

## Council Minutes – meeting 153

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<b>Date of meeting:</b>	Friday 8 July 2016.
<b>Venue:</b>	The Arts Council of Wales, Cardiff.
<b>Present:</b>	Phil George (PG), Melanie Hawthorne (MH) left at 14.00, Lesley Hodgson (LH) left at 12.00, Kate Woodward (KW) via videolink, Marian Wyn Jones (MWJ), Andrew Miller (AM), Margaret Jervis (MJ), Alan Watkin (AW) left at 14.45 and Mike Griffiths (MG).
<b>In attendance:</b>	Nick Capaldi (NC), David Alston (DA), Hywel Tudor (HT), Sian Tomos (ST), Diane Hebb (DH), Andrew Richards (AR), David Newland (DN), Kath Davies (KD) Chris Batsford (CB), Ben Thatcher (BT) and Katy Brown (KB) – minuting.
<b>Apologies:</b>	Richie Turner (RT) and John Williams (JW).
<b>Presenting:</b>	Rhian Hutchings (RH) and David Baxter (DB), Artworks Cymru. Paul Kaynes (PK), Chief Executive and Caroline Finn (CF), Artistic Director, National Dance Company Wales.
<b>Observing:</b>	Andrew Stevenson (AS).
<b>Translation:</b>	Dafydd Frayling (DF)
<b>Status of paper:</b>	For public release.

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1.	<p><b>Welcome, introductions and apologies</b></p> <p>The Chair welcomed members to the meeting held at Arts Council of Wales, Cardiff.</p> <p>Apologies were recorded.</p>	

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<p>2. <b>Declarations of Interest</b> (to note)</p> <p>Members of Council asked for Declarations of Interest to be recorded in the minutes (attached as an appendix to these minutes).</p> <p>KW – it was noted that her partner had ceased employment with Arad Goch in February 2016.</p>	
<p>3. <b>Minutes of the meeting held on Friday 15 May 2016</b></p> <p>The Minutes of the meeting were <b>approved</b> as a correct record.</p>	=
<p>4. <b>Matters arising</b></p> <p>All action points were reported as completed.</p> <p><u>Wales in Venice</u></p> <p>It was noted that Council has already approved the overall allocation of funds for Wales in Venice. It was <b>agreed</b> that the approval of any payments in the interim could be delegated to the Chair and Chief Executive.</p> <p>It was <b>noted</b> that Chapter was managing the Wales in Venice project. Any funding would therefore, technically, be a supplementary award. It was agreed that Creative Agents would be invited to provide a presentation at a future meeting.</p> <p><u>Creative Learning Through the Arts</u></p> <p>Round 2 of the programme is now underway. It was agreed that Officers would share the list of the 67 participating schools (and contact leads should a Council member wish to visit a school).</p> <p><u>Wales' international profile</u></p> <p>In the light of the EU Referendum Vote members felt that arts from Wales should continue to have prominent profile. Council felt that it should have a strategic discussion of the international issues now facing the arts. This will be programmed into a future meeting.</p>	DH

<p><b>5. Committee Minutes</b></p> <p><b>5.1 Audit &amp; Risk Committee - meeting held on 25 May 2016</b></p> <p>The report was <b>noted</b>.</p>	
<p><b>5.2 Audit &amp; Risk Committee – meeting held on 29 June 2016</b></p> <p>LH provided an overview of the key business conducted at the meeting. Members expressed a desire to make a more direct connection with business conducted at the meeting and the activities supported by the Council. Case studies on arts organisations/individuals/projects could be included. Short videos could also be shown. This would provide members with additional insights that they would find helpful.</p> <p>LH expressed the desire as part of this process to meet members of staff from across the organisation. This would allow members to have a better understanding of the work of staff.</p> <p><u>Internal Audit annual plan 2016/17</u></p> <p>The Committee had discussed arrangements for extending the internal audit contract. The Committee had asked HT and Deloitte to discuss this.</p> <p>The Audit Committee suggested that a staff survey should be conducted on an annual basis. The Civil Service provides a template which staff may like to participate in. The appropriateness of the Civil Service scheme would be discussed with the HR and Remuneration Committee.</p> <p>Members welcomed the new format of the accounts.</p> <p>The report was <b>noted</b>.</p>	<p>HT</p>
<p><b>5.3 HR &amp; Remuneration Committee – meeting on 13 June 2016</b></p> <p>MJ provided an overview of the key business conducted at the meeting.</p> <p>The Committee will require a second independent member, preferably with expertise of change in management. The committee members were very pleased to welcome the Chair, PG, to the meeting. They had discussed in particular matters relating to the Organisational Review.</p>	

