

## Council Minutes – meeting 158

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<b>Date of meeting:</b>	Friday 17 March 2017.
<b>Venue:</b>	The Arts Council of Wales, Cardiff.
<b>Present:</b>	Phil George (PG), Richie Turner (RT), John Williams (JW), Marian Wyn Jones (MWJ), Margaret Jervis (MJ), Iwan Bala (IB), Kate Woodward (KW), Andrew Miller (AM), Lesley Hodgson (LH), Alan Watkin (AW), and Mike Griffiths (MG).
<b>In attendance:</b>	Nick Capaldi (NC), David Alston (DA), Hywel Tudor (HT), Sian Tomos (ST), Diane Hebb (DH), Kath Davies (KD), Betsan Moses (BM), David Newland (DN), Eluned Haf [EH] item , Nikki Morgan [NM] item and Katy Brown (KB) – minuting.
<b>Apologies:</b>	Andy Eagle (AE) and Melanie Hawthorne (MH).
<b>Observing:</b>	Andrew Stevenson (AS)
<b>Translation:</b>	Hefin Jones
<b>Status of paper:</b>	For public release.

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		Action
1.	<p><b>Welcome, introductions and apologies</b></p> <p>The Chair welcomed members to the meeting held at the offices of the Arts Council of Wales, Cardiff.</p> <p><u>Council Plannig Day</u> PG thanked Council members for their challenging and insightful contributions to the Council planning day.</p> <p>He summarised some of the key issues that had emerged and explained that officers would be returning to the May Council with a fuller note on the outcomes agreed.</p>	<b>NC</b>

<p><u>Retirement</u></p> <p>It was noted that the terms of KW and MJ as Council as members would come to end on 31 March 2017. This Council meeting would therefore be their last. On behalf of Council, PG thanked both for their tremendous commitment, counsel and hard work as members.</p>	
<p><b>2. Declarations of Interest (to note)</b></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>The following declarations of interest were noted:  IB – University of South Wales (bursary for PhD)</p>	
<p><b>3. Minutes of the meeting held on Friday 9 December 2016</b></p> <p>The Minutes of the meeting were <b>approved</b> subject to a minor amendment to the Welsh Language minutes.</p> <p>to read “argymhellion <b>Cyngor</b>” instead of SMT.</p>	
<p><b>4. Matters arising</b></p> <p>All action points were reported as completed.</p> <p><u>National Arts Gallery</u></p> <p>The 2016 Programme for Government and the recent Government Culture Vision, <i>Light Springs Through the Dark</i>, committed to supporting a feasibility study for a National Gallery of Art.</p> <p>Council urged great care in moving forward with this project. Whilst fully committed to help further the Government’s objective, the starting point should be a well-considered pre-fesability study that thoroughly explored the basis for the proposal. It was noted that there were likely to be concerns in the wider arts sector about moving forward with a national project of such significance during a time of economic austerity. Nevertheless, a national gallery for the contemporary visual arts was a long-standing ambition of the Arts Council, and it was reasonable that the proposition should be tested from time to time.</p> <p>Work on a potential brief for the pre-feasibility was being prepared in collaboration with the National Museum and any future proposals would involve extensive consultation.</p>	

<p><u>Creative Learning Through the Arts – Presentation to Council</u> The presentation will be given at the May Council meeting.</p> <p><u>Investors in People (IiP)</u> Council members had previously debated the efficacy of applying again for Investors in People accreditation. There had been different views about the scheme’s appropriateness, and HR and Remuneration Committee had undertaken to examine the options.</p> <p>The Committee suggested that whilst IiP had once been the preferred standard for many organisations, this was no longer the case. There were a range of options that might better reflect the Arts Council and its work. The HR &amp; Remuneration Committee would be examining the matter further.</p>	DH
<p><b>5. Committee Minutes</b></p> <p><b>5.1 Audit and Risk Assurance Committee – meeting held on 8 March 2017</b></p> <p>LH reported on the discussions of the recent meeting.</p> <p>The meeting had fallen on International Women’s Day so LH had marked the occasion by reading a poem by Wajid Hussain – “Maya Angelou Uncaged me too”.</p> <p>It was also reported that KD and team members had provided a training session on grant monitoring for members. LH thanked KD and Maria Wain, Funding Officer for an informative session.</p> <p><u>Internal Audit</u> It was noted that Deloitte has now completed the Internal Audit Programme approved by the Audit &amp; Risk Assurance Committee for 2016/17 (covering the period 1 April 2016 to 31 March 2017). Of the assurance reports completed, three achieved a “substantial” assurance rating with two achieving “moderate” assurance.</p> <p><u>Portfolio ‘radar’ Report</u> Members suggested further financial information that would be included in future reports.</p> <p><u>Review of Anti Fraud Policy</u> This has now been completed with updated policies approved.</p>	

