



Somerton Primary School, Let's Celebrate! event, *Creative learning through the arts*

Arts Council of Wales

Investment Review 2020: Response to the Consultation on the Terms of Reference

February 2020



Cyngor Celfyddydau Cymru
Arts Council of Wales



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Lywodraeth Cymru
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Foreword

This document contains our feedback on the first Consultation exercise that was conducted as part of our Investment Review 2020 process.

Held every five years, Investment Reviews decide which organisations the Arts Council will support for the next five-year period. These decisions are important and far-reaching. And because of this, we do everything we can to make sure that the processes we use are clear, fair and reasonable. That is what we've been consulting on.

Consultation opened on 1 November 2019 and closed on 10 January 2020. We consulted on:

- Planning Guidance: Investment Review 2020
- Investment Review Application Form Template
- Making an Appeal: Investment review 2020
- Appeal Form: Investment Review 2020

The consultation documents were available on our website. We also used direct contacts and social media to promote the opportunity to comment.

The feedback that we received is reflected in the document that follows. Council has considered, in detail, all of the points raised. Some things have changed as a result. However, because of the number and range of queries, we've focused in this document on those areas where it's clear that we need to provide further explanation.

Other more minor changes will be made directly to the Investment Review documents without specific reference to them here. For example, where respondents have highlighted typographical errors, these will be corrected in the final versions of the relevant documents.

In most instances, Council has agreed and accepted the points that have been raised. Where Council has reached a different view, this is explained.

Finally, we're aware that many people invested a great deal of time and energy in sharing their views with us. This has undoubtedly improved the final documents, and we offer our sincere thanks and appreciation.

Arts Council of Wales
February 2020

1. The responses

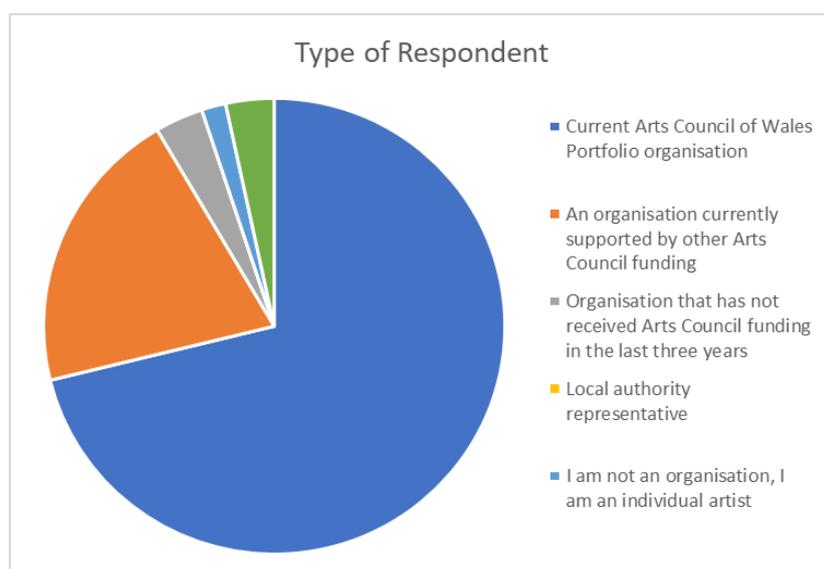
The following tables summarise the breakdown of responses overall to the Consultation.

	Number
Welsh responses	9
English responses	50
Total	59

Question 1

What type of organisation are you?

Answer Options	Response Percent	Response Count
Current Arts Council of Wales Portfolio organisation	71.2%	42
Organisation currently supported by other Arts Council funding	20.3%	12
Organisation that has not received Arts Council funding in the last three years	3.4%	2
Local authority representative	0%	0
I am not an organisation, I am an individual artist	1.7%	1
Other	3.4%	2
answered question		59
skipped question		0



The majority of responses came from member organisations of our current Arts Portfolio Wales (APW). Assuming each organisation only submitted one response, just under ⅔ of the Portfolio provided comments.

Of the remaining respondents, those that chose 'other' identified as 'an organisation that has received Arts Council funding in the last three years' and a freelance arts consultant/ Arts Council Arts Associate. We were also pleased to receive a submission from the Chair of the National Assembly's Culture, Welsh Language and Communications Committee.

2. Planning Guidance

Question 2

Do you find the Planning Guidance clear and does it include all of the information you need to make an application? If you can think of any improvements, please tell us.

The breakdown of responses was as follows:

Yes	50	84.7%
No	1	1.7%
Not Sure	6	10.2%
No Answer (or skipped question)	2	3.4%

Summary of responses

It was pleasing to see that the vast majority of applicants felt that the Planning Guidance was clear and that it included the information needed to make an application.

On the whole, respondents welcomed what they saw as a ‘lighter-touch’ application process. Some wanted to include additional questions but understood that this would make the application form longer. We’re sensitive to the concern that application processes can be time-consuming and burdensome. We’ve therefore tried to strike an appropriate balance between additional questions and the ability for applicants to take a more free-form approach in providing information. Many applicants were keen to present information in their own words, so wherever possible we’ve tried to allow space for this.

Some respondents asked us to be as clear as possible about the Arts Council’s key priorities and not to confuse these with subsidiary or supplementary criteria. Particular attention was drawn to what was felt to be conflicting information and clumsiness in some of the wording in the ‘Foreword’ section. This has been addressed. We also had some interesting responses to our comments on the purposes of public funding for the arts.

Those that added additional commentary tended to be those who had responded either ‘No’ or ‘Unsure’ to the consultation questions. Comments tended to be mostly about how the sector might ‘reach’ more – and in particular – reach new audiences. Since these factors will be at the heart of our assessment process, it will be very important that applicants tell us what their approach will be, and the specific outcomes that they’re hoping to achieve.