<p><u>Chief Executive – Performance and Remuneration</u>  Council endorsed the HR and Remuneration Committee’s recommendation on performance targets and the matter of the Chief Executive’s remuneration. There will, as usual, be a full statement of disclosure in the 2015/16 Statutory Accounts.</p> <p>The report was <b>noted</b>.</p>	
<p><b>5.4 Capital Committee – meeting held on 24 June 2016</b></p> <p>AW provided an overview of the key business conducted at the meeting.</p> <p><u>Digital Screen Development</u>  It was reported that we have been running a programme to enable small independent cinemas to apply for funds to upgrade to digital screening technology. To date:</p> <ul style="list-style-type: none"> <li>• Barry Memo is fully installed, working and training has been delivered. Minor snagging works will take place in June and the venue will then commence its public cinema programme.</li> <li>• Blaenavon is fully installed but screenings are yet to start as they await planning permission for the satellite dish. The first public screenings are planned for 22 July.</li> <li>• Theatr Ardudwy is fully installed and the cinema programme commenced on 30 April. Planning permission is yet to be given for the satellite dish</li> <li>• Cell B – installation is complete and the first public screening is scheduled for 22 July</li> </ul> <p><u>Accessibility</u>  The Centre For Accessible Environments (CAE) was selected to undertake the audits and Members agreed in November 2014 to ring-fence at least £200,000 to fund the access improvements identified (to 50%) as either urgent or high priority. All venues that participated in the audit were encouraged to apply.</p> <p>The take up has been poor, despite the best efforts of Officers, with only 2 of the 12 audited venues in active discussions with the Arts Council. Officers will return to Council with ideas as to how this matter can be addressed.</p> <p>The report was <b>noted</b>.</p>	<p><b>KD</b></p>
<p><b>5.5 Ideas, People, Places Meeting - held on 6 May 2016</b></p> <p>AW provided an overview of the key business conducted at the meeting.</p>	

The report was **noted**.

## 5.6 Funding recommendations – Capital project

### Galeri Caernarfon Ltd

Amount Requested: £1,500,000, 44% of project cost

Council **approved** the application for £1,500,000.00 (or 44% of the eligible cost whichever is the less) subject to the following additional conditions:

1. That this grant is subject to separate legal agreement with the Arts Council of Wales.
2. Further consideration is given to the BREEAM Rating. Arts Council of Wales specifies an 'Excellent rating' for new build projects.
3. Further consideration is given to issues raised in the Disability Access adviser's report, in particular those regarding accessible parking, WC provision, the number of wheelchair spaces within the 2 new cinema spaces and their location.
4. Further consideration is given to the points raised in the Cost Assessor's report.
5. The business plan is updated and addresses the issues raised by the Business Adviser.
6. Confirmation of partnership funding and related contracts are submitted to the Arts Council of Wales.

AM queried the accessibility of the proposed project. Officers reassured AM that this had been subject to specific expert review and the venue will be fully accessible.

### Mission Gallery

Amount Requested: £972,631, 70% of project cost

Council **agreed** with the proposal to **defer** the decision due to issues in relation to the costs and management of the project. The following issues will be fed back to Mission:

1. That Mission Gallery implements the recommendations made by our External Assessor (Cost):
  - i. An updated cost plan and associated report
  - ii. Written confirmation is provided that cost consultants will be involved in future decision making processes
  - iii. That a Priced Risk Register is developed as soon as practicable
  - iv. That the allocation for inflation is regularly reviewed
  - v. That Mission Gallery confirm that the total cost of the tower and

<p>garden including preliminaries, profit, inflation and contingencies will be covered by any Sponsors and that this will be reflected in any agreement.</p> <p>2. That Mission Gallery considers and addresses the recommendations made by our External Assessor (Business) in relation to the capacity and resource of Mission Gallery:</p> <ul style="list-style-type: none"> <li>i. That revised budgets are submitted for 2016-2019 and should include the period for when the organisation will be off-site</li> <li>ii. That an off-site budget is developed for 2019-2020</li> <li>iii. That revised financial forecast should be presented for 3 years post completion</li> <li>iv. That further consideration is given to staff, roles and responsibilities to support the activity plan</li> <li>v. That a timescale for the proposed staff restructure should be set</li> <li>vi. That a further risk analysis and register should be completed</li> <li>vii. That further consideration is given to the monitoring and evaluation procedure</li> </ul> <p>3. That clarification is sought regarding the implementation of the Fundraising Strategy.</p>	
<p><b>5.7 Future Generations Monitoring Group – meeting held on 16 June 2016</b></p> <p>MH provided an overview of the key pieces of business conducted at the Sustainability Monitoring Group Meeting.</p> <p>MH reported that the group was disappointed with the increase of 8% on the Arts Council’s Carbon footprint. The Target had been to reduce the carbon footprint by 1% from the last financial year.</p> <p>It was noted that statistics included the additional impact of the Creative Learning Team. However, even when this was excluded, the overall increase was still up by 4% from last year.</p> <p>The group will meet and discuss the impact of flights, trains etc. and look at how the issue of sustainable travel might be incorporated into future project arrangements. Officers will also meet with the Creative Learning and Wales Arts International teams to raise awareness of the implications of travel on our carbon footprint.</p> <p>MH thanked NC for attending the meeting.</p>	<p>ST</p>