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Audit recommendations

Good progress was being made in dealing with outstanding external and internal audit recommendations.

Creative Learning Through the Arts: All Wales Education Offer

The internal audit report had given a moderate assurance rating to this piece of work. Actions were already being taken to implement recommendations.

Audit & Risk Assurance Committee Annual Report

The annual report will be discussed at the next meeting and presented to Council in its July meeting.

Charity Commission – inquiry report on AWEMA

Committee members were provided with a copy of the Charity Commission's report.

Cyber Security

The Committee discussed the importance of maintaining a high state of vigilance and reviewed the specific measures being taken to improve the resilience of our ICT systems.

The report was **noted**.

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**5.2 Capital Committee meeting held on 3 March 2017**

JW reported on the discussions of the recent meeting.

Funding matters

The Committee had reviewed the the revised Capital Guidelines which had been amended to include further detail on accessibility issues and other matters.

Two funding applications had been approved under delegated authority. The Committee also discussed the Ideas: People: Places programme, which it monitors on a regular basis.

An error in the minutes was highlighted. The request for funding from Clwyd Theatre Cymru had been £480,100 rather than £48,100 as stated.

Information

JW reported that members of staff had produced a paper for information on 'Sustainable Buildings' following attendance at a Julie's Bicycle conference on 'Building Culture' on 28 February at MAC Birmingham.

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<p>This would help embed Future Generations thinking into the capital working.</p> <p><u>Budget review</u>  JW reported that as directed by Council, the Committee had been examining current and potential future calls on Lottery funding.</p> <p>It had been noted that Lottery budgets overall were reducing, and the tightening of budgets would inevitably have to influence Council's longer term budget planning. Progress reports would be presented as a matter of course to Council.</p> <p>The report was <b>noted</b>.</p>	
<p><b>5.3 Equality Monitoring Group Meeting – 26 January 2017</b></p> <p>RT reported on the discussions of the recent meeting. Reflecting on Council's policy discussions the previous day, he noted that concerns identified by Council were shared amongst members of the Committee. Insufficient progress was being made in a number of key areas and it was noted that the new Strategic Equality Plan would contain some challenging and assertive comments about Council's future intentions.</p> <p>RT would liaise with PG over the wording of the foreword for the Strategic Equality Plan.</p> <p>The report was <b>noted</b> and Council <b>approved</b> the new Strategic Equalities Plan.</p> <p>The report was <b>noted</b>.</p>	<p>RT</p>
<p><b>5.4 Welsh Language Monitoring Group meeting held on 10 February 2017</b></p> <p>MWJ reported on the discussions of the recent meeting.</p> <p><u>Welsh language training</u>  The Committee had received a report on the progress of staff self-assessments of language capability. This preceded staff training. The survey of staff showed that 36% had responded identifying that they considered their level of proficiency to be 'good'. However, 30% of staff had not responded. The Committee had re-affirmed that it was essential for staff to respond so that we could provide a true reflection of the organisation's number of Welsh Language speakers.</p>	