A number of responses sought clarity around our definitions of ‘attendance’ and ‘participation’.

Participation is obviously different to attendance at arts events. There is, of course, always some degree of ‘participation’ as an audience member. After all, the best art always draws in its audience and provokes an emotional response of some kind.

However, research published by the Arts Council of Wales in March 2008¹ suggested the following distinction:

“...attendance is defined as a relatively passive consumption of activities designed and delivered by arts organisations. It is primarily an ‘audience’ based activity and is likened to ‘consumption’ of a product. There is likely to be a commercial component involved in the form of a charge for attendance.

In contrast, participation is seen as involving the creation of an outcome by the participant in a first-hand experience of a form of arts practice. Generally, the individual will have been involved in an act of creativity, often guided by a practitioner artist or performer, but requiring creative input by the participant.

Arts participation refers to people taking an active role; doing, making and creating.”

Some respondents raised the difficulty of being able to identify the demographic make-up of some audiences and the protected characteristics that they reflect. We recognise that in some areas this is not straightforward. However, we would still urge applicants to think imaginatively about how they might recognise and understand their audiences, and how they explain to us their approach.

Two respondents commented on the stark statistics around engagement and participation relating to England, including its relevance to Wales. We agree, and we’ll drop this section from the final version of the document.

Nevertheless, there is a clear consensus that the least affluent, the less well-educated and the most socially disadvantaged communities in Wales are disproportionately denied access to the arts. It is essential that we address this. We should also be clearer – as a number of respondents pointed out – that the negative impact of poverty and economic disadvantage are as important as other barriers to engagement.

One respondent noted:

“Whilst most of the info is clear - the process is very reliant on previous knowledge; of terminology and how ACW assess priorities. There is no guidance as to what activity is eligible as part of a whole organisation’s output. It is hard to assess how much activity could be classed as Core to the organisation’s output.”

¹ *Arts and Public Engagement*: Prof Dave Adamson, Penny Byrne, Dr Neil Caldwell, Anne England and Prof Hamish Fyfe (Arts Council of Wales, 2008)

Decisions about what constitutes ‘core’ income have to be a matter for organisations themselves. We will be looking at the programmes of work that organisations wish to highlight and assessing the extent to which we believe they help to meet our priorities.

One respondent asked:

“How much money would an organisation be able to access, for example, is it possible for an existing organisation to apply for significantly more funding than they currently receive, or would this be ill advised?”

We would ask applicants to think very carefully before applying for significantly higher levels of funding than they currently receive, especially if they’re a member of the APW.

We don’t know whether there will be additional funding available for the Investment Review process. And if there isn’t – which is a very real possibility – our room for manoeuvre will be extremely limited.

If you do decide that you want to request more funding, there should be a clear rationale for doing so. However, we ask you to use your best judgement and common-sense in recognising the economic context that we’re operating in. This means that there’s a real possibility of the increased request being denied.

We’d advise particular caution if you’re is planning to bid for additional funding on the basis that your organisation is currently “under-funded”. We know that many organisations face real and genuine financial pressures, operating at the margins of viability. In an ideal world we’d want to see all of our Portfolio organisations funded to a level that enables them to thrive. However, if we find ourselves unable to do this, and an organisation is telling us that it isn’t viable on likely levels of funding, the only logical option in some cases might be to cease funding completely. These would, of course, be matters that we’d look at with some care. However, we look to applicant organisations to provide us with the kind of accurate and reasonable information that enables us to confidently make the best decisions that we can.

Some respondents sought to clarify whether requests for funding could include Arts Council of Wales Lottery project funding or Lottery funding made available to support programmes or schemes under delegated authority. Two organisations – Ffilm Cymru Wales and National Youth Arts Wales – receive delegated core funding from the Lottery. Other organisations should not include Lottery funding in their bids for support.

Our response

We are reassured to see that the majority of respondents found the terms of reference clear and easy to understand. We will address the points raised above in the final editions of the Investment Review documentation.

Question 3

Are the eligibility criteria clear? If not, what improvements would you like to suggest?

Yes	51	86.4%
No	3	5.1%
Not Sure	4	6.8%
No Answer	1	1.7%

Summary of responses

The majority of respondents indicated that they found the eligibility criteria clear. There were, however, some specific questions.

One respondent asked whether "University led organisations" could be included in the eligibility criteria. If the organisation is providing a clear and significant public benefit, this would be permissible. We will update the criteria to reflect this.

Organisations that are trusts also raised questions around their constitutional and legal status. Trusts are usually charitably constituted. We consider such Trusts to be separate companies, even if they've been 'spun out' from a local authority as an independent legal entity (or are currently working in partnership with a local authority).

Another respondent queried the eligibility of a Company Limited by Shares. These organisations will not be eligible for inclusion in the Portfolio at this time as the rationale for their legal structure is not charitably constituted. For certain projects, and under certain circumstances, these companies might be able to apply for separate project funding. Please see our website and funding guidance for more information. A Community Interest Company (CIC) or Charitable Incorporate Organisation (CIO) is eligible to apply.

All applicants should be able to provide at least two years of financial statements (unless they can show that the management of the company has been transferred to the new company structure more recently, or for other business reasons.)

Some local authority ‘owned’ or University-led organisations have queried our advice on the benefit of establishing an Advisory Board. (It was suggested that it might be difficult to achieve in the timeframe). We will need to be assured that appropriate operational checks and balances are in place. So if you are not a stand-alone or independently constituted organisation, we would still expect to see governance and advisory structures that are focused on the effective management of your organisation’s activities.

