



Council Minutes

Meeting 184

Date of meeting: Friday 16 October 2020

Venue: Meeting held remotely using Zoom videolink

Present:
(on videolink) Phil George (PG) Chair, Andrew Miller (AM), Gwennan Mair (GM), Devinda De Silva (DDS), Mike Griffiths (MG), Kate Eden (KE), Alison Mears Esswood (AME), Sarah Younan (SY), Dafydd Rhys (DR), Marian Wyn Jones (MWJ), Iwan Bala (IB) and Lhosa Daly (LD). Andy Eagle (AE) and Victoria Provis (VP).

In attendance:
(on videolink) Nick Capaldi (NC), Diane Hebb (DH), Sian Tomos (ST), Rebecca Nelson (RN), Richard Nicholls (RAN), Sion Brynach (SB), Andrew Richards (AR), Carys Wynne Morgan (CWM), Angela Thomas (AT), Eluned Haf (EH) and Katy Brown (minuting).

Apologies: Tudur Hallam (TH)

Observing:
(on videolink) Gary Williams (GW) Welsh Government

Translator Sioned Jones (SJ)

Status of paper: For public release.

Item	Action
<p>1. Welcome, introductions and apologies The Chair welcomed members to the Arts Council of Wales meeting being held via Zoom.</p> <p>PG welcomed Richard Nicholls (RAN), the newly appointed Director of Operations, to his first Council meeting. RAN introduced himself and said how much he is looking forward to embarking on his role with the Arts Council.</p> <p>Apologies were noted.</p>	
<p>2. Declarations of Interest Members of Council asked for the Declarations of Interest to be recorded (attached as an appendix to these minutes).</p>	

<p>DDS asked that the following be added to his declarations:</p> <ul style="list-style-type: none"> • Board member of Disability Arts Cymru 	
<p>3. Minutes of the meeting held on 2 September 2020 The Minutes of the meeting were approved as a correct record of the meeting.</p>	
<p>4. Matters arising All outstanding matters were reported as having been completed.</p> <p><u>Council Recruitment process</u> PG reported that the 4-week application process had opened. There had been discussion with Welsh Government officials about the number of members to be recruited. It was agreed to recruit the full complement of 6 new members, at least 2 of whom would be Welsh speaking.</p> <p>SB will be supporting the recruitment with specific communications activity designed to reach a wider cross-section of potential candidates. PG thanked GM and AM who had recorded a recruitment video sharing their experience as Council members. SB reinforced the thanks to AM and GM. The videos would be on social media that weekend.</p> <p>PG had shared his Western Mail article on Council recruitment which had been published the previous day.</p> <p>SY asked whether freelance individuals could be paid remunerated as Council members to reflect their commitment of time and to cover potential loss of earnings. PG felt that this was something that he would like to see. However, he advised that under Charity law payment to trustees is prohibited. PG noted that this was an issue that the Welsh Government was reviewing and it might be that representations could be made to the Charity Commission in the future.</p> <p><u>Creative Learning through the Arts</u> It was noted that a presentation will be provided at the next Council meeting.</p> <p><u>Council Committees</u> It was noted that all Monitoring Groups were now being referred to as “Committees”, reflecting decisions made by Council at its last meeting.</p>	<p>DH</p>

5.1 **Audit and Risk Assurance Committee Meeting – held on 30 September 2020**

KE provided an overview of the Committee’s discussions.

Internal audit reports

The internal audit from Deloitte on Compliance with Welsh Language Standards had received “Substantial Assurance”.

Deloitte had also audited our management of the “Arts Resilience Funds for Individuals and Organisations”. The Committee had felt that this was an especially important piece of work given the speed with which the Council had needed to distribute large sums of money. KE was delighted to report that the review had resulted in a “Substantial Assurance” rating and congratulated staff.

Risk Register

The Committee reviews Corporate Assurance and Risk at each meeting. The Committee identified a new risk around delivery against commitments made in response to Black Lives Matter and We Shall Not Be Removed. Although the Committee noted Council’s full determination to progress these possibilities, identifying the potential risk that delivery might not reflect Council’s statement would be an important check and balance.

