

Investment Review 2023

Response to the Consultation

Foreword

Welcome to our feedback on the consultation exercise that was undertaken as part of our Investment Review 2023 process.

The consultation asked for responses against a series of questions. The consultation opened for 12 weeks on 18 July 2022 and closed on 10 October 2022. We consulted on:

- Our proposed new approach to the Investment Review and application process
- The appeals process
- A draft Combined Impact Assessment on the above (you can read more about the Combined Impact Assessment and why we prepare one in the document itself)

The consultation was open to everyone. However, we were particularly interested to hear from arts organisations and creative professionals as they would be directly impacted by these proposals. We sought to get as broad a range of representations as possible from within these groups. Throughout this period, we actively promoted the consultation, through a variety of networks, social media, newsletters, and direct mailings.

In total we received 77 responses to the written online survey and four email submissions

As well as the online survey, we commissioned Dr Glenda Jones to facilitate a series of eight online accessible and multilingual (Welsh, English and BSL) open meetings during August 2022 and September 2022. In all, 189 people representing individuals employed within and outside of the sector, artists and organisations (both members and non-members of the current Portfolio) across the sector attended these meetings. A separate session was also held for Associates who are working on our Creative Steps programmes and have particular knowledge around barriers to accessing funding.

Where relevant we have separated the responses to identify whether they came via the facilitated sessions (which form the larger number of responses), the online survey, or email. The feedback, however, does not attribute comments to the individuals who made them.

In addition, we have sought the views of our funders, the Welsh Government, and our own staff and Council members.

As highlighted above, respondents were able to participate in the consultation through completion of a survey, submitting an email and by attending the facilitated online discussions. Therefore, an individual may have fed their comments into the consultation on more than one occasion. Likewise, an individual response may also reflect the opinion of more than one individual, for example when representing the opinion of an organisation. For these reasons, we refer to ‘responses’ rather than ‘respondents’ throughout this document and have not weighted the comments by volume of opinion.

Participants in this public consultation expressed their appreciation for the opportunity to engage in discussions in an open and collaborative manner, and also raised several questions seeking further clarity on some of the aspects of the proposals. Where we were able to respond immediately to these to offer clarification, we did so through the publication of a series of Frequently Asked Questions (FAQs). These were updated after each online discussion to ensure that everyone would have access to the updates, rather than only those who attended a particular session. This arrangement helped better inform participants at the later sessions, reduced the duplication of questions across sessions, and provided additional information to anyone who wished to complete the online survey. We also noted those questions which would require further consideration by our Council.

All feedback is reflected in the comments that follow. Council has considered, in detail, all the points raised, and we have included their responses below.

We are very grateful for the time and effort that people have taken to give us their views. This is greatly appreciated.

Arts Council of Wales

November 2022

The Responses

Part One: Explaining our
new model and vision

Q: In the sections ‘A world forever changed, and forever changing’ and ‘A Reminder of how we fund arts organisations’ we introduce the concept that we need to change who and how we fund the arts in Wales. Do you agree that this is the time to do things differently?

Summary of responses

There was a strong consensus that there was an urgent need for change, stemming from prior to the pandemic as the current arrangement for revenue funding seemed to benefit the few and exclude many. Different funding models and structures were now needed, according to responses. This proposed approach provides an opportunity to look at how arts are funded and emphasises the importance and positive impact of the arts on health, communities and individuals. Whilst it was acknowledged that a minority had concerns about whether the current economic situation made this a challenging time for change, the majority of participants across the discussions agreed that change is necessary and inevitable. The positive side of change is that it could help develop collaborations, flexibility, agility and diversity to further the work that is currently in the margins. Overall, therefore, change was welcomed and even considered essential at this critical time.

Whilst it was recognised by many that there were parts of the sector that are already performing well in the areas highlighted throughout the document, the bringing together of these within a formal Investment Review Process would allow others within the sector to both share and gain experience and to effect a positive change.

Despite a note of caution being raised by some on how much more the sector could do to change and adapt further, overall, there was positive support for change.

Our response

The majority of survey responses said yes, this was the time to change. This positive response was also reflected within the online sessions and email responses.

Across the range of answers, including many that answered ‘unsure’, there was a real acknowledgment of living in challenging times and ensuring that the right organisations are funded as a result of this process. Nearly half of the responses that said they were unsure about change, and all three that said now was not the time to change (within the written responses), were from current

Arts Portfolio Wales members. This is understandable, as change can be unsettling, and it is possible that some existing members of the Portfolio will lose their regular funding; however, this doesn't seem to be a good reason to not move forward and ensure the balance of funded organisations becomes a better reflection of Wales and its people. Without change, the consensus was that we won't move forward with important changes to the way that we fund the sector.