Our response

The principal change to this aspect of the draft Terms of Reference will be to clarify the eligibility criteria.

These will now read:

“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:
 1. a Company Limited by Guarantee
 2. a registered charity (including charitable trusts)
 3. a Charitable Incorporated Organisation (CIO)
 4. a Community Interest Company (CIC)
 5. part of a Local Authority
 6. part of a University
- 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 or Local Authority/University department) 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 above”

Question 4

Is the explanation of the Arts Council’s priorities clear? If not, what improvements would you like to suggest?

Yes	52	88.1%
No	1	1.7%
Not Sure	5	8.5%
No Answer	1	1.7%

Summary of responses

This was a particularly encouraging response. Although there were some queries about the priorities themselves, the majority of respondents again agreed that the guidance itself was generally clear in this area.

One respondent commented on the wide range of supporting information referred to in our Guidance (“For the Benefit of All”, “Inspire”, “Strive to Excel”). The Planning Guidance is your ‘one-stop shop’ for all of the information that you need to make an Investment Review application. However, the supplementary documents provide additional information and checklists that you might find helpful as you plan the detail of your application.

Respondents who didn’t answer “yes” tended to focus on what they perceived to be a contradiction between artistic excellence and the ambition to reach a greater diversity of people. We don’t agree with this view.

Our response

We have seen a great many examples of projects that are both committed to reaching new audiences and delivered to an excellent standard. The two aren’t mutually exclusive. Reaching out to new – and different – audiences often involves careful, complex and challenging ways of working. It also requires a conscious decision on an organisation’s part to invest the time, energy and resources that are needed.

Many organisations believe fundamentally that audiences and participants deserve the very best. In the most successful high-performing organisations this tends to influence the way that they govern, plan and manage their activities.

One respondent to our consultation made the point that “excellence and increased access are not binary opposites”. We would agree, and we genuinely believe that it is possible to achieve both. We hope that we’ll see evidence of this within the applications that we receive. And those organisations who are able to present compelling and persuasive explanations of how they will reach new audiences will be well-placed to argue that they’re reflecting Council’s priorities.

Council’s corporate priorities – as set out in the Guidance – will be the central focus of our assessment of applications. However, there are additional factors that we’ll need to take into account. We have to make judgements about the capability and potential effectiveness of organisations – a kind of ‘due diligence’ exercise. And as a national body, we need to take a view on ‘strategic’ issues such as the geographical spread of organisations and the types of organisations that we might support. Obviously, there’s a limit to what any individual organisation might be able to do to affect either its geographical locus or nature of its activities. However, when looking at the totality of the potential Portfolio of the future, these are matters that we will need to take account of in our final decision-making.

One respondent pointed out that there was:

“relatively little featured on the ACW’s position around international reach/strategy.”

This is a fair point, and one we’ll correct. International activity won’t be relevant, or appropriate, for everyone. However, if it is, we would expect to see the rationale activities reflected in your business plan.

For many there are clear creative reasons for developing international activity, and for others greater financial stability can depend on securing business opportunities further afield. International activity can build cultural capital, raise profile and open up new markets.

We’re firmly of the view that the arts don’t only make Wales attractive and contemporary to ourselves, they can make us distinctive and desirable in the eyes of others. The excellence and creativity of Wales’ arts contribute powerfully to the development of our cultural relations with the rest of the world and many of Wales’ arts organisations are internationally significant in their own right.

Question 5

Is the application process clear? If it isn't, what can we add to make things clearer and easier to understand?

Yes	46	78.0%
No	4	6.8%
Not Sure	8	13.6%
No Answer	1	1.7%

There was slightly less consensus around this question than others, but over $\frac{3}{4}$ of respondents still found the application process clear.

Those who didn't referred mainly to the need for more practical information about process – for example, how to access the application forms. This will be made clear in the final documentation.

Others queried the fact that we're intending to request an application form and Business Plan. Surveys of organisations who've taken part in previous reviews have told us that organisations valued this twin-track approach, welcoming the opportunity to answer specific questions through a structured application form and to have the freedom to express their plans and ambitions through their own Business Plans.

One respondent asked:

“Does the business plan submitted with application need to be one that supports the application or the existing three year business plan which is then updated to support the application in October according the usual timetable and when we know the decision?”

In our view, an organisation should only operate with a single business plan – a practical tool for the organisation to help guide and manage its activities. We would strongly discourage the production of a separate business plan simply to make the case in support of a funding application. That said, if an organisation wishes to update or amend its business plan prior to application, then this is a matter for the organisation itself.

Having the two documents does, however, raise some practical issues when it comes to assessing applications. In the past we've sometimes found that an applicant will place a key piece of information in the Business Plan rather than explicitly addressing it in the application form.

If you do rely on content in your Plan to assist with answering an application form question, we'd ask that you reference it clearly to avoid misinterpretation. Without the references to key information, there's a risk that some aspects of your application will be

open to interpretation. Wherever possible, we want to be sure that we are looking at the information that you believe best supports your application.

Our response

The application process will be based as before on two key documents: an online application form, and a copy of your most recent business plan. We don't intend to ask you to supply anything other than these two documents, although if you're a 'new' applicant there might be additional information that you'll need to let us have.

We will make sure that the guidance notes that accompany the application process are clear on how to reference information (as well as specifying the information we require).

Some of respondents asked us to take another look at the artform descriptors, in particular adding film to the list. We will do this.

Question 6

Do you understand the assessment and decision-making process that we're proposing to adopt? Do you think there are improvements that we could make?