Fraud

It was noted new anti-fraud measures that had been put in place around the management of the Arts Resilience Fund. These will be applied to management of the Cultural Recovery Fund.

Cultural Recovery Fund

It was noted that there will be an internal audit review of our management of the Cultural Recovery Fund.

Review of Memorandums of Understanding

The Committee had noted that Council had Memorandums of Understanding with a number of external partners. The Committee would be looking at how these are managed and monitored at its next meeting.

Council **noted** the report.

5.2 **Welsh Language Monitoring Group Meeting – held on 28 September 2020**

MWJ provided an overview of the meeting.

Members had the opportunity to discuss the final draft of Council’s response to the Welsh Language Arts Activity Mapping Report. MWJ thanked ST and the team for all their hard work.

Welsh-speaking Board members of the Arts Portfolio Wales (APW)
AM requested clarification of the Committee’s assessment that there had been a “failure” of APW boards to include a sufficient number of Welsh speakers. Statistics appeared to show that 38% of APW board members were Welsh Language speakers.

NC noted that global statistics for board members overall masked discrepancies across the APW. Some boards had extensive Welsh-speaking expertise, but many did not.

AM asked if the Committee could investigate how many APW boards did not have any Welsh speakers. This might allow Council to target any necessary actions more effectively.

ST

Council **noted** the report.

5.3 **HR and Remuneration Committee Meeting – held 9 September 2020**

MG provided an overview of the Committee’s discussions.

A significant amount of the Committee’s time had been spent reviewing the HR Management Information Report. The Committee had been especially keen to interrogate the data on Staff Absence and Sickness, given the current pressures on staff. The Committee was keen to have a more granular understanding of the various issues relating to Stress and Mental Health.

Officers had briefed the Committee on actions taken to mitigate the ill effects of the Covid-19 pandemic on staff health and well-being. The Committee noted the importance of the Council’s Employee Assistance Programme. MG confirmed that these would all be issues that the Committee would continue to keep under close review.

MG noted that the Committee also discussed the Council’s Home Working policy and succession planning.

The Committee had continued its programme of informal meetings with staff from across the organisation.

Council **noted** the report.

<p>5.4</p>	<p>Capital Committee Meeting – held on 2 October 2020 AE provided an overview of the Committee’s discussions.</p> <p><u>Cwmni’r Fran Wen</u> The Committee had received an excellent presentation from Cwmni’r Fran Wen on the development of the company’s major Capital project. This had informed the preparation of the Committee’s funding recommendation to Council.</p> <p>Council agreed to support the application for £1,800,000 (or 45.94% of the eligible cost whichever is the less) subject to a legal agreement between the Arts Council of Wales and Cwmni’r Fran Wen. This will incorporate additional points, listed in the paper presented to the Committee, as “Conditions Precedent”.</p> <p><u>Theatr Clwyd</u> AE reported that the Welsh Government was in the process of releasing £3 million capital for the next phase of development of the Theatr Clwyd project.</p> <p><u>National Gallery for Contemporary Arts Wales</u> It was noted that an update on the Welsh Government’s project to develop a National Gallery for Contemporary Arts Wales would be discussed at the next Council meeting.</p>	<p>ST</p>
<p>6.1</p>	<p>Chair’s Report The Chair briefed members on recent events and meetings that he had attended.</p> <p><u>Ministerial response to our Statutory Accounts 2019/20</u> PG was delighted that the Deputy Minister had been warm in his commendation of our annual reports for 2019/20 and the achievements of the Arts Council. PG had shared the Deputy Minister’s letter with Council.</p> <p><u>Ministerial responsibilities</u> PG reported that there had been a change in ministerial roles, although the Deputy Minister’s ‘lead’ responsibility for Arts and Culture continues.</p> <p>International responsibilities will now be assumed directly by the First Minister and Eluned Morgan MS has been appointed Minister for Mental Health and Wellbeing and the Welsh Language.</p>	

Meeting with Black, Asian and Minority Ethnic Artists

PG reported on a positive and helpful meeting which had included discussion of Council's Black Lives Matter commitments and the creation of the new role of "Agent for Change".