<p>HT met with National Centre of Welsh Learning and were progressing options for identifying training needs.</p> <p>The report was <b>noted</b>.</p>	
<p><b>5.5 Future Generations Monitoring Group meeting held on 14 February 2017</b></p> <p>AW reported on the discussions of the recent meeting.</p> <p>It was noted that each Group meeting was focussing on two of the wellbeing goals to review our engagement and understanding of the particular issues.</p> <p>The report was <b>noted</b>.</p>	
<p><b>5.6 HR and Remuneration Committee Meeting held on 3 March 2017</b></p> <p>MJ reported on the discussions of the recent meeting.</p> <p><u>Consistency of professional expertise</u> The Committee had noted that the past few months had been a challenging period for HR, with four different HR Managers in less than four months. The appointment of Carys Hedd Paschalis as HR Manager had provided much needed stability and a corresponding improvement in the consistency of our HR services.</p> <p><u>Management Information</u> The HR Manager had produced a high level HR Management Report looking at a number of staff related matters from the make-up of staff to absence and sickness.</p> <p><u>Diversity of the Arts Council's workforce</u> The Committee noted this as a key issue and had requested that officers return to the Committee with proposals to address this.</p> <p><u>Welsh Language Standards</u> The Committee noted that all HR measures in the new Standards had been implemented by the due date. MJ thanked HT and the HR Manager.</p> <p>PG thanked MJ for her Chairing of the Committee.</p> <p>It was noted that MG will taking up position as Chair as of 1 April 2017.</p> <p>The report was <b>noted</b>.</p>	

<p><b>6. Chair's business</b></p> <p><b>6.1 Chair's Report</b> PG reported on recent events and matters.</p> <p><u>Council Appointments</u> The Chair was pleased to report the appointment of three new members.</p> <p>PG's attendance at a wide variety of meetings and events was noted.</p>	
<p><b>6.2 Remit Letter 2017/16</b></p> <p>The Remit Letter sets out the Welsh Government's expectations of us in the year ahead. It also provides the basis for the monitoring of our activities throughout the year. The particular requirements in the Remit Letter will be reflected in our Operational Plan for 2017/18.</p> <p>It was noted that the Remit Letter included welcome acknowledgement of some of our key achievements during the current financial year. Elsewhere the policy guidance and strategic objectives are consistent with our plans.</p> <p>Council <b>noted</b> the Welsh Government's Remit Letter for 2017/18</p>	
<p><b>7. Chief Executive's business</b></p> <p><b>7.1 Chief Executive's report</b></p> <p>The Chief Executive's report detailed recent meetings, events and performances that he had attended.</p> <p>The Chief Executive's report also included information on staff joining and leaving the Council since the last meeting.</p> <p>The report was <b>noted</b>.</p>	
<p><b>7.2 Organisational Review Project Update</b></p> <p>The paper summarised activity since the last Council meeting in February. The Organisational Review process had been concluded.</p> <p>Attention now moves to Implementation and Transition. This would be managed by the Senior Leadership Team with support from a specially convened Council task group chaired by MWJ.</p> <p>Council <b>noted</b> the contents of the report.</p>	

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## 8. Policy

### 8.1 International Policy

In October Council took stock of its international work, particularly against the background of the challenges presented by the immediate outcome of the European Referendum. The discussion paper reflected the rapidly developing agenda for international work.

The relationship with the British Council – a foundation stone in our previous activities – was evolving. And the challenge of meeting Welsh Government’s expectations (especially in relation to work in China) was becoming a more pressing issue.

Council was fully committed to the high-level priority of helping artists and arts organisations to develop new markets. However, Council also recognised the resource constraints that applied to Council’s work overall. This inevitably had a consequent impact on the work of Wales Arts International (WAI).

Council was aware that WAI had built up a strong reputation for the quality of its international activities. It would be important not to undermine this. However, during a period of reducing resources, our international activities would need to be focused on a clear set of priorities. This should be reflected in the next iteration of the International Policy.

Council members felt that efforts should be made to try and secure additional resource from the Welsh Government for our international activities. At present, the level of funding offered for the Memorandum of Understanding with China was nowhere near enough to sustain the level of current activity. However, unless the intensity of activity continued, cultural relationships between the Welsh and Chinese governments might falter. DA and the WAI team were asked to explore this with Welsh Government officials.