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The report was **noted**.

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**5.8 Welsh Language Monitoring Group - meeting held on 12 May 2016**

MWJ provided an overview of the key pieces of business conducted at the Welsh Language Monitoring Group Meeting.

The group is awaiting the response from the Welsh Language Commissioner to Council's submission regarding the Welsh Language Standards.

The report was **noted**.

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**6. Chair's Report**

PG reported on recent events and matters.

PG has been meeting with the teams across the Arts Council. He had also written a piece regarding his future vision for the Western Mail.

The Chair reported that he had:

- written to Kirsty Williams AM Cabinet Secretary for Education to remind her of the importance of the Creative Learning Programme and to request a meeting
- arranged meetings with both Mark Drakeford, Cabinet Secretary for Finance and Local Government, and Ken Skates AM Cabinet Secretary for Economy and Infrastructure. He was hoping to meet with Vaughan Gething AM, Cabinet Secretary for Health, Well-being and Sport.

Council Recruitment

The Welsh Government had received 28 applications. The sifting process would begin the following week. PG, Hilary Boulding (Royal Welsh College of Music and Drama) and Peter Owen (Welsh Government) will form the selection panel.

EU Referendum

NC had produced a briefing note on the recent outcome of the EU Referendum. It was noted that we would be working with the British Council and UK Arts Councils to survey the arts sector on potential issues.

Council **endorsed** the paper and **noted** the report.

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## 7. Chief Executive's Report

### 7.1 Chief Executive

The Chief Executive's report detailed recent meetings, events and performances that he had attended. The Chief Executive's report also included information on staff joining and leaving the Council since the last meeting.

#### Royal Welsh College of Music and Drama

Both NC and PG were invited to give evidence to a Welsh Government Inquiry into the status and funding of the RWCMD. It was noted that other Conservatoires in England and Scotland would be receiving increased Funding Council support from next year. Council members emphasised the necessity of RWCMD being funded to compete on a level playing field.

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### 7.2 Organisational Review

Council considered a detailed paper setting out progress with the Organisational Review. Council noted that increasing cost pressures required us to reduce our running costs. This will involve changes to the way that we work and is likely to result in a reduction in the size of our staff team.

Council wishes to avoid an extended root and branch review, if at all possible. Instead, Council would wish to focus on the new challenges that face us and concentrate on those aspects of our work (and our structure) that will need to change if we're to meet these challenges more effectively. However, any changes will have to be managed within the context of significantly reduced funding. Council therefore acknowledges that the scale of the savings required might require more substantial savings.

Nevertheless, Council remains concerned about organisational capacity and wishes to minimise the potential number of compulsory redundancies. NC reported on work underway to look at operational and non-staff cost-cutting measures. He also reported that management was working with union colleagues to look at terms and conditions of employment to see if there were any opportunities within them to reduce costs.

Council:

1. **Endorsed** the work being undertaken by the Chief Executive and Union to reduce costs
  2. **Approved** the establishment of a Project Group comprising SMT, the HR
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<p>manager, and other staff expertise (as and when needed)</p> <p>3. <b>Agreed</b> to Council member involvement with the Project Group</p> <p>4. <b>Agreed</b> to make the proposals for consultation with staff</p>	
<p><b>8. Developing the Quality of Participatory Arts</b></p> <p>Rhian Hutchings and David Baxter from Artworks Cymru provided a presentation on the findings of their research into developing the quality of participatory arts.</p> <p>Council welcomed the work and thanked RH and DB.</p>	
<p><b>9. National Dance Company of Wales</b></p> <p>Paul Kaynes, Chief Executive and Caroline Finn, Artistic Director provided a presentation on the work of the company and proposals for future development.</p> <p>Council discussed the matters raised and congratulated PK and CF on the turn-around of the company.</p>	
<p><b>10. CollectorPlan</b></p> <p>Over 50 galleries across Wales participate in the Collectorplan scheme. It assists UK residents to buy original works of art and crafts by living artists through offering finance facilities to buy the work over a 12 month period in instalments with no added cost for doing so. This 'interest-free' purchase scheme for art was a first of its kind for Wales and seen as a model of enterprise. It has led to many other versions in different countries across the world from England to Australia.</p> <p>The paper provided detailed statistical information on the scheme.</p> <p>Council <b>noted</b> the report.</p>	
<p><b>11. The Arts In 2015: Latest Research Findings</b></p> <p>CB and BT provided a presentation on the findings of the report.</p> <p>Council discussed the contents of the report, thanking both CB and BT for the thoroughness of their presentation.</p>	

