

Arts Council of Wales

Investment Review 2020

“For the Benefit of All...”

Planning Guidance

DRAFT

November 2019



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Foreword: the case for change

Thank you for your interest in the Investment Review 2020.

The focus of our Investment Review this time is clear and straightforward. We want more people in Wales to enjoy and take part in the arts. And we want the activity that we fund to reach more widely across the full range of the Welsh public than is currently the case.

Public funding for the arts has many purposes: to increase choice, to reduce the costs to audiences and participants, to encourage innovation and risk-taking. Public funding also helps to address 'market failure' – investing in those activities that the commercial sector either won't, or isn't able to, support.

From its inception, public funding for the arts has had twin goals: the pursuit of excellence, and the promotion of access to enable more people to enjoy and benefit from the arts. But until comparatively recently, it was arguably the former which was favoured at the expense of the latter.

Reaching out to new audiences is the key headline of this Investment Review. But it doesn't mean that we surrender our commitment to supporting arts of quality that not only entertain, but which stretch and challenge us.

Through our funding we want to enable artists to use their best imagination, their most inquisitive curiosity, to create engaging work. Art that's conceived with passion and imagination, Art that's well-crafted and produced, and which reaches out and touches us. Such Art is authentic, distinctive and important. That spine-tingling moment, once felt, is never forgotten. Such experiences matter and should be the proper concern of any Arts Council worth its name.

Efforts to increase audiences have been at the heart of Arts Council funding policies for decades. Yet evidence clearly shows that the benefits of public investment in the arts remain stubbornly limited to a small proportion of the population (usually the wealthiest and best-educated).

The 2015 Report by the Warwick Commission on the Future of Cultural Value examined funding to the arts in England. It noted:

"...the two most highly culturally engaged groups account for only 15% of the general population and tend to be of higher socio-economic status.

The wealthiest, better educated and least ethnically diverse 8% of the population forms the most culturally active segment of all: between 2012 and 2015 they accounted (in the most conservative estimate possible) for at least 28% of live attendance to theatre, thus

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benefiting directly from an estimated £85 per head of Arts Council England funding to theatre.

The same 8% of the population also accounted for 44% of attendances to live music, benefiting from £94 per head of Arts Council music funding.

For the visual arts, this highly engaged minority accounted for 28% of visits and £37 per head of public funding.”

Although the situation is not quite as acute in Wales, similar issues apply.

Arts attendance and participation in Wales during 2018 continued to correlate with social grade, with those in the higher ABC1 group (the professional, qualified and non-manual workers) showing a greater propensity to attend the arts than those in the lower C2DE groups (the skilled, semi-skilled and unskilled manual workers and non-working people). This could be seen particularly when it came to participating in the arts where only 40% of C2DE groups were involved in comparison to over 50% of ABC1 adults.

Welsh language speakers show a greater propensity to attend and participate in the arts when compared to non-Welsh speakers. In 2018, 87% of Welsh speakers attended an arts event in the previous year compared to 84% of non-Welsh speakers.

Equality of expression extends to both of our languages, as should the opportunity to enjoy, take part in and work in the arts. We particularly want to see quality Welsh language work that reflects contemporary Wales. Any artist or arts organisation in Wales should find it as easy and rewarding to work in the Welsh language as the English language. We know, however, that this isn't always the case. This is a shortcoming that we are determined to see addressed.

We want to see our Arts Portfolio Wales demonstrating leadership in all these matters. We aspire to a society that embraces equality and celebrates difference, wherever it's found in race, gender, sexuality, age, language, disability or poverty. After all, a generous, fair-minded and tolerant society is instinctively inclusive and values and respects the creativity of all its citizens. And in this way, Equalities becomes less about quotas and compliance, and more an organising principle that encourages us to find better ways of engaging a wider audience.

That change is needed is, we believe, inarguable. But it's about making 'good' choices. Saying that we must be more inclusive is simple, but doing it won't be easy. Yet it cannot be right that the benefits of the publicly-funded arts are so narrowly enjoyed. Help us to put this right.