Yes	48	81.4%
No	3	5.1%
Not Sure	6	10.2%
No Answer	2	3.4%

Summary of responses

Overall, there appeared to be a broad understanding of the assessment and decision-making process.

Those that did not answer "yes" to this question tended to fall into three categories:

1. Those who wanted to know who made the final decisions.
2. Those who seemed unclear about what our priorities are, and how we would apply these to our assessment of applications.
3. Those who asked for more information about how we might use Arts Associates.

Our response

Final Investment Review decisions are exclusively reserved to the Council members of the Arts Council of Wales. Officers will assess and advise, but it will be Council who decide.

Our planning guidance tries to convey a clear sense of the importance that we attach to the two principal priorities in our corporate plan “For the Benefit of All...”:

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

Reaching out to new audiences is the key headline of this Investment Review. There is ample evidence that opportunities to enjoy and take part in the publicly-funded arts are not equally available across all people in Wales. And it remains the case that the arts remain largely the preserve of the wealthiest, best educated and least diverse sections of the population. We’re obviously pleased that those who already support the arts do this so enthusiastically. But it can’t be right that so many people do not feel included in publicly-funded activities.

This doesn’t mean, however, that we surrender our commitment to supporting arts of quality that not only entertain and engage, but which stretch and challenge us. We’ll look again at our guidance to ensure that these issues are clearly set out and explained.

We note – and agree with – the concerns expressed by some respondents about Arts Associates’ involvement in the Investment Review.

We believe that there is value in discussing with Associates matters relating to the overall process and strategic issues. However, Arts Associates will not be involved in commenting on, or assessing, any organisation’s application. This remains firmly the responsibility of Council and its professional officers.

Some respondents were concerned about level playing fields – in other words, how easy would it be for organisations currently outside the Arts Portfolio Wales to make their case alongside more established Portfolio organisations?

Our response

We're very aware of the need to look at each individual organisation on its individual merits. Track-record and reputation will obviously have a bearing on our assessment processes. It would be very rare for an organisation active in the arts in Wales not to be known to us. However, we're especially keen to look forward at future potential.

The assessment process will look carefully at your future plans, and we will ask ourselves a number of questions, including:

- Do these proposals meet Council's priorities?
- Does what is being proposed look realistic given the information in the application form/business plan?
- Does the organisation's track-record and history give us confidence in the likelihood of the organisation to be able to deliver these proposals?

Another respondent asked:

“...what is your advice on collaboration? There is little clarity on whether you would prefer to support individual organisations or new cross region collaborations.”

Our response

We're opened-minded about the applications that we receive. There can sometimes be good artistic and financial reasons for two or more organisations to join together and collaborate, especially where it makes better use of existing funding. Collaboration can take many forms, from a loose partnership to a formal merger. We're interested to see if there is scope for greater collaboration. However, our advice would be that the terms of any collaborations should be clear, and that all parties should enter into the collaboration willingly. We see no merit in 'shot-gun weddings' that have neither an artistic nor a financial rationale.

Question 7

Is the timetable, and the key dates within it, clear? Do you understand what will be happening at each stage in the process?

Yes	54	91.5%
No	1	1.7%
Not Sure	2	3.4%
No Answer	2	3.4%

Summary of responses

There was an overwhelmingly positive response to this question. We will therefore be making no adjustments to the timing of the application process.

We will, however, take a few days longer than originally envisaged to arrange and plan the announcement of decisions. This is now likely to be in the first week of October 2020.

Our response

The new date for the announcements of membership of the Portfolio will move to the first week in October 2020. Other dates remain unchanged.

Question 8

Is there any information missing from the Planning Guidance that you would find it useful for us to include? Do you have any other comments?

Yes	16	27.1%
No	30	50.8%
Not Sure	8	13.6%
No Answer	5	8.5%

Summary of responses

Over half of the respondents felt that they didn't need any further information. Where issues were raised, these have been, or will be, answered in other areas of this response.

Some respondents questioned what additional information we might require and how this should be presented. We'll clearly identify in the final published guidance all the information that we'll require. However, for the main part your key information should be

contained within the two documents that we're requesting: the completed application form; and, a Business Plan. How you choose to explain and set out this information is a matter of presentation for you to decide.

Letters of support tend to be of limited value as we rarely see anything other than glowing testimonials. We'd therefore discourage their inclusion, unless they're from funding partners confirming future levels of support.

A number of comments were raised about dealing with the different financial scenarios.

As we've said previously, we would again urge organisations to consider carefully how much funding they believe they need in order to undertake the programme described in their application forms. It's essential that this information is reasonable and well-considered, and that you are clear about how costs are made up within your budgets.

Our response

The Planning Guidance states that:

“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.”

Current Portfolio members should only ask for an increase in funding where they can clearly identify a step-change in the way in which their activities will achieve the ambitions and priorities of our Corporate Plan. You should choose how best to illustrate the effect of any reduction in the amount that you have requested within your Business Plan. Without this information we may be unable to make a decision on your application.

We recognise the need for our advice to be as clear and specific as possible. We will ensure that our help notes clarify issues that have been raised as queries.

Where a potential applicant still has queries, there will be the opportunity to ask direct questions by email. The answers to these questions will be published on the Investment Review pages of our website.

Some applicants asked about the Arts Council's interest in environmental issues and matters of sustainability. As a strong supporter of the Welsh Government's well-being legislation we are enthusiastic advocates of greater environmental responsibility and would see this as an integral part of any forward-looking organisation's business plan.

Other respondents asked about the practicalities of how they apply and how they can access our online application form. This will be fully explained in the final version of our application guidance, available through our website.

