 2024. On 4 November 2023, Wrexham Museum closed to the public to enable preparation works for the redevelopment.

4.6 Establishing a National Contemporary Art Gallery

The development of a National Contemporary Art Gallery for Wales is a commitment in our Programme for Government and in the Co-operation Agreement with Plaid Cymru. It has three distinct elements, supported by an online gallery resource named Celf ar y Cyd:

1. A network of galleries across Wales will provide free access to the national collection and bring contemporary art closer to communities.
2. Host galleries the organisations which currently host the national collection of Welsh art i.e., National Museum, Cardiff and National Library of Wales, Aberystwyth.

3. An anchor gallery to provide a prominent public face for the national contemporary art gallery.

The **Celf ar y Cyd** digital platform was launched in June 2023, and by the end of October 2023 contained over 33,500 images. It has been accessed by 6,500 new users with 44,000 page views. Both Amgueddfa Cymru and the National Library will have their collections digitised and added to the site by the end of March 2025.

We are considering plans from six potential **Anchor Gallery** candidate sites across Wales. The search for an anchor gallery remains at an early stage. We anticipate that following the decision on a site, we will consider more practical and operational issues, developing further with stakeholders, the concept and role of the Anchor Gallery.

We hope to make a decision on a preferred site to develop early in the next calendar year following consideration of the proposals received. Until a preferred site is identified, it is not possible to identify the level of investment required to support the development, affordability or operational models for any future anchor gallery.

The **dispersed model** for the National Contemporary Art Gallery for Wales is being taken forward as a critical first phase, consisting of a number of nine sites across Wales. This work is being led by a collaboration between the Arts Council of Wales, Amgueddfa Cymru and the National Library of Wales.

The geographically dispersed model will allow greater access to both contemporary art and the national collection by communities across Wales, bringing art closer to the people of Wales, in a far more equitable way.

A conditional grant award has been made to take this work forward and costs for the project will be finalised in February 2024.

Between 2017 and 2023, expenditure on the various elements of this programme totalled £1.76m, with £1.36m being capital expenditure. The grant award now made provides a further £6,290,259 to support the project through to its completion in March 2025.