Overall, we are pleased that the various channels we used agreed overwhelmingly that this is the time to change, and our final documentation and processes reflect that enthusiasm

Q: In the section 'A new lens on our funding – the context for change' we set the scene around the need to tackle issues such as inequity (in several key areas), the cost-of-living crisis, and climate emergency. These will be set alongside the legal framework of the Well-being of Future Generations Act. What other challenges does the arts sector face?

Summary of responses

It was observed by some that the Consultation Document, as currently presented, implied that we are over the worst, whereas the opinion was that the worst is still ahead of us. The following were examples of additional challenges, highlighted through the responses:

- Implications of Brexit, including loss of European Funding and impact of travel between the UK and the EU.
- Post-Covid-19 recovery and the lasting impact of the pandemic on the sector, including recruitment and retention of talent.
- The need to identify what the arts can offer to audiences and communities, supporting them in a strategic way to generate value for money and a positive outcome – this takes time and investment, and organisations need time to do this.
- Cost-of-living crisis, including the current energy crisis, that has resulted in significant increases in costs, including fuel costs, for organisations. Fuel cost increases have been particularly felt in rural areas. The crisis is also affecting participants, not just the arts organisations themselves. This is a significant issue for those working with a participatory approach. There is a risk that arts and culture become a luxury rather than a right.

- Fair pay considerations for staff of organisations as well as for freelancers, which are crucial for retaining talent within the sector and encouraging opportunities for young people, particularly for those in rural areas. It was highlighted there is a skills shortage and a demoralisation within the sector because the arts have been devalued in the recent past.
- Greater alignment of strategies to allow national organisations and those that tour the UK to have cohesive values and priorities that are wholly appropriate and effective, coupled with building relationships with community, voluntary groups, and local authorities.
- The need for a financial model that is equitable in its funding offer to all areas of Wales, including rural areas. The difference in capacity of some organisations to apply to an Investment Review process was also noted.
- We are an ageing population; the current document does not refer to loneliness or isolation as a societal challenge, nor the preventative role that the arts can offer to our health and social care systems.
- The fact that current funding systems encourage competition not collaboration. Organisations should be encouraged to work together more collaboratively and strategically to apply for more longer-term funding.

Our response

This question unsurprisingly identified many areas that respondents considered to be important. The answers also repeated many of the same issues already identified within the question. This repetition reflected the concerns seen and heard during the consultation process – that the sector was in ‘crisis-mode’ following a series of incredibly turbulent years. It was difficult to argue with the majority of the other points raised, which included the reduction of audiences ‘post-pandemic’, the struggles of individual artists, stability of employment (alongside skills shortages which were mentioned several times throughout the written responses and the online sessions), regional differences in funding, and availability of the arts. Of these points (and there were others; they were too numerous to list individually) the ones that occurred most often were geographic differences in the availability of the arts, and skills shortages.

Our review will be multi-layered and whilst all applications will be initially assessed on their own merits, we recognise the importance of taking a higher-level view and identifying where there are gaps (or indeed a surplus) in categories such as, but certainly not limited to, geography, artform and scale. Whilst this process won’t guarantee we create the perfect network of funded organisations from day one (we won’t fund poor applications just to fill a gap, and so it depends on the quality of submissions) we will identify where the gaps still exist and work to address these via developmental work and other funding and support interventions.

Q: In the section ‘The fundamentals of our new funding approach’ part (a) we refine the high-level focus areas into six more defined priorities that will form the foundations of our application questions and assessment. Do you think the priorities reflect the priorities of the sector and the nation?