3. Application Form

Question 9

Are the questions on the application form clear? Please identify any sections that are unclear, and suggest how the questions might be improved?

Yes	46	78.0%
No	4	6.8%
Not Sure	8	13.6%
No Answer	1	1.7%

Summary of responses

Whilst still an encouraging confirmation that questions on the application form were understood, there were slightly fewer "yes" answers than with other questions.

There were two main questions here.

The first related to statistical issues. Some respondents questioned the use of numerical or percentage estimates of things like geographical area or protected characteristics, especially when these factors could change year on year. We recognise that this is not an exact science, so we ask that applicants use their judgement to provide a representative summary of the reach of their work and its impact.

The geographic location identified in the application should be the place in which the activity takes place. In this instance we would therefore ask that you to take a pragmatic decision about the likely locations of your work in 2021/22.

The second question related to how to identify the change in activity if funding was offered at a lower level. This has been answered earlier in our response.

Our response

Applicants should use their best judgement in giving us an estimate of the impact of their work on different areas and consider work targeted at groups with particular characteristics.

Other comments have either been responded to elsewhere or will be referred to within our application help notes

Question 10

Our Corporate Plan highlights the importance of equalities and of reaching more widely and deeply into all communities across Wales. This includes Welsh language arts provision. Are you clear about the information that we'll need?

Yes	50	84.7%
No	5	8.5%
Not Sure	3	5.1%
No Answer	1	1.7%

Summary of responses

Nearly 85% of respondents found the information clear. One said:

"The corporate priorities are very clear. We also use the Wellbeing priorities and easy to see how this works with ACW funding priorities and those of local government service delivery."

One of the main areas identified here was the lack of a specific question focused on how organisations were developing Welsh language activities.

We see Welsh Language matters as critically important. We had therefore envisaged it running across all aspects of an organisation's work, with this reflected across the completed application form. On reflection we've concluded that it's important for applicants to have the opportunity to specifically set out their approach in this important area.

Our response

We will add a specific question on Welsh language to the Application Form.

We would also recommend that Portfolio members use our bilingual toolkit (published on our website) to assist them in delivery of work through the medium of both Welsh and English

Another area that raised comment was around activities that sought to target people from particular protected characteristic groups. The wording used reflects that of the Equality Act (2010). If as an applicant you feel that there are other areas of your work that you'd like to highlight, you should take the opportunity to do so.

We have, however, corrected the way that we are currently describing the model of disability that we use. We've amended this to reflect more explicitly the 'social model of disability' which we believe offers the more appropriate framework within which to address these issues.

Question 11

Is there any information missing from the application form that you feel it would be useful for us to ask about? Do you have any further comments?

Yes	20	33.9%
No	25	42.4%
Not Sure	12	20.3%
No Answer	2	3.4%

Summary of responses

Here, the answers were a little more mixed.

The majority of questions in this section related to topics covered elsewhere within this response. However, there was a new question asking whether we would be attaching a particular 'weighting' to any questions as part of our assessment.

Our response

We don't intend to "weight" or score answers. The appreciation of understanding of Art is, by its nature, subjective and conditioned by a number of complex and nuanced issues. When we are considering a viable national network of diverse arts activity, large and small, local and international, available through the medium of both our languages, carefully calibrated judgements are required. These don't easily lend themselves to the rather blunt tool which is numerical categorisation.

We'll use all the information at our disposal, as well as the expertise of our Council and staff, to make holistic judgements of the Portfolio as a whole. Whilst it is not an exhaustive list, more information on the types of areas we will take into consideration is contained within the Planning Guidance.

Question 12

Is it clear how, and for which reasons, you can make an appeal?

Yes	51	86.4%
No	4	6.8%
Not Sure	3	5.1%
No Answer	1	1.7%

Summary of responses

There were very few specific responses to this question, and the percentage of people who said they found it clear suggests an overall understanding. One respondent did suggest: “I think this could be made clearer”. However, they didn’t expand on which area in particular they found unclear, and so we are unable to respond.

Of those that did respond, one asked about the type of feedback that will be received and another about whether successful applicants will have current funding levels honoured.

Our response

All eligible applications will be assessed and written feedback on that assessment will be sent to each individual organisation when the final decisions are announced.

No decisions have been taken about future levels of funding ahead of the Investment Review process itself. There is no guarantee that current Portfolio organisations whose funding continues will receive the same level of funding as at present.

There might be changes within a company (eg a focusing down on a reduced level of activity) that suggests that less funding is needed. However, as a broad rule of thumb it’s unlikely that Council will admit an organisation to the new Portfolio only for it to reduce funding to a level that renders that organisation’s activities unviable.

Question 13

Is the timetable and process for the Appeals process clear?

Yes	52	88.1%
No	2	3.4%
Not Sure	4	6.8%
No Answer	1	1.7%

Summary of responses

Two respondents suggested that the time for making an appeal is too short at 21 days. Unfortunately, in order to ensure enough time within our overall Review timetable, this is the minimum that we need. For a proper and rigorous process to be completed, we have to keep to the dates as published.

Another questioned our requirement for Business Plans from current Portfolio members to be submitted according to the usual timetable.

We'd expect that all current Portfolio members would already include the possibility of losing their Arts Portfolio Wales funding within their Business Plans, and that they have plans in place to manage such a possibility.

We recognise that this would be an extremely challenging situation but feel it's an important part of a 'real life' planning process. Moving quickly to adapt to a new model of working will be essential for these organisations, and Transition Funding from the Arts Council will be available to support change.

Our response

We were pleased that the majority of organisations have understood the principles of the Investment Review process.

Where clarification is required this will be introduced. However, we are pleased that it doesn't seem necessary to make fundamental changes to the key Investment Review documentation.

