

Ms Bethan Jenkins AM  
Chair  
Culture, Welsh Language and Communications Committee  
National Assembly for Wales  
Cardiff Bay  
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Date: 8 March 2017  
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*Anwyl Bethan*

#### **ARTS COUNCIL OF WALES – PROCUREMENT OF SERVICES**

Thank you for your letter dated 16 February 2017 seeking clarification regarding the cessation of funding to Arts & Business Cymru ('A&BC') by the Arts Council of Wales (the 'Council') and the Council's use of public procurement to obtain future provision of services. I understand the position to be as follows:


- The Welsh Government ring-fenced £140,000 within the Council's Grant in Aid remit for 2014-15 and 2015-16 as a two year funding commitment to A&BC. It was made clear at the time that post 2015-16 funding would cease. This was clarified in a letter to A&BC Chair from Mr S Tomos (Director of Enterprise and Regeneration) dated 17 December 2015.
- The Council provided further financial assistance from its Lottery Distribution Activities in 2016 to A&BC of £30,000 for transition funding and £25,000 for the appointment of consultants to assist A&BC with planning for a sustainable future.
- The Council, as part of its 'Resilience' transformation programme for the arts organisations it core funds, continues to invite bids as part of a public procurement process at which A&BC can, and has submitted bids. Whether A&BC is successful depends on, as for any other organisation, whether it provides the best quality and value for money for the Council's service requirement.
- As explained by Mr N Capaldi in his letter to you dated 13 February 2017, the Arts Council is required to undertake the activities as directed within the Council's remit letter, whilst complying with public procurement regulations in Wales as issued by the Welsh Government, namely Managing Welsh Public Money and the Wales Procurement Policy Statement.

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- It is not my role nor that of my staff to design or impose any rules for public bodies' procurement of services, but in the course of our audit work we will frequently review a sample of expenditure items and any associated public procurement exercises including the extent to which they conform to regulations issued by the Welsh Government.

I hope this answers your questions. If you would like to discuss further then please do not hesitate to contact me.

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**HUW VAUGHAN THOMAS**  
**AUDITOR GENERAL FOR WALES**