Q: Do you think any priorities should be removed? (Tell us which ones and why)

Q: Do you think there are any priorities missing? (Tell us what and why)

Summary of responses

According to the general consensus, there was rationale for identifying these six priorities and the particular focus on some of the areas (e.g. communities) was welcomed. However, it was noted that the priorities of the sector are not necessarily the same as the priorities of the nation. Additionally, some priorities can't wait until 2024 funding for support; for example, not funding decarbonisation until 2024 would only leave six years to contribute towards achieving the Welsh Government's 2030 target deadline for public bodies. Responses also questioned why the Cultural Contract did not have a more prominent reference, particularly under Transformation, and that there was little acknowledgement of the existing work and achievements of many within the sector, and the need to build on this and develop this further. Discussion on the priorities generated a number of important observations, as described below (it should be noted that some of these are individual observations and not necessarily a majority view):

- Whether the priorities were weighted in any way, and whether an organisation be expected to deliver against all six; a requirement to do so would have capacity implications particularly for smaller organisations. Art and Creativity was unsurprisingly highlighted in some responses as the overriding priority.
- Further consideration is required on how the priorities intersect and relate to the seven Wellbeing goals, and that they should not be considered as separate streams of work.
- Some of the priorities (e.g. diversifying the workforce and nurturing leaders) will be challenging, as we are effectively encouraging people into a sector where it's often very difficult to sustain a career, particularly as the Arts Council's rolling 3-year funding can make budgeting challenging for some.
- A suggestion to refer to them as ‘principles’ rather than priorities, therefore presenting them as equal and relatable.

- Encourage retention of and support for current and seasoned professionals and organisations, as well as the new and the young. Education was suggested in some responses as an additional priority.
- Our ageing population was mentioned again here, with the accompanying impacts on loneliness and health and wellbeing, including mental health. The opportunities of reducing the burden on NHS and social care, whilst providing access to the arts, could be better reflected.
- More focus could be given to developing the arts industry in Wales – providing art that meets peoples’ needs – and to increased emphasis on partnership working, including the ‘unseen’ partnerships and connectors.
- It was suggested that there could be more emphasis on ‘communities’ and ‘citizenship’ and what these mean in practice. In particular, the integrity of conversations between artists and the communities in which they work was highlighted.
- Equality, diversity and inclusion is one priority, but its implications are significant. An anti-racist Wales could be a specific target that it is embedded in work of all the funded bodies.
- Whilst the importance of climate justice is recognised, a small minority asked whether responsibility for this lies with UK governments and not within the arts.
- An additional specific priority referring to infrastructure, and in particular venues was raised by some – acknowledging the importance of buildings and facilities to support and host Wales’s creative communities.

Our response

We recognised the term ‘principles’ as being more appropriate than ‘priorities’ in this process and so the final documentation reflects this change in terminology.

With no individual principle receiving less than 78 per cent agreement from the written responses (and this overwhelming agreement being reflected within the online sessions) our final documentation keeps five of the six principles unchanged. ‘Equality, Diversity and Inclusion’ has been changed to ‘Widening Engagement’, in recognition of the breadth of this work and to progressing the commitments we have made under our joint published Widening Engagement Action Plan, in partnership with Amgueddfa Cymru. Widening Engagement is also about Cultural Democracy – people and communities being empowered to shape and inform their own arts and cultural experiences, to be co-producers and co-creators in arts and culture that reflect their lived experience.

We acknowledge that there are several other cross-cutting themes, with arts and health, and work with younger and older people being two themes that particularly stood out within the written and live session responses. Whilst the six principles we have decided upon should feature in all applications to a greater or lesser extent, we see others as more ‘cross-cutting’, applying only to some applicants. We see these areas as being absolutely integral to some, but not all, applications and so would encourage applicants to tell us more about their work in these areas within other areas of the application form.

Part (b)

Q: Looking at the section ‘The fundamentals of our new funding approach’ part (b), do you think a single application process for all applicants is the right way forward to ensure consistency and fairness? If not, please tell us why

Q: Do you think the approach to offering more flexible funding of up to three years, reviewed at year two, is the correct approach?

Q: Do you see any concerns about this approach or anything else in section (b)?

Summary of responses

Single application process

Whilst the original question referred to the single application approach as incorporating both core and project grant funding, across all sessions, respondents focussed more on the intention for all applicants to complete the same application form and process.

A third of written responses felt that this approach was unfair, based on the varying degrees of capacity and experience held by those completing applications. The idea of applying some sort of banding to the process was suggested by some to be a more equitable approach, i.e., the greater the amount of funding applied for, the more detailed the application.

Some responses also called for additional support for organisations that had not gone through the process before and noted the difficulties in projecting forward three years under the current financial climate.

The opportunity to apply via formats other than the traditional online form was also raised by many. Whilst there were some that were keen to obtain reassurance that video, audio and BSL applications would be assessed in a fair way, the overall approach was widely welcomed. More detail on this was requested.

Clarification was also sought on whether Lottery programmes are still open to project applications outside of the multi-year funding agreements.