Promoting a "Creative Landscape"

PG had spoken at the launch event for our Memorandum of Understanding with Natural Resources Wales. PG thanked staff for their help with what had proved to be a very successful event.

Celebrating the creativity of Gypsy, Roma and Traveller Peoples

PG had attended an inspiring evening celebrating and promoting the creativity of communities that lacked the visibility that they deserved.

What Next?

PG and NC had attended an important session convened by the What Next? group which had sought responses from the Arts Council to a number of current issues that the group wished to raise. PG felt that the session had gone well, and he and NC had been commended for their openness and directness.

6.2 Training and development

PG reminded Council that members had agreed to a number of training and development initiatives. He reported that arrangements for the following were being progressed:

- Welsh Language Classes
 - Nolan Principles on Public Life
 - Understanding racism, unconscious bias and structural inequality
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7.1 Chief Executive's Report

The Chief Executive reported on the recent meetings and events he had attended. In response to questions from members, he provided further information on the following.

UK and Ireland Arts Councils meeting

NC had met with the Chief Executives of the other UK and Ireland Arts Councils. This had provided a useful opportunity to share intelligence on responses to Covid-19, the implications of Brexit and future prospects for Government funding of the arts.

The meeting had also included discussion of international co-ordination of services and funding in the post-Brexit world.

	<p><u>Senedd Committee: Culture, Communications and Welsh Language</u> NC presented information to the Committee on the impact of Covid-19 as part of a round-table consultative event convened by the Committee.</p> <p>Council noted the report.</p>	
7.2	<p>Covid-19 Update NC briefed Council on current issues and the actions that were being taken.</p> <p>Council noted the report.</p>	
7.3	<p>Brexit update NC briefed Council on current issues and the actions that were being taken.</p> <p>Council noted the report.</p>	
8. 8.1	<p>Funding recommendations Cultural Recovery Fund Council noted the Declarations of Interest identified earlier in meeting. These would require members to withdraw from the meeting for any specific discussion of an organisation with which they have a connection.</p> <p><u>Background and context</u> NC explained the background to the Welsh Government’s Cultural Recover Fund, the involvement of the Arts Council in managing applications to specific Fund ‘strands’ and the work undertaken by staff in managing the applications and assessment processes. This had been a very significant exercise – the largest ever undertaken by the Council – and he thanked staff for their hard work and Welsh Government colleagues for their support.</p> <p>NC explained that staff had assessed an unprecedented number of applications in a very short period of time. It had been a tremendous team effort and he expressed his sincere thanks to everyone who had worked so hard to prepare these recommendations for Council’s consideration.</p> <p>NC reminded members that these were Welsh Government funds and that we are managing this part of the Cultural Recovery Fund as ‘agents’ on Government’s behalf.</p>	

Close cooperation with the Welsh Government had been essential. NC reported that this had been excellent, and he thanked Welsh Government colleagues for their collaboration and their support.

It was important, however, to remember that responsibility for decisions rested with Council.

From the outset, Council officers have worked together with the Welsh Government on the Fund's process and criteria. The key criterion is that the focus of the Fund is explicitly defined – to provide urgent and immediate support to organisations in significant financial peril. It is not intended to provide developmental activities beyond March 2021.

Details of all of the awards and recommendations had been shared with the Welsh Government. This had provided a useful basis for cross-checking that applications had been submitted to the correct strand of the Fund. Sustaining activity into the future remains an important issue, but this will need to be addressed through investment from National Lottery funding programmes.

NC noted that many organisations were facing significant difficulty and were anxiously waiting for the outcome of Council's decisions. Organisations that derived a significant proportion of income from ticket sales – such as Wales Millennium Centre, Chapter, Galeri and many others – had been especially badly hit from the unanticipated cessation of public activity. The impact of lost income had been significant across the sector, including local authority supported venues (such as Theatr Clwyd, St David's Hall and the Rhondda Cynon Taf Theatres) and university managed facilities (such as Aberystwyth Arts Centre and Pontio.)