Council **noted** the report.

DA

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### 8.2 Business Development Services

ST briefed Council on our approach to procuring Business Development Services. She explained that we were currently procuring Business Development services as part of our commitment to improving the resilience of artists and arts organisations. She noted that this was one of our key corporate priorities and also a requirement identified in our Remit Letter from the Welsh Government.

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We launched our “Resilience” programme last year, specifically designed to focus on the needs of our Arts Portfolio Wales. However, we also want to provide broader based support. To help us assess market potential, we published a Prior Information Notice (PIN) and will be seeking to identify appropriately skilled businesses, organisations or creative professionals who can offer relevant services in one or more of the areas of expertise that we require.

As part of its discussion, Council asked about the relationship with Arts and Business Cymru (A&BC). It was noted that this had been the subject of scrutiny by the National Assembly’s Welsh Language and Culture Committee. The Committee felt that A&BC deserved continued support and had expressed the view that Arts & Business’ track record and reputation justified the award of a grant.

Council was aware that A&BC had informed the Culture Committee that unless an immediate guarantee of core support was offered, the organisation would not be able to continue trading. The officers’ view – given in evidence to the Committee – was that these were services being provided on the Arts Council’s behalf and that quality, value for money issues and adherence to public procurement regulations could only be served through an appropriate process of public procurement. Council endorsed this view.

Council members recognised, however, that A&BC had provided a range of well-regarded services over a number of years. There was good reason to wish that this might continue. Members suggested, therefore, that there appeared to be two issues – the proper need to comply with procurement regulations, and enabling Arts & Business Cymru to move its business model onto a self-sustaining basis (which the organisation felt could be achieved over a two year period). Council stressed, however, that it would be important that the correct approach was taken to addressing each of these objectives, and the appropriate funding mechanism identified. Council asked that specific legal advice should be sought on these matters.

Council welcomed the fact that there had been a positive response to the PIN. Expressions of Interest were being individually assessed and evaluated, after which decisions would be taken on the most appropriate way to proceed.

The outcome of the assessments would be reported to the May Council, including any funding recommendations needing approval under Council’s schedule of delegated authority.

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## 9. Performance

### 9.1 Arts Portfolio Wales Radar Report

The Radar Report summarised the Arts Portfolio Wales (APW) risk ratings. The performance of the majority of continuing APWs is generally within expectations considering the current financial climate. The squeeze on finances continues, and increasing costs coupled with level or even reducing income from many of the traditional sources – such as Arts Council and local authorities – mean that many organisations continue to experience challenges.

One of the key opportunities for addressing issues with the Portfolio was the new Resilience Programme. This was now entering its second phase of development, the matching of organisations with specialist advisers.

Council **noted** the content of the report.

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### 10.2 Local Authority relationships

Local authorities are the Arts Council of Wales most significant partners and stakeholders, both in arts development and arts funding. Council has therefore requested that we monitor carefully how local authorities are responding to continued economic austerity and the changing structures in public services. This paper provided an update on current work with local authorities, locally, regionally and nationally.

Council **noted** the contents of the paper.

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## 11. Governance

### 11.1 Committee Terms of Reference

Council **agreed** to the revisions to the Committee Terms of Reference, as summarised.

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### 11.2 Corporate Assurance Framework and Risk Register

As part of our current governance arrangements Council reviews our Corporate Assurance Framework and Risk Register on a six-monthly basis.

The paper provided commentary on the issues and areas raised in both.

Council discussed and **noted** the contents of the paper.

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### 11.3 Pay Policy

In line with the recommendations of the Public Services Staff Commission, we commit to principles of transparency in the remuneration of our staff.

The purpose of the Pay Policy Statement is to articulate the Council policy on the range of relevant issues, in particular the pay and remuneration of the senior posts and the lowest paid employees.

It also explains the relationship between the remuneration of its highest and lowest paid employees.

Council **approved** the policy.