More information on which documents would be required from applicants applying for either core or project funding was also requested, as well as requests for advice and training in areas such as business planning.

Our response

We absolutely recognise the concern that many responses raised around the abilities of better resourced or more experienced applicants to provide either a better application or to undertake more activity generally. They are valid concerns, but we don't feel that designing a process that is intentionally more difficult for some to complete than others, simply because they can, is the right approach.

For assessment considerations, we won't ask different applicants to complete a different form or to answer different questions but depending on the scale of an organisation and the amount requested, we will expect a different level of detail within the responses. Applicants will need to ensure that they decide where to pitch the detail included within their applications and we will take their type and scale of ask into account during assessment. To help applicants, we will publish information on each principle and of the types of areas that we might expect organisations to be considering, including, in some instances, minimum requirements.

We won't be dictating a 'tick-list' that applicants will need to complete, because activity and outcomes will vary across organisations, and it could become too prescriptive. This isn't an exact science, and so rather than have absolute criteria to hit within a 'level', we will make assessments based on the appropriateness of the ask.

We will also offer a period at the start of the application process where organisations can speak to us, to help them decide whether this Investment Review is the most appropriate route for them.

Flexible Funding

Responses welcomed the opportunity to apply for a potentially longer term of funding (albeit with check-ins at the two-year point), however there was uncertainty from some around the practicalities of gaining a second (or further) consecutive three years of funding. The documentation was not considered clear enough in this respect.

Some expressed a desire (while recognising it more idealistic) for the periods to be longer than three years to gain even more stability and to allow for more stable future planning and staff retention.

Additional points raised included the following:

- It was suggested that clarification was needed regarding the process and timeline for applying for funding by those who are not part of, or who are unsuccessful in, the first round of Investment Review funding.
- More detail was requested on how we would assess an organisation's process at the two year 'check-in'.
- Clarification on six years not being the maximum term of funding and what would happen if we ceased funding an organisation at that point.

Our response

Overall, the responses welcomed the three-year rolling cycle, and our documentation keeps this as a key part of the life cycle of the funded organisations.

We recognise that more clarity is needed in some areas and have sought to provide this within the final documentation.

In particular, the 'check-in' process in year two is more defined and is linked to agreed targets at the start of each year. The need to 'apply' for each three-year cycle is also addressed and is linked to the 'check in', as is the concept of a much simpler evaluation of progress, rather than a requirement to submit anything more formal. We hope this satisfies those respondents that thought a five-year full Investment review cycle was being shortened to a three-year cycle, as the removal of the high application effort is being removed.

The result of these changes is a new process to create a type of rolling three-year cycle for those organisations that continue to respond to the sector's needs and therefore remain funded (subject of course to any future changes in process as we continue to learn and adapt to this new approach).

We do recognise though that with the three-year rolling cycle, there will be more opportunity to refresh the group of funded organisations, bringing in new organisations whilst losing those that are underperforming or are less relevant, on a more regular basis. Eligible organisations not already on such an agreement will be given the opportunity to apply for multi-year funding on an annual basis (starting at the end of year two).

Part (c)

Q: The section ‘The fundamentals of our new funding approach’ part (c) describes the high-level overview of what we will ask organisations to do in order to apply.

Do you think there is anything else we should be asking for? What and why?

Q: Do you think we are asking for anything that we shouldn’t be? What and why?

Summary of responses

This generated a number of responses seeking additional clarification on what may be considered as exemplary practice and how this may then impact an organisation that may be trialling new and innovative ways of working. Additional observations included:

- Whether our statement about relying less on track records would benefit historically poorer-performing organisations and whether track records could be an important consideration for some to evidence their ability to achieve the outcomes within their applications.
- Our commitments to equality and diversity were welcomed and respondents were keen for us to deliver on change and improvements in these areas.
- Several commented that core funding was important, and that the Arts Council was one of the few ways that some could access this part of their funding, as many trusts and foundations will not offer core funding to an organisation. Being able to get help on this over a longer period was welcomed.
- More detail on how we would monitor an organisation’s progress against its targets was a common theme in responses.

Our response

We have responded in part to what is exemplary practice within the previous response and highlighted that, whilst we can offer guidance, signposting and examples on some good practice, to explicitly state what is an exemplary organisation has the potential to be too prescriptive and stifle innovation and activity. It also brings a risk that applications simply reflect the criteria back to us, rather than considering and implementing their own plans in a way that suits their organisation as well as the sector.