The emphasis was on providing the support that was needed as quickly as possible. However, NC stressed the importance of ensuring that applicants met the eligibility criteria and that the applications were consistent with the Fund criteria.

Changes made after the Council papers had been prepared
AR and CWM took Council through the detail of the assessment process and the specific criteria that had formed the basis for decision-making.

They reported to Council that further information had emerged after the Council papers had been produced and distributed. These were as follows.

Menter Caerdydd

Menter Caerdydd's £90,000 application (£21,750 recommendation) had been withdrawn after the Council papers had been prepared. It had been discovered that the organisation had also applied to the Welsh Government's Cultural Recovery Fund. It had been agreed with the Welsh Government that it would consider Menter Caerdydd's application within its own processes.

New Theatre Cardiff

As part of Officers' quality assurance checks and processes it was identified that an element of the costs included within the budget was ineligible for funding. The organisation had therefore reduced its request from £2,154,666 to £1,884,846. This was being recommended to Council at the revised level.

The Hyst

It was noted that The Hyst was being recommended for rejection for because it did not meet the Arts Council's criteria. The Hyst had been discussed with the Welsh Government and it had been confirmed that the Hyst could be considered under its Funds given the organisation's importance as an events and entertainment venue on Swansea High Street.

Wales Millennium Centre

AR noted that as part of the assessment processes Welsh Government officers had raised questions around the inclusion of consultant fees for RIBA Stage 2 capital work associated with the Covid-related development of front of house and new "Maker Spaces" within the building. It was noted that RIBA-defined development processes carried a degree of risk, as this could lead to a situation where work did not progress beyond this development phase. GW confirmed that these discussions had taken place and that he had wished these issues to be drawn to Council's attention.

AR reported that officers had specifically considered these risks. Officers had noted the very significant changes needed to the Centre's physical infrastructure and spaces if it was to transform its business model to deliver a financial sustainable and Covid-safe way of operating in the future.

The scale of the Centre's building spaces required the detailed and systemic appraisal that the RIBA processes provided. Taking all of these factors into account, officers believed that the application did meet the eligibility criteria and were therefore recommending it to Council.

The recommendations

The Chair thanked staff for their hard work and opened the recommendations to scrutiny by Council members.

Council examined the processes adopted for assessment and satisfied themselves that these had been appropriately robust. Members noted that the internal audit report (referred to earlier in the meeting) on our management of a previous 'emergency' fund (the Arts Resilience Fund) had achieved a "Substantial Assurance" audit rating.

In scrutinising the recommendations Council sought assurance that the funding proposed was consistent with both the overall purposes of the Cultural Recovery Fund and its criteria. They also wished to confirm in some instances that the use of funding was explicitly related to the Covid-19 emergency.

Members noted the wide range in value of the recommendations and advised that our public announcements should make clear the importance of funding to organisations' overall, the encouraging success rates and the contribution that would be made to protecting jobs.

In particular, members noted Wales Millennium Centre (WMC) as the highest recommendation in terms of value. Council advised that it would be important that officers were able to explain clearly the cost-cutting steps that the organisation had, or would, undertake following a successful award. Officers confirmed that these issues had been examined as part of the assessment process and on the basis of information previously provided by WMC since the onset of the pandemic. However, further assurance would be secured by adding additional conditions of grant specific to these matters.

Council **approved** the funding recommendations.

It was noted that the recommendations agreed were less than the £27.5m of funding originally earmarked as available to Council.