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### 12. Financial Reports

#### 12.1 Budget 2017/18 – running costs

This report provided Council with an overview of our proposed running costs for 2017/18.

The running cost budget is apportioned between our General Activities and Lottery Distribution accounts. The target is to contain the running costs to within 10% of our income.

During 2017/18 the focus of senior management's attention will move to the implementation of the agreed cost-cutting measures and new staff structure. Details were contained within the paper.

Council:

1. **Noted** the financial position
  2. **Approved** the proposed budget for running costs in 2017/18
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#### 12.2 Financial Report Year to date 31 January 2017

This report provides Council with a high-level overview of income and expenditure to the end of February 2017 and draws attention to matters which may require discussion and action.

Council discussed and **noted** the report.

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### 13. Funding recommendations

Decisions on lottery applications of £50,001 or more require Council approval.

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The paper was presented in three parts:

1. Recommendations for funding from our Lottery project programmes
2. A recommendation for support to the Criw Celf consortium
3. Recommendations for funding from our Resilience programme

Project recommendations

AM declared an interest in the Royal Welsh College of Music and Drama and left the room for the discussion of that item.

The following recommendations were **approved** by Council.

ID/Ref	Organisation	Request	Recommendation	Strand
20170105	Cwmni Mega	£55,000	£55,000	Production
20170118	Cwmni'r Frân Wen	£99,366	£99,366	Production
20170084	De Oscuro	£79,000	£0 REJECT	Production
20170119	Ensemble Cymru	£100,000	£75,000	Production
20170120	FIO	£70,000	DEFER	Production
20170151	Gwyn Emberton Dance	£64,500	£64,500	Production
20170092	Lucid	£75,999	£75,999	Production
20170075	Mid Wales Opera	£75,420	£75,420	Production
20170150	Mission Gallery	£78,480	£78,480	Production
20170109	Swansea City Opera	£67,132	DEFER	Production
20170130	Taliesin	£100,000	£100,000	Production
20170098	Theatr Pena	£88,500	£88,500	Production
20170169	Royal Welsh College of Music & Drama	£150,000	£0 REJECT	Programme Support
20170079	St. David's Hall	£98,000	£98,000	Programme Support
20170166	Powys County Council	£60,000	£0 REJECT	Taking Part
20170067	Awen Cultural Trust	£93,750	£78,750	Audience Development
20170142	Creu Cymru	£65,000	£0 REJECT	Audience Development
		<b>£1,420,147</b>	<b>£889,015</b>	

### Criw Celf

Council **agreed** the Criw Celf recommendation of the funding of £642,375.

### Resilience

Resilience is the newest of our funding programmes. Officers would be allocating advisers to organisations. At this next stage in the programme, Officers will be considering requests for direct financial assistance from a number of organisations to enable them to progress their individual action plans.

Two requests had already been received for our consideration – Mostyn and Music Theatre Wales.

Council **approved** the recommendations totalling £108,198 for the Resilience programme.

ID/Ref	Organisation	Request	Recommendation	Strand
20170561	MOSTYN	£15,000	£15,000	Resilience
20170524	Music Theatre Wales	£93,198	£93,198	Resilience

It was noted that Officers currently have no provision under existing the Scheme of Delegation to approve Resilience grants. It was recommended that our Arts Portfolio Wales Project Group recommends to Senior Leadership for approval Resilience funding awards up to £100,000. Recommendations above that level would be referred to Council.

Council **endorsed** this arrangement for delegated authority.

## 14. Date of the next meeting

Friday 19 May 2017, Arts Council of Wales, Cardiff.

## Council meeting Friday 17 March 2017: Summary of actions and decisions

Agenda item	Action/Decision	Responsibility
1.	Officers would be returning to the Council meeting with a note of the outcomes of the March planning discussion.	NC
4.	There will be a presentation on the Creative Learning programme at the May Council.	DH
5.3	RT would liaise with PG over the wording of the Foreword for the Strategic Equality Plan.	RT
8.1	DA and the WAI team to explore with Welsh Government to possibility of securing additional funding for international working.	DA