In response to one of the other key areas raised around track record, we have clarified this within the final documentation as we recognise it caused some confusion. Track record is of course important for some, but it shouldn't be taken as a given that an organisation with a track record can or will continue with the same type or quality of work, or that an organisation would want to do so. In essence, we are looking for applications to evidence how they will achieve the outcomes they include within their application, and this could include referring to a track record of previous achievement, but it may not. We hope that this will give those organisations with good ideas that they have not yet been able to put into practice, more opportunity to receive funding,

We have also clarified the status of the business plan as a 'supporting document' that organisations must submit with their application because we believe that good planning is key for all organisations (whilst recognising that some business plans will be much lighter and more nimble). We won't be assessing business plans in their own right, but applicants can refer to specific parts of them within the application to avoid large areas of repetition. These areas must be clearly referenced and identifiable in the application. They should also be focussed rather than referring to large sections.

Q: Looking at the section ‘Our commitment to you’ do you think our commitments to you are clear enough?

Q: Are there any other commitments from Arts Council of Wales you would wish to see during the process?

Summary of responses

Responses welcomed the openness, transparency and opportunity to engage in Investment Review discussions afforded by the Consultation and expressed a wish to see this continue through the remainder of the process.

Provision of additional support (in the form of the opportunity to apply for Create’s business development funding), particularly for smaller organisations and those who had not previously participated in Investment Review, was signalled as being welcomed and seen as a step towards promoting equity in the process. We heard that this support should also be made available to organisations who may not be ready to apply to this round but may apply in future years, and that the Arts Council should make provision for organisations to have honest conversations about this, prior to any application.

Many referred to the relationship between the applicant and the Arts Council, and the positive statements we have made around becoming more like partners than might have previously been perceived. Whilst some saw that being a funding body would always imply power, they were keen that this partnership approach was developed as described in the document.

There was a feeling that smaller organisations need to believe they are supported, and that they now have more of a voice than in the past. Responses noted that some have felt that they have been ‘used’ by larger organisations to help them meet their targets and have no safe mechanism in which to raise concerns within the sector.

The opportunity to network, and how this could assist co-creation was raised, and was considered particularly helpful for smaller organisations that sometime struggle to connect with the larger companies.

Our response

Overall, we were pleased that 84 per cent of responses said that our commitment was clear, and the main points above reflect how our commitments could be improved.

In particular, responses asked for more detail on the application and review process, which we attempted to address within our frequently asked questions section on the Investment Review page, but also have included in much more detail within the final documentation.

Application assistance was also raised and is something we are absolutely committed to providing. We've been clear from the start of the process that accessibility is a fundamental principle of the review, and that any applicant will be able to contact us to find out the best way that we can support them. This principle is unchanged and there is more detail within the final documentation. More detailed options (including audio and video applications, including BSL) and processes will be published as soon as they are available.

In terms of other commitments that respondents felt Arts Council should give, we recognise the desire for applicants to speak to us for advice during the application process. Whilst we will not be able to provide specific advice on the details that applicants should include within their application (as that would have the potential to advantage some over others and conflict with our own assessment process), we are now including a period within our timeline during which organisations can speak with us about the practicalities of applying; this should also help them decide if applying is the right thing for them at this time. We will also publish details of good practice on our website, including areas such as business planning, along with other useful resources that will help applications to improve their business plan and application.

The need for future support from, and visibility of, Arts Council officers was also noted in several responses. We will continue to review how the relationship between officers and funded organisations develops and ensure that this is fit for our future funded organisations.

Q: In the section ‘How organisations can apply for multi-year funding’ we describe the overview of the process and the timeline. Do you understand what we will ask for and the main dates for applications and decisions?

Q: Do you have any further comments or suggestions on the Overview or the Timeline?

Summary of responses

Some used this question to focus more heavily on the multi-year nature of applications rather than the more immediate timeline, and nearly all responses that commented saw this as a positive move. This was particularly noted as a positive step for smaller, organisations that were traditionally funded by the Lottery.

Practical considerations were raised around the availability of the application form and guidance in a shareable format prior to the application window opening. The status of the business plan as a supporting document was also considered, including whether we would offer templates or worked examples for this.

Responses reflected our own recognition that the process needed to be as simple as possible in order for applicants to continue with their regular programmes of activity whilst completing the required information. This was again linked to ensuring an equitable process for both small and large organisations.

Some responses highlighted the length of time between decisions being made and funds being released, and whether this could be shortened.