Chair



Chief Executive

1. The scope of the Review – it's all about our priorities

1.1 Our vision is of a creative Wales where the arts are central to the life and well-being of the nation. Our vision is explained in more detail in our published Corporate Plan, "For the Benefit of All..." We strongly urge you to read this document before completing your application.

1.2 Two priorities underpin our vision:

1. Promoting **Equalities** as the foundation of a clear commitment to reach more widely and deeply into all communities across Wales.
2. **Strengthening the Capability and Resilience** of the sector, enabling creative talent to thrive

The extent to which your plans support these priorities will be fundamental to your prospects of success.

1.3 Investment Review 2020 is an application driven process. You will be asked to submit a brief standard **application form** and a copy of your most recent **Business Plan**.

1.4 The funding of the new Arts Portfolio Wales will take effect from 1 April 2021.

2. Eligibility – who can apply?

2.1 Organisations who'll be included for consideration in the Investment Review (and therefore 'eligible' for future funding) are:

- a. any organisation that is:
 - based in Wales, and formally constituted as one of the following:
 - a Company Limited by Guarantee
 - a registered charity (including charitable trusts)
 - a Charitable Incorporated Organisation (CIO)
 - a Community Interest Company (CIC)
 - part of a Local Authority
 - an organisation with a written constitution/memorandum and articles of association that reflect an arts focus
 - an organisation with at least five trustees/directors registered with Companies House and/or Charity Commission by 24 April 2020 or, an Advisory Board for those organisations that may be led by a statutory body (e.g Local Authority, University or BBC)

- can provide copies of at least two years of financial statements (audited accounts or the equivalent for your organisation) with Companies House and/or Charity Commission
 - can demonstrate a track-record of promoting/managing a year-round programme of quality arts activity
- b. consortia of organisations, provided that all members of the consortium fulfil the eligibility criteria in 3.2 (i) and/or (ii) above

Please note that current Arts Portfolio Wales organisations will also need to satisfy all these criteria in order to make an application. Those that do not satisfy the criteria by the application date will be deemed ineligible.

2.2 Applications will only be assessed if they meet the eligibility criteria in 2.2 above.

2.3 Eligibility does not guarantee future funding. Council will need to match the proposals it receives against our strategic priorities and the level of available funds (when known). Applicants should therefore review their proposals carefully to ensure a good fit with our priorities

2.4 The following won't be eligible:

- Festivals, or organisations where festival-type activity is the primary arts work. As time specific activities, they will not be eligible for Arts Portfolio Wales funding at this time.
- individuals
- schools (full time educational establishments that are either independent or under local authority management)

(It's possible that other sources of funding will be available to support the work of those above. For more information, visit the Arts Council of Wales website.)

2.5 Before applying, do think about whether applying would be right for your organisation. Portfolio membership comes with a different set of responsibilities and reporting criteria. It's possible that other sources of funding will be more appropriate to support your work

3. What will guide our investment decisions?

3.1 Three overarching issues will inform our assessment of your applications:

- a. **Well-being of Future Generations** – as a Welsh public body, we’re committed through our activities to making a positive contribution to the principles of the Act. Please click [here](#) for further detail.
- b. **Equalities** – we’re challenging ourselves as an organisation, our Portfolio and those we support in the wider arts sector to attach greater importance to Equalities. Please click [here](#) for further detail
- c. **Welsh Language** – we’re a bilingual nation, legally, socially, culturally and as individuals. We are committed to developing and promoting the arts in and through the medium of the. We believe that everyone has the right to explore their own culture, their own creativity, through the language of their choice, whether as consumer, participant or artist. Please click [here](#) for further detail

These form the cultural, social and legislative context for our work.

3.2 Our Corporate Plan, “For the Benefit of All...” is your essential reference point. But you might also find two further documents helpful. They are:

- a. [Inspire](#) – our strategy for developing creativity and the arts in Wales and for Wales
- b. [Strive to Excel](#) – our Quality Framework for Sustaining and developing the impact of the Arts in Wales. This describes the attributes that we expect to find in high performing organisations.