Question 14

Do you have any other comments on the Appeals process, or how it could be improved?

Yes	7	11.9%
No	47	79.7%
Not Sure	2	3.4%
No Answer	3	5.1%

Summary of responses

There were no comments here that have not been addressed elsewhere within this response.

4. General Investment Review Comments

Question 15

Do you have any other comments on the Investment Review 2020?

Summary of responses

There were a large number of responses to this section. Whilst several of the points were recurring themes that have been explored already, some raised new issues:

”This is very much moving towards achieving the welsh government’s aims and not the aims of artists. I thought lottery funding was funding for the people not making up for government underspend.”

Our response

The funding decision in this Investment Review will be made by Council members of the Arts Council independently of any input by the Welsh Government. The framework for those decisions is the Arts Council’s corporate plan “For the Benefit of All”.

The Welsh Government is the democratic which body provides the overall context for public expenditure in Wales, including from the National Lottery. The Welsh Government treats the Arts Council as an “arm’s length” body.

However, it’s not unreasonable for the Welsh Government to encourage the Arts Council to reflect on its priorities when distributing nearly £30million of public and taxpayers’ money to the Portfolio each year.

The Arts Council’s priorities address creative, social and financial disadvantage, tackling the consequences of cultural poverty. We believe that these are urgent priorities for the Arts Council to address.

“Sometimes the quality of connection is just as important as the number of people attending. It would be easy to say that 20 million people have walked through somewhere, but has this connection had any impact on their lives. It would be more courageous for the Arts Council to decide on its priorities and identify which bodies are worthy of funding rather than open the process to anyone to apply.”

Our response

We disagree with the final element of the comment above.

The Investment Review process is designed to be open and transparent, providing genuine opportunities for organisations to present their case for support. The arts never stand still – they grow, develop and evolve. Our funding should reflect that. And if we're to widen access to arts provision across Wales, we need to be prepared, and indeed courageous enough, to consider a broader range of organisations than we might have done in the past.

“While we understand the need to diversify the funding base of arts organisations, and have been working hard to achieve this through trust funds and through personal giving, we like many other organisations remain strongly dependent on arts council funding and are likely to remain so.

We need you to understand that the level of Trust funding and sponsorship available, particularly in rural counties, is not likely to redress any potential cuts to the sector and that your decisions need to be strategic and considered in terms of how you value the work done by RFOs currently and the potential they have to expand what they currently offer with your support.”

Our response

We understand the funding context and the difficulties encountered by arts organisations in generating funds from other sources. We know that it's incredibly challenging, especially for smaller organisations in rural areas.

That said, we cannot ignore the wider economic context and the continuing pressures on public funds. Our Portfolio is likely to need to work with us to find other sources of income and this is likely to involve new ways of working in the future. We recognise the ability to do this will vary across the sector, but every organisation is likely to need to show how it will move in this direction as part of its Investment Review application.

“Creating a 'snapshot' of the range and depth of creative work on a form is impossible. Staff and consultants assessing applications should therefore be made fully aware of the applicants' work and achievements over recent years.”

Our response

Whilst officer knowledge form part of our assessment process, it's important to recognise that our ambition to identify new members to join the Portfolio could mean we have less direct knowledge of some organisations than others.

Applicants should therefore not assume knowledge and should ensure that information that they wish to highlight is included within the application documentation.

“The reality is that a small arts organisations do not have the capacity of the larger organisations to release staff members to fully concentrate on the piece of work needed, whilst continuing to meet the current financial years targets and commitments, and run the organisation.

I acknowledge that the larger organisations receive more money, but, in my opinion, therein lies the problem. I am not sure what the solution to this is, maybe there should /could be a tiered approach? But an acknowledgement that this process is more difficult, in terms of time and capacity, for the smaller organisation would be welcomed.”

Our response

We've considered the possibility of adopting a tiered approach but feel that it was important to treat all organisations consistently. We recognise the abilities of smaller organisations to marshal their resources can sometimes be more difficult than that of the larger companies. We'll adopt a pragmatic and realistic approach when considering applications and ensure that this is taken into account when considering the range of different applications.

What is 'non-negotiable', however, is that all successful applicants must be able to show us how they will meet our Corporate Priorities, regardless of their size or level of funding.

”There is the possibility that a 500 word count might not suffice for some sections.”

Our response

We would encourage concise answers to all questions with a real focus on specific and relevant information. We have, however, reviewed word counts in some areas to ensure that they're appropriate. The application form has been updated.

"The Investment Review document indicates that annual funding agreements will be offered, as is currently the case. Wales remains the only part of Britain that offers fewer than 3 years of funding, and the lack of that long-term funding inhibits risk-taking, planning over a longer cycle of production and touring, and being able to confidently make agreements with external funders who make multi-year commitments. In England, for instance, 4 year agreements are in place, though all NPO's know that there are 'in year' risks if government funding is reduced unexpectedly."

Our response

Our offers of funding are linked to our own funding settlements from the Welsh Government and we cannot offer funding beyond a confirmed period of time. Were the length of our own funding settlements to change, we would certainly consider offering longer-term commitments.

"I hope for bravery, for some new additions to help provision in artforms that are currently under represented in the portfolio (dance, new music); I hope that artist development will be absolutely embedded."

Our response

The priorities in our corporate plan: "For The Benefit of All..." sets us the task of examining critically what a new Portfolio might be able offer in terms of reach and access.

We are also mindful of the need to look at different types of arts provision across Wales. This obviously opens up the possibility of new entrants from organisations from across all artforms that *can* evidence a real ability to achieve Council's priorities.