Our response

Many of the responses referred to the principle of multi-year funding and the business plan element of the application rather than the application process itself. These have been answered elsewhere within this document.

In terms of the timeline and process, 90 per cent of written submissions said they felt it was clear and this overwhelming agreement was reflected in the online sessions. Some commented that the length of time until the first delivery of funding from this process was very long, but others were more concerned about their capacity to complete an application in the timeframe. Therefore, the first date of the funding period remains the same (1 April 2024) and the full timeline is included within the final documentation.

Queries around the status of the business plan have also been answered elsewhere within the document and we will ensure that a downloadable version of the form is available to assist an organisation in its consideration of the questions (although applications must be made via the portal, not by completing the downloaded forms).

Q: In the section 'Our assessment process' we describe the internal journey of your application. Do you understand what stages your application will go through as part of the assessment process?

Q: Do you have any further comments or suggestions on 'Our assessment process'?

Summary of responses

Responses noted several questions regarding further clarification in response to this area, including:

- The need for information on the assessment process to be more specific, including clarifying the roles of Associates and how previous work could be considered.
- The opportunity to have conversations with the Arts Council during the process, particularly where further clarifications are sought.
- The make-up of the assessment groups at the different stages of the process and ensuring that the groups are offered the appropriate training.
- Further clarification on the deciding factors for continued funding.
- Whether there would be any quotas for, or weighting of priorities for, or balance of funding between (for example) artforms or geographical areas.
- The process for determining the level of funding an organisation will receive, particularly when demand exceeds budget.
- The mechanism for feeding back to organisations on their applications and the support available for unsuccessful organisations currently receiving core funding.

Our response

Whilst 95 per cent of written responses said the assessment stages were clear, there are several areas that have been clarified and expanded upon within the final documentation.

In particular, we have been clearer on the principles and how these will be considered alongside other factors, such as geography and artform. This also ties in with how we will assess applications if, as anticipated, we have more demand than budget. One stage of the process will look at all applications and consider how applications affect these other factors in order to achieve the best balance, or to decide where extra support might be needed to fill gaps in provision. We will explain to all unsuccessful applicants why their application was not funded as part of the decision-making process.

We will also offer support to those current Arts Portfolio Wales organisations that are not successful on this occasion, and we will offer more detailed information at a later date. This could take the form of practical or financial support, depending on the individual circumstances.

Q: In the section ‘How we will assess applications’ we describe the basic documents and broader factors that will form the basis of our assessment of applications. Do you understand what information we will use as part of the assessment process?

Q: Do you have any further comments or suggestions on ‘How we will assess applications’?

Summary of responses

Responses here are inextricably linked to the above question. Additional comments sought clarification on the definition and scope of Arts Council’s reference to ‘information in the public domain’ and its ‘own records’. It was noted that the reference to existing and past performance also appears to contradict the earlier focus on moving forward rather than considering previous work.

Other new comments included:

- Whether application support would be available for organisations in general (particularly those not currently part of the Arts Portfolio Wales and that have limited capacity) and whether there would be additional support in place for those that needed it (including disabled-led organisations). Clarification was required on whether support would also include assistance with supporting documents, and when it might be available.
- Further consideration of the Cultural Contract and how this aligns with the application.
- Some responses asked if we would give more detail on ‘what good might look like’.
- The possibility of working with the creative unions in considering areas like fair pay and fair work.
- Clarification on the timeline for publication of the Arts Council’s new long-term plan was also highlighted to assist organisations with their applications.

Our response

Whilst 91 per cent of written responses said the assessment process was clear, it is obvious from this and the online sessions that there were still questions that needed answering at this stage. This is something we anticipated as the intention of collecting this feedback was to allow us to listen to respondents and refine the process according to their comments.

We’ve clarified how applicants can supply examples of artistic work using links. However, the application form remains the main source of information that will be assessed.

We’ve given more information about alternative formats of application, in particular referring to audio and video applications (in English and Welsh) and we will provide separate guidance on how to apply through these formats.

The information we use that is in the public domain is a more complex point. We’ve made this clearer in the Guidance document.

Q: In the section ‘Our funding offer’ we describe, at a high level, the proposed lengths of funding we might be able to offer and when these might be renewed (how organisations might exit these funding arrangements will be part of a separate process). Do you understand and agree with what we are proposing here?

Q: Do you have any comments on anything in this section?