3.3 Quality and effectiveness are paramount. We want to invest in a Portfolio of organisations who can demonstrate either an established track-record of excellence, or who have the clear potential to excel.

3.4 We don’t expect each organisation to deliver against all of our target areas. As well as assessing applications on their individual merit, we’ll also need to consider how we develop a ‘healthy’ Portfolio of organisations that reflects organisations of different specialisms, scale, type and geographical coverage. In order to ensure equality of access to the arts across Wales we might therefore also need to consider some of the following when making our decisions:

- **an eclectic and interesting range of artforms** – from time to time, we’ll emphasise specific aspects of the arts that we want to develop

- **organisations that reflect and engage our communities** – we want to support Arts Portfolio Wales organisations which engage diverse and harder to reach communities and promote inclusivity and equality in all that they do
- **professional opportunities for employment in the arts** – we welcome, and applaud, the important work carried about by voluntary and amateur arts groups. However, we're also keen to see our APWs helping the arts professions to develop and grow, commissioning and producing new work and supporting the activities of creative professionals.
- **size and type** – we want to support a lively and interesting mix of sizes and types of organisations: large national organisations, and those whose work is more locally based in a particular community; building-based companies, or those who operate without a permanent base; the established providers of high-quality programming, and the emerging and innovative who are working in new and less familiar ways
- **strategic potential** – we expect all organisations to be able to demonstrate that they are effective, efficient and high-performing. That is our 'default' expectation. However, we know that on occasions organisations want to innovate and move into new areas of activity. So an organisation might stake a claim for support on the basis that it is moving away from past areas of focus to pursue a new type of artistic mission, geographical location or community engagement; it might wish to address evident areas of weakness, under-provision or community under-representation. In such instances, these organisations would need to offer clear and persuasive evidence that any shift in strategy could be successfully managed.
- **collaboration** – a healthy portfolio of organisations is one that's able to attract support from a range of other stakeholders. This could be partnership funding as well as earned income that reduces the reliance on Arts Council funding. We're aware that these are financially challenging times. However, the Investment Review will not 'make good' cuts in partner funding. Even if we had the funds to be able to do this – which we don't – we feel it's important to try and maintain a diversity of funding wherever it's possible.
- **geographical spread** – we want to support a network of Arts portfolio Wales organisations across the whole of Wales

3.5 Decisions on future Arts Portfolio Wales funding are a matter for Council members of the Arts Council of Wales. Some Council members are connected to specific organisations. As part of our overall governance arrangements, all Council members make a formal declaration of interests. Declarations of interest will be managed according to the Arts Council's Code of Practice.

3.6 Council's funding decisions will be informed by:

- its strategic priorities
- applications submitted by eligible organisations
- assessments prepared by Arts Council's officers and Arts Associates
- the views of stakeholders and funding partners
- any additional assessments or analysis that Council might wish to commission during the course of the Investment Review process

3.7 To undertake a fair and representative assessment, we may draw upon information from some or all of the following sources when reviewing your application. (The main assessment document will be your application form.)

Information Source	For Current Arts Portfolio Wales members	For new applicants
Application Form	Yes	Yes
Business Plan	Yes	Yes
Budgets for 2020/21 to 2023/24 inclusive	Yes	Yes
Constitution: Governance documents that reflect an arts focus	Yes	Yes
Information relating to all Arts Council Lottery funded projects over the past 5 years	Yes	Yes
Financial Monitoring data as detailed within our Business Monitoring of APW organisations on our website)	Yes	No
Financial accounts for the past two years	No	Yes
Most recent set of management accounts	No	Yes
APW Survey data	Yes	No
APW Funding Agreement documentation	Yes	No
Officer Knowledge	Yes	Yes
Critical Reviews	Yes	Yes
Strategic Equality Plan	Yes	Yes
Welsh language Plan	Yes	Yes

The majority of information we need will be the same for all organisations. Where there are differences, we'll address this using common sense and judgement.