We were pleased to receive representations from the Chair of the National Assembly for Wales' Culture, Welsh Language and Communications Committee. She reminded us of the Committee's important report on the potential for the arts to tackle issues of poverty, "Count Me In!".

As the report notes:

"We know that the skills people gain from engaging in creative activity can help them develop skills which can improve their situation. We also know that participation in the arts can alleviate the effects of poverty and social exclusion. This is what makes it so important to ensure that our cultural life in Wales includes everyone." [Count me in! Tackling poverty and social exclusion through culture, heritage and the arts p5 <https://www.assembly.wales/laid%20documents/cr-ld12847/cr-ld12847%20-e.pdf>]

The report directs two recommendations to the Arts Council:

- the Arts Council of Wales should ensure that all members of Arts Portfolio Wales (its revenue-funded organisations) work with the different communities they serve to design their programme of activities
- the Welsh Government, via the Arts Council for Wales, should require all arts and cultural bodies in receipt of public funding to set out their objectives for tackling poverty and social exclusion in their strategic plans. Those in receipt of funding should also set out how they intend to co-design creative activities and content with these target audiences.

Our response:

We agree entirely with the Committee's view that organisations that work with local communities from the outset are more likely to engage successfully with these communities in terms of both attendance and participation in artistic activities.

The most creative arts organisations are those that are arts led but audience focused. They are also committed to reaching new, different and more diverse audiences, working with them to tackling the barriers that prevent people's access to the arts.

We'll ensure that the issues highlighted in Count "Me In!" are clearly reflected in the revision of the Investment Review Planning Guidance.

We will expect our Arts Portfolio Organisations to work collaboratively with their communities and to ensure that addressing cultural poverty and social exclusion are explicitly addressed in their future activities.

Some respondents asked about contact with Arts Council officers during the Investment Review period and even whether officers could be asked to advise on draft applications. As far as possible, we want to maintain 'business as usual', especially where you have an ongoing relationship with an Arts Council 'lead' officer.

Officers can also advise on the Investment Review process, although we can't discuss or review the detail of an individual application. (Sadly, with over 100 applications expected this would be impractical.) Sometimes officer advice – even when given in good faith – can be misconstrued. It's important for the overall integrity of the process that every applicant is treated fairly and no-one is perceived to be at an unfair advantage in terms of being able to 'try out' ideas and proposals.

Whilst considering the comments and queries above, it would be easy to omit those comments that gave a welcome to the approach we are proposing to take. Some of these are summarised below.

"this will be the first Investment review that I have been involved in, I was dreading it but it's actually very clear so thank you. Let's hope I still feel like this when it comes to actually doing it!"

"I am pleased to see ACW considering the reach of funded work"

"It feels really clear and it feels like the application form compliments the Business Plan as the application documents. It feels important that the application form gives the opportunity to talk in more depth about what the business plan presents."

"More focused and clear than the IR 2015"

"ACW have clearly listened to responses from the sector and learned from previous IR procedures, particularly with reference to the proposed ongoing consultative nature of the process."

"It seems to be a more straightforward process than previous investment reviews, with greater focus and clarity."

"I think the process appears very clear and concise. I think the application process will work better than the previous submission of business plans and will give us clear focus."

"We welcome the transparent way in which ACW has consulted on this process and look forward to participating in the review"

”We are in full support of the recent emphasis you have taken; as an organisation that places benefit for all at our core we are also happy to help you provide benefit for all.”

”Voluntary Arts has, for some time, been exploring creativity in different communities in all its different forms, both in Wales and in the wider UK. We are grateful to the Arts Council of Wales for project funding in support of this. So we are particularly supportive of the aim in this Investment Review to recognise the importance of a Welsh society that values and respects the creativity of all its citizens; and of using equalities as an organising principle to help achieve this.”

Question 16

If you could change or improve just one aspect of the Investment Review, what would it be?

Summary of responses received

The responses here tended to give general comments as well as suggesting improvements.

Some of the comments that haven't been included elsewhere are summarised below.

”This is a completely new process for us, and we feel that there should be more help for those in our situation.”

Our response

We understand that this process will be completely new to some and there are some changes to previous processes for everyone. We have produced help notes to assist in the preparation of the documentation required and there are other documents, referred to in our Planning Guidance, that should also help.

We also welcome questions via the email address included within the Planning Guidance. We will publish all relevant responses to these queries on our website.

Some respondents touched on issues of value for money.

”We would like more guidance on the value for money aspect - is there a formula or criteria for this?”

As a consequence of ongoing financial austerity we've encouraged Portfolio organisations to try and reduce their dependency on Arts Council funding. We're regularly asked by those who scrutinise the Arts Council's funding decision to justify the value for money of the organisations that we support. However, although reducing financial dependency is a legitimate ambition, achieving it is complicated and affected by many different factors – the size of an organisation, its location (eg: urban or rural), the type of activity it delivers, the impact of other funders (or not).

We have resisted the setting of specific targets in this area. However, we'd still be interested to hear from you – in your own words – explaining how you address value for money issues.

Our response

Assessing value for money in the arts can be a difficult and contentious issue. Traditional definitions of value for money tend to talk in terms of maximising the impact of each pound spent to improve people's lives, or the optimal use of resources to achieve intended actual outcomes. A key element in both definitions is to make the best use of available resources to achieve sustainable development outcomes.

As far as the arts are concerned there are no absolute answer. And since these are matters of judgement, we'll need to look at each case on its individual merits. We would, however, ask that you tell us what you are doing to increase the value for money of your activity and recognise that this might not just be in terms of £/person. We know that some organisations work with fewer people but in a more intense fashion –so different forms of arts practice, in scale or impact, can still represent a good investment. You should tell us about this within your application.