	<p>It was repeated that these were Welsh Government funds and that the ‘balance’ would be used by the Welsh Government to fund applications received to its section of the Fund. This ensure that more festivals, cultural events and individual freelancers would be likely to receive support.</p>	
<p>8.2</p>	<p>Creative Steps programme DH presented the paper which included a funding recommendation for a grant award to Race Council Cymru of £165,970 from the Creative Steps programme.</p> <p>Council discussed and approved recommendation, including some additional conditions of grant relating to the extent and reach of project’s activities.</p>	
<p>9.</p>	<p>“Re-setting the Dial” - Responding to Covid-19 A Council discussion document Introducing the document, NC explained that many individuals, organisations and task forces had made representations to us about things that they felt we should be doing in response to the Covid 19 emergency. This document is an attempt to assimilate some of this information.</p> <p>NC stressed that “Re-setting the Dial” wasn’t a strategy – that would come in the months weeks ahead as Council prepares its Operational Plan for 2021/22. Instead, “Re-setting the Dial” was an opportunity to reflect back some of what we had been hearing.</p> <p>NC would therefore be publishing, for information, a version of the document.</p> <p>Council welcomed “Re-setting the Dial” and thanked NC.</p>	
<p>10.</p>	<p>Welsh Language Mapping Report – an Action Plan ST introduced the paper which set out Council’s proposed response to the Welsh Language Mapping report.</p> <p>MWJ welcomed the more specific commitments to development action and to funding targets designed to increase levels of investment in Welsh Language work.</p> <p>MWJ also noted the development work proposed with a range of specialist partners and raised concerns about the current capacity of staff to manage and deliver the ambitious programme of work.</p>	

	<p>It was noted that this would need to be addressed as part of our budget-setting work.</p> <p>Council approved the recommendations.</p>	
<p>11.</p>	<p>Welsh Language Annual Report 2019/20 MWJ presented the report.</p> <p>Council members congratulated the Committee on its work and on the production of a detailed and attractive Annual Report document.</p> <p>Council noted the report.</p>	
<p>12.</p>	<p>National Lottery and Strategic funding – budget revisions RN presented the paper which outlined the adjustments recommended to both the Lottery and Strategic budgets in the current year – 2020/21.</p> <p>The current economic situation and the continuing impact on the arts sector of Covid-19 restrictions requires us to respond quickly to rapidly changing circumstances. Meeting urgent needs is clearly important, and Council agreed that it was important that funds could be ‘flexed’ to respond to actual demand.</p> <p>Council:</p> <ol style="list-style-type: none"> 1. Approved the amendments to the Lottery budget. 2. Approved the virement within the Strategic funds budget. <p><u>Bank Tender</u> RN reported that Council would have been due to re-tender for its banking services. Because of Covid-19, RN’s recommendations was to extend the current arrangements for a further year.</p> <p>Council agreed the recommendation.</p>	
<p>13. 13.1</p>	<p>Updates for information Widening Engagement DH reported on the project, which was being managed in partnership with the National Museum. It was noted that three projects were being supported: T</p> <ul style="list-style-type: none"> • Wales Arts Anti-Racist Union – focussing on communities of colour 	

	<ul style="list-style-type: none"> • Richard Turner and Associates – focusing on d/deaf and disabled communities • Re:Cognition – focussing on the semi-rural community of Penderyn. <p>Council noted the report.</p>	
13.2	<p>Natural Resources Wales – Memorandum of Understanding ST introduced the report which outlined this exciting partnership for the future with Natural Resources Wales.</p> <p>Council noted the report.</p>	
13.3	<p>Corporate Assurance Framework and Risk Register It was noted that both documents had been discussed at the last Audit and Risk Assurance Committee.</p> <p><u>Grants Management System</u> Particular attention was being given to the development of the new Grants Management System. As a business-critical system this was inevitably a high-risk project and as such was being robustly managed. Daily update meetings were being held as the go-live date was now rapidly approaching.</p>	
13.4	<p>Operational Plan: Q2 progress report Council noted the report.</p>	
14.	<p>Date of next meeting: Friday 4 December 2020 – Zoom</p>	

Council Meeting:

Friday 16 October 2020

Summary of actions and decisions

Item	Action
4. A presentation on Creative Learning through the Arts will be include on the agenda for the next Council Meeting	DH
5.2 The Welsh Language Committee will investigate further the detail of Welsh-speaking membership of Arts Portfolio Wales boards.	ST
5.4 An update will be provided at the next Council meeting on the development of the Welsh Government's project to create a new National Contemporary Art Gallery for Wales.	ST