Summary of responses

Many of the responses indicate that the main points of note had already been made in response to the earlier questions. Additional comments in response to this question sought clarity on:

- Whether the applicant would be required to know at application stage if they were applying for three-year or six-year funding.
- Any provision of sessions to support the gathering of evidence and development of a business plan.
- Additional guidance on the amount of funding that should or could be requested by organisations.
- Acknowledgement that change takes time, and some organisations might not achieve all their desired changes within the three-year funding cycle, particularly with the ‘check-in’ taking place in year two.
- The length of time an organisation must wait before reapplying, if its application is declined at this round.
- Our expectations of the accuracy of budgets for the three years of funding, given the current economic uncertainty.

Our response

Again, some of the responses to this have been answered previously and are not repeated here.

We will be clear within the final guidance that we recognise that budgets may be uncertain, particularly now, and they can only ever be indicative. However, we do believe that planning that allows figures and activity to flex as situations change is essential for a healthy organisation.

We also clarify that we will assume all organisations are applying for ‘rolling’ three – year funding and that the year two check-in will be the point at which decisions on future funding periods will be made.

We won’t be giving guidance on the amount of funding that organisations should request. Applicants should consider their needs carefully, taking into account their intended outcomes, and understanding that our available budget for this process is likely to be exceeded. Applicants must be able to evidence their need, but how they reach the proposed figure is a matter for organisations, their teams and their Boards.

Q: The section ‘Monitoring and accountability’ provides a very high-level overview of the principles we propose using for monitoring funded organisations. Recognising that the full details (including elements like the Cultural Contract) are not yet available, do you understand the general principles of using funding agreements and the proposed Cultural Contract as part of the overall monitoring process?

Q: Do you have any other comments on the ‘Monitoring and accountability’ section?

Summary of responses

Whilst some responses indicated that they had no comments in response to this section, others did raise a number of observations for which further clarity was sought:

- Monitoring levels should be equitable and not ‘one-size-fits-all’. There should be flexibility, with some organisations providing a higher level of detail than others.
- Whether it was possible for monitoring data to be presented back to the organisations in a useable (and aggregated) form, that may also benefit the organisations. There was a call for more detail on future monitoring requirements as this detail would help them consider the resources required, and decide if an application was the most appropriate route for them at this time

- Whether the Arts Council will be reporting on its own progress in key target areas in the spirit of partnership.
- Whether support would be provided to organisations to deliver against the monitoring requirements.
- How the Arts Council will monitor progress against targets.
- Whether we could provide more information on fair work and fair pay.

Our response

Some of the comments received have been responded to previously in our responses above, but one of the key points we have taken on board from all the consultation feedback is that monitoring needs to be more tailored to the funded organisation.

We have updated our minimum monitoring requirements, but it should be recognised that, depending on organisations' individual circumstances we may ask for more information during the year. This will be made clear as part of the funding agreement discussions prior to the start of each financial year.

We report on our own performance through our published Annual Reports. We will outline how we intend to report against our own strategic targets when we publish our 10-year strategy in 2023, as this is seen as a key part of a partnership approach.

We will also identify areas where we feel the sector needs further support and publish details of the support we can offer in these areas. Organisations should also note that we already recognise that not all organisations currently have the same skills and that they can apply for business development support under our Create Lottery funding programme for assistance.

Q: Looking at the section 'Eligibility' do you understand who can apply as part of this process based on the information provided?

Q: Are there any changes you would make to the eligibility criteria? If so, what are they and what are your reasons?

Summary of responses

Overall, this section prompted fewer comments than others and the consensus was that the criteria seemed fair.

It was noted by some responses that the Investment Review's proposed approach is an opportunity to bring more new groups into the funding and that the Arts Council should look favourably at collaborative partnerships between community groups and more strategic organisations. Some reflected the observation, already included within the consultation document, that organisations may have advisory groups rather than boards, and that smaller organisations may not be eligible under the stated criteria (particularly the number of board members).

A request for co-operatives and co-operative ways of working to be eligible was also put forward.

Responses noted the document was unclear regarding the funding for education and schools, noting that local authorities could apply but schools could not. This was regarded as preventing a number of disadvantaged pupils from all backgrounds from accessing the arts. The statement referring to 'university' was noted as 'ambiguous.'

Clarification was requested regarding the phrase 'based in Wales' and whether this refers to a physical address in Wales or working in Wales. This was of note for organisations that may be part of a larger UK-wide group, whose primary address may be outside of Wales, but which has workers in Wales.

A question was also raised about whether the Arts Council would recognise the previous record of an organisation if its constitution had been recently updated.