4. Funding

- 4.1 It's possible that some organisations currently funded as part of the Arts Portfolio Wales will no longer receive revenue support from April 2021. And other organisations might become new members of the Portfolio.
- 4.2 The size and 'shape' of our APW portfolio will depend on the level of future Welsh Government funding that we receive. Regardless of future funding levels, it is important that all organisations who wish to be members of the Portfolio are able to demonstrate how they can assist us in meeting the priorities of the Arts Council's corporate plan, 'For The Benefit of All...' and in ways that are financially sustainable.
- 4.3 **The process described in this Planning Guidance is modelled on an assumption that the Arts Council of Wales receives funding from the Welsh Government in 2021/22 which is equivalent to that budgeted for 2020/21.** Our initial funding proposals around the number of organisations we can support will be developed on that basis. However, if Welsh Government funding reduces, our proposals will have to be re-scoped.
- 4.4 For the purposes of budget planning, applicants will be asked to include Arts Council funding figures for 2021/22, 2022/23 and 2023/24. However, the Arts Council is currently only able to confirm funding figures on a year-by-year basis.
- 4.5 **We expect all organisations to adopt a reasonable view of likely levels of future funding.** We don't expect to be in a position to increase funding across the board to existing Portfolio organisations. We do know that many organisations are struggling on their current levels of funding. However, applications that request very significant funding increases risk the very real possibility that we will have no option but to turn them down. If you do ask for more, you should have a clearly described rationale for meeting the priorities we have set. The budgets within your Business Plan will be another document that will help us to assess potential funding levels.
- 4.6 Specific allocations of Arts Council Lottery project funding should not be included as a stand-alone figure within any budgets presented with your application. Your application should demonstrate the activity that will take place for the amount of funding you wish to apply for.
- 4.7 We may not be able to fund you at the level you have requested and in some cases we might find ourselves obliged to consider reductions in funding. You should clearly show the implications and realistic levels of activity that you would be able to deliver should you receive a lower level of funding. You may wish to show these scenarios through your business plan. It is your responsibility to clearly identify the activity that will take place as a result.

5. Alignment with government funding announcements

- 5.1 Council will only be able to confirm future years' funding to APWs once it has itself received confirmation of its own level of funding from the Welsh Government. This has significant implications for the Investment Review process.
- 5.2 We'll therefore put in place a three-step decision-making process:

Step 1

Provided that we know the Welsh Government's budget proposals, we'll confirm funding for 2020/21 in December 2019.

However, in the interests of fairness and equity, we will issue notice to all APWs in March 2020 that they are potentially at risk of losing their Arts Council funding with effect from 31 March 2021. The financial year 2020/21 therefore becomes a transition/notice year.

Step 2

Having assessed APW applications, Council would – in September 2020 – make 'in principle' decisions about the portfolio of APWs it wishes to invest in from 1 April 2021. In doing so, it would also be identifying those APWs whose funding would end or be reduced. We'd be asking for current and re-shaped business plans to be submitted according to the usual timetable.

Step 3

From October 2020 we'll consider funding scenarios during the application process. As soon as the Arts Council's government funding is confirmed, we would issue formal offers of funding to the new APW portfolio. We would hope to be able to do this by December 2020.

6. The timetable and programme of activity

6.1 **Consultation on Terms of Reference** (November 2019 – January 2020): we provided an opportunity for those participating in the Investment Review process to comment on the Terms of Reference and the application process that we proposed to use. The closing date for consultation is 10 January 2020.

6.2 **Submission of online applications** (March – April 2020): we'll be inviting all 'eligible' organisations to submit a formal submission using an **online application process**. We welcome applications in Welsh or English.

The application process will be the same for all organisations, and all organisations will be judged against a single set of criteria. The closing date for submission of online applications will be **5.00pm on Friday 24th April**.

6.3 **Assessment** (May-Sept 2020): all applications will be assessed by Arts Council officers with input, as appropriate, from our Arts Associates. Arts Associates are our panel of independent arts professionals drawn from all parts of Wales. They provide a wide range of specialist sector and regional knowledge. We'll commission specific technical advice if this is needed. We will work further with applicants who have indicated the bases of potential joint working or collaborative approaches.