## 12. Funding recommendations - Lottery project funding

MWJ declared an interest in Betsi Cadwaladr University Health Board and was excluded from the decision.

Decisions on lottery applications of £50,001 or more require Council approval. A total of 7 recommendations are presented in this paper.

ID/Ref	Organisation	Request	Recommendation	Funding Strand
20160681	Wales Literature Exchange	£75,000	£75,000	Strategic
20160799	Ffotogallery	£75,000	£75,000	Festivals
20160758	Llangollen International Musical Eisteddfod	£80,000	£80,000	Festivals
20160876	Vale of Glamorgan Festival	£80,000	£80,000	Festivals
20160750	Betsi Cadwaladr University Health Board	£100,000	£100,000	Taking Part
20160747	Ruthin Craft Centre	£62,663	£62,663	Taking Part
20160735	Mid Wales Opera	£85,750	£85,750	Production
		<b>£558,413</b>	<b>£558,413</b>	

The **Appendix** attached to the paper listed grants awarded for the March to mid-June period with decisions taken under delegated authority.

Council:

1. **Approved** the seven recommendations
2. **Noted** the decisions taken under delegated authority

## 13. Proposed changes to Committee Terms of Reference

HT reported that as part of the annual cycle of work both the Audit and Risk Assurance and the HR & Remuneration Committees, re-examined their terms of reference in the respective May meetings. The suggested amendments were minor.

Council **agreed** to the amendments.

## 14. Annual Reports 2015/16

### 14.1 Audit and Risk Committee

The report forms part of Council's Governance regime. It summarised the Committee's activities during 2015/16.

<p>The key areas discussed were fraud and stage actions implemented.</p> <p>Council <b>approved</b> the report.</p>	
<p><b>14.2 HR and Remuneration</b></p> <p>The report summarised the HR &amp; Remuneration Committee activities during 2015/16. MJ thanked HT and the team.</p> <p>Council <b>approved</b> the report.</p>	
<p><b>14.3 Capital Committee</b></p> <p>The report summarised the Capital Committee activities during 2015/16.</p> <p>Council <b>approved</b> the report.</p>	
<p><b>15. Financial reports</b></p> <p><b>15.1</b> Financial report for year to May 2016</p> <p>The report provided SMT with a high-level overview of income and expenditure to the <b>end of May 2016</b> and draws attention to changes and variances.</p> <p>It was noted that current projections from DCMS on anticipated levels of Lottery income suggested that 2016/17 income would not reach the level of the previous year. This was being carefully monitored.</p> <p>Council <b>approved</b>:</p> <ol style="list-style-type: none"> <li>1. The opening of a designated bank account to facilitate the financial management of the <i>Creative Learning through the Arts</i> programme; and</li> <li>2. The proposed mandate for the designated account.</li> </ol> <p>SMT <b>noted</b> the report.</p>	
<p><b>16. Corporate Reports</b></p> <p><b>16.1</b> Risk register and Corporate Assurance Framework</p> <p>Council <b>noted</b> the reports.</p>	

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**16.2 Operational Plan 2016/17 Q1 Report**

The Operational Plan for 2016/17 remains in draft form whilst Officers await its approval by the Welsh Government.

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**17. Date of the next meeting**

**Friday, 16 September 2016**  
Arts Council of Wales, Cardiff.

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Council meeting  
 Friday 8 July 2016:  
 Summary of actions and decisions

Agenda item	Action/Decision	Responsibility
4	Creative Agents would be invited to present to a future Council meeting.	DH
5.2	Annual Staff Survey to be discussed by the HR and Remuneration Committee.	HT
5.4	Officers to brief Council on the reasons for the disappointing take up of capital funding for access improvements.	
5.7	Officers to discuss the environmental impact of travel with the Creative Learning and Wales Arts International teams.	ST