The way in which we may engage with freelancers was also highlighted as important.

It was also acknowledged that both England and Scotland provide core funding for individuals as well as organisations, providing sustained funding to support remarkable individuals and audience relationships. It was raised whether this may be an approach we would also consider.

Clarity was also sought for those organisations that may be part of a wider group and therefore share an over-arching business plan or have a supporting activity plan rather than their own business plan.

Questions were raised on whether the accounts had to be audited, as this would incur additional costs, particularly for smaller organisations.

Our response

There was little concern expressed about the Investment Review only being available to organisations and therefore the Investment Review will only be open to organisations rather than individuals' applications.

We looked at the requirement for minimum numbers of trustees and recognise the difficulty that some smaller organisations might have in fulfilling this. We have therefore reduced this to three unconnected trustees across all applications. Larger organisations should still look at good practice regarding having a larger group of trustees. Organisations with only two trustees can still continue to apply to other funding programmes that we offer, but we felt that the longer-term nature of this funding required a larger group to ensure effective planning and governance.

We also recognise the value of collaboration and included this within the initial consultation documents. We still believe this and welcome applications that involve collaborations, but still require one eligible organisation to act as a lead applicant.

The Creative Learning Through the Arts programme is, and will continue to be, our route to working with schools and therefore we have not changed the eligibility in this respect. However, we have clarified that for local authorities or universities, we are specifically referring to departments of a local authority or university that have a public, arts focus (such as an arts centre or venue).

We have also clarified that, whilst an applicant could be a part of a larger organisation with operations outside Wales, an applying organisation needs to have a physical building base in Wales and that we can only fund the work that the Wales-based team undertakes, though this could involve some work outside of Wales.

This also links to the query on business plans and whether an organisation that is part of a wider group should submit its own focussed plan or that of the wider organisation. If applicants feel this would be more appropriate, then they can supply the more focussed document, but it should contain the key elements of a business plan. If they provide the larger document, then we should be able to clearly identify any areas that are referred to within the application form answers, to allow us to assess the application properly.

Freelancers are a key part of the arts infrastructure. We will continue to work with freelancers through our other grant programmes and would expect to see freelancers playing a key role in the delivery of applicants' plans.

Our key concern when including the need to have produced two years of financial statements was being able to prove that an organisation has governance and financial experience. We've amended the criteria to make it clearer and to acknowledge that a change in structure doesn't necessarily mean a loss of that experience.

Several of the other comments were answered within the frequently asked questions and are not repeated here.

Q: Do you have any comments on our appeals process?

Summary of responses

The Appeals Process document had been the subject of consultation for the previous Investment Review, and – except for dates – has remained unchanged since then. As a result, there was very little comment regarding this during the sessions, other than clarity being sought on:

- Whether an organisation will be able to appeal on the basis of the impact of losing funding, as the impact assessment did not currently consider the differing economies across the regions of Wales.
- A desire to see published data on appeals and their success rate, to facilitate transparent decision making.

Our response

The assessment process will consider factors such as geography as part of the considerations, and where gaps are still evident after we have made our awards, we will look to address these as part of our wider programme of work.

The appeals process remains unchanged, except for some date changes.

Q: Do you have any comments on the impact assessment?

Summary of responses

Most responses had no comment on the draft Combined Impact Assessment. Some noted that it appeared robust with some positive outcomes; other responses however noted the following observations:

- Age inequality does not sufficiently address poverty amongst older people; many people receiving pensions still have to work and discounts for pensioners have all but disappeared under the current economic climate.
- The need for there to be separate priority categories for older and rurally isolated people (of any age) and action and impact strategies to support these groups and geographical communities.
- There is a potential for funding to negatively impact on two of the Wellbeing goals – Cohesive Communities and Prosperous Wales. Negative impacts may be brought about by large companies based in Cardiff that are funded to tour Wales, but that employ people from outside of the communities they tour. Not only does this leave no lasting contribution to the community, but also competes with those within the community who may be able to offer a similar service. This needs to be more fully explored and detailed.

Our response

Our final Combined Impact Assessment is published alongside the other final Investment Review documents.

Concluding Comment

Council has considered the comments received and has amended the process and documents in line with the responses set out in this paper. Up-to-date copies of the [Investment Review documents can be found here](#).

Investment Review 2023 will be open to applications on 9 January 2023.

The closing date is noon on 31 March 2023.

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.

Best wishes

Arts Council of Wales

November 2022