6.4 **Quality assurance** (August-September 2020): all assessments will be checked for accuracy and consistency. This will also be an opportunity to identify, or to consider, any key strategic issues prior to final decisions being taken

6.5 **Decision** (September 2020): Council will take 'in principle' decisions on the membership of its future portfolio of APWs. Council will announce the new APW portfolio on 29 September 2020.

6.6 **Confirmation of funding** (December 2020): by the end of the calendar year 2020 we hope to be in a position to confirm future levels of APW funding.

6.7 New funding arrangements for APWs would start from April 2021.

7. Our commitment to you

7.1 Having identified the need for an Investment Review, a set of overarching principles has been agreed for the process:

- ensuring that **a single review process applies equally** to all organisations
- **looking at the full range of funded activity**, examining the extent to which artists and audiences in Wales are being properly served
- encouraging **the involvement of the arts community**, through consultation, in helping us to formulate the process that we use
- ensuring **open, meaningful consultation** with funding partners and stakeholders
- reaching **strategic decisions, with the choices made based on a clear articulation of our priorities**
- committing to **openness and transparency**, making all relevant information publicly available
- recognising the current economic context and seeking out proposals that represent **clear value for money** by reducing the level of dependency on Arts Council funding
- increasing **sustainability** by encouraging organisations to develop proposals that are durable, resilient and embedded within the community that they draw on for support
- a commitment to **allow sufficient time** for the consequences of the process to be properly managed

7.2 We will not assess late applications and will not be able to accept additional information relating to the application. Applicants should therefore ensure that they have included all information requested at the point of submission.

7.3 It is the responsibility of the applicant to ensure that the full application is received by the above deadline.

8. Consultation

- 8.1 Dialogue and debate will continue throughout the Investment Review process. To that extent, consultation will be ongoing and continuous. A special section on our website will be dedicated to information and news about the Investment Review process.
- 8.2 Our approach to consultation will be based on:
- publishing as much information as possible on our website, encouraging dialogue and debate
 - formal consultation on published documentation
 - regular liaison with the Welsh Government
 - attendance and/or presentation at relevant public meetings, conferences and seminars
- 8.3 If we're to protect a viable APW portfolio, new funding models will continue to be needed. We believe that public investment will remain a core source of funding, but that core will need to reduce as a proportion of overall income. Income generation will become more important, for us as well as our APWs. This will require us to think differently about how we use the funds that we receive. It's likely that we'll want to explore new models of investment.
- 8.4 Consultation with local authorities will involve careful discussion – some local authority services or divisions are themselves also APWs. This places local authorities in the unique position of being both a funding partner and a beneficiary of Arts Council APW funding. We would encourage local authorities and other partners to engage in the consultation process.
- 8.5 After the conclusion of any period of consultation, we'll publish the outcome of the consultation. We'll explain where we've decided to make changes, where we've decided to keep to our original proposals. We'll also explain the reasons for our actions

9. Freedom of Information and Data Protection

- 9.1 We're committed to making the Investment Review process as open and transparent as possible. We believe that the public has a right to know how we spend public funds and how we make our funding decisions. Our aim, therefore, is to publish all relevant material on our website, with the exception of information which is genuinely confidential or commercially sensitive.
- 9.2 We are listed as a public authority under the Freedom of Information Act 2000. **By law, we may have to provide your application documents and information about our assessment to any member of the public who asks to see them under the Freedom of Information Act 2000.** We may not release those parts of the documents which are covered by one or more of the exemptions under the Act. Please see the [Freedom of Information](#) website for information about freedom of information generally and the exemptions.
- 9.3 We will not release any information about applications during the assessment period, as this may interfere with the decision-making process. Our policy on [Freedom of Information](#) is available on our website.
- 9.4 Protecting the privacy and personal data of our clients and visitors is of the most importance to us. Any personal data received and processed as part of the Investment Review 2020 will be in accordance with the Data Protection Act 2018. Further details on our compliance with these requirements, particularly our arrangements for handling and assessing funding applications, may be found in our published [Privacy Policy](#)