“The amount of time and work required to complete the process for all involved and how often this work, whilst valuable takes organisations and artists away from delivering as much as they possibly could otherwise.”

Our response

We recognise this concern and appreciate the time and effort that it can take to produce a good quality application. However, if we are to remain confident that we're funding the right mix of organisations, then we must have a robust and rigorous process for reviewing our Portfolio. Over the course of five years we will invest over £135m of public money. This in itself would demand that we undertake the most thorough and careful review process.

“Decisions about the level of funding should have a closure [*sic*] relationship to an organisation's impact. ACW's stated policy is that arts must reach more widely but funding levels need to consider this by improving funding to organisations that are skilled at reaching a wide and diverse audience. All too often funding is given to larger organisations who are not well placed to achieve this at the expense of grass roots organisations.”

And

”Making it open honest and public so everything can see the flaws and the success. to avoid any corruption that might be going on.”

Our response

We agree that we need to be funding the right organisations in the right places to deliver to the right programme of work to the widest audience possible.

This Investment Review has this at its core, and whilst we also recognise the part that larger and established organisations can play in the sector, those organisations that can demonstrate how they can reach more widely will have a very real chance of success.

It was unclear with the second comment whether the respondent was referring to corruption within the sector or of the Arts Council's processes. We have designed this process to be as open as possible and the Investment Review process is scrutinised by independent auditors, Deloitte.

Our assessment process will look at the governance of applicants to minimise the risk of corruption.

”Shame there is no parachute funding year as I think there was in 2015. Hard to replace revenue funding and given the small timescale on decisions will be very hard for organisations who lose RFO status to find replacement funding within 3 months.”

Our response

There is likely to be Transition funding available for those current members of the Portfolio that lose their funding as part of the process.

We will publish more details of this in due course. This is likely to be at the same time as the decision are announced.

“There is a long period of consideration between the submission of applications and the issue of in principle decisions in September 2020. It is unclear how you will continue to interact with applicants - particularly existing portfolio members - during that time although a website portal is mentioned.

You could improve the process with a structured system for feedback and an acknowledgement that although you will not accept any changes or amendments to an application during that 5 months it is quite possible that additional material information or changes may occur in the course of an applicant's normal business that may have a bearing on their application.

This is particularly relevant in the case of organisations that may be in the process of change or development, so perhaps further consideration of the process during that 5 month assessment period could be given.”

Our response

In the interests of practicality and fairness, we'll need to restrict the introduction of new information to the process following the application deadline. In extreme circumstances, for instance where it subsequently becomes obvious that an organisation could not fulfil a major part of its Business Plan, we may need to include this within our considerations. However, potential changes in the future to business models should be referred to either within the application documents, or in the risk register in your Business Plan.

As the respondent suggests, there will be a mechanism during the application process for us to answer any questions that may arise.

”Having recently submitted our business plan we now find we need to produce another document - in our case we will be creating three different scenarios for potential funding situations. It would have been useful to have had clearer guidance around this in advance of submitting the Business Plan in the Autumn of 2019.”

Our response

We have regularly referred to Business Plans as ‘live’ documents and expect organisations to regularly refer and update them. We’re therefore asking for the most up to date version of your Business Plan rather than a new document. We hope that organisations recognise the importance of keeping these up to date for their own purposes rather than producing them for us only when we ask for them.

“Once every 5 years, is a very rare opportunity to affect real change within an organisation and to plan for it. It would be most helpful if there was more open communications from ACW about when to expect these opportunities to arise and also perhaps a more regular opportunity to try to enter the portfolio.”

Our response

We recognise that this process can take some time for organisations and this has been borne out by some of the responses to this consultation process. We have therefore tried to balance the desire to renew the Portfolio with the pressures that it puts on potential applicants (current Portfolio members and new applicant) when deciding on a cycle of around five years.

Whilst it is rare, there are circumstances where new members could enter the Portfolio in between our Investment Reviews and these are discussed further in our ‘Policy for Managing the Members of the Arts Portfolio Wales’ document on our website.

“there is an opportunity to consider different models of funding and support - such as repayable loans, investment which might return a dividend to ACW, and considering varying funding levels by year to enable and reward ambition. The strong warning in the guidance regarding the risks of asking for a significant uplift seems to indicate that the investment review might shy away from making independent assessments of what organisations really need to deliver their programmes”

Our response

The idea of loans and investment is an interesting one and one that we have considered. Depending on the level and types of applications we receive, as well as the proposals they contain, we may want to think about more imaginative ways of funding the Portfolio.

We are willing to consider uplifts to organisations that can show exceptional and realistic opportunities to increase their reach to a more diverse audience.

In a static funding environment there will be winners and losers in terms of funding. We do not anticipate awarding uplifts to organisations simply to fill gaps when there is no increase in either output or reach. We would also urge applicants to be very clear about how they aim to achieve their targets if they request an uplift.

5. Concluding comments

Thank you for taking the time and trouble to respond to this consultation. We greatly appreciate it.

Council has considered the comments received and has amended the documents (and process) in line with the responses set out in this paper.

The Investment Review 2020 will be open for applications from **12 noon on Monday 2 March 2020**.

Final guidance and information will be published on this date on our website.

The closing date for applications is **12 noon on Friday 24 April 2020**.

Please note that this is an absolute deadline. Any late applications will automatically be deemed ineligible and will not be included in the Investment Review assessment.

We will be publishing regular bulletins and updates on the progress of the Investment Review, so please do keep an eye on our website for further information.

Finally, if you're making an application, we wish you well!