

Council Minutes – meeting 166

Date of meeting:	Friday 6 July 2018.
Venue:	Arts Council of Wales, Bute Place, Cardiff
Present:	Phil George (PG) Chair, Andy Eagle (AE), Mike Griffiths (MG), Melanie Hawthorne (MH), Andrew Miller (AM), Dafydd Rhys (DR), Richie Turner (RT), Kate Eden (KE), and Alan Watkin (AW) left after item 13.2.
In attendance:	Nick Capaldi (NC), David Alston (DA), Gwyn Williams (GW), Kath Davies (KD), Sian Tomos (ST), Angela Thomas [AT], Duncan Lackie [DL], Ruth Roberts [RR], Chris Batsford, and Katy Brown (KB) – minuting.
Apologies:	Marian Wyn Jones (MWJ), John Williams (JW) Iwan Bala and Rachel O’Riordan (ROR). Diane Hebb (DH).
Observing:	Peter Owen (PO).
Translation:	Steffan Wiliam
Status of paper:	For public release.

		Action
1.	<p>Welcome, introductions and apologies</p> <p>The Chair welcomed members to the meeting.</p> <p>He introduced Siôn Brynach, the newly appointed Head of Communications to his first meeting.</p> <p>The Chair also warmly welcomed the return of David Alston after his recent period of ill health. This was enthusiastically endorsed by Council. DA thanked Council members and others for the many expressions of warmth and support that he had received.</p>	

<p>The Chair noted with great sadness the recent deaths of Frank Vickery, Meic Stephens, Helen Griffin and Jeff Teare. All had been significant figures in the arts in Wales and would be greatly missed.</p>	
<p>2. Declarations of Interest (to note)</p> <p>Members of Council asked for Declarations of Interest to be recorded in the minutes (attached as an appendix to these minutes).</p>	
<p>3. Minutes of the meeting held on 16 May 2018</p> <p>The Minutes of the meeting were approved as a correct record of the meeting, subject to the following amendments:</p> <p>Item 6.4 – typo amendment should read ‘issues’ rather than ‘issued’.</p> <p>Item 9.2 – AM noted that he had suggested in this section that SLT should be able to call on additional change management support. NC apologised for the fact that this had been omitted from the minutes. This would be corrected. NC advised Council that SLT had in fact been working with change management specialists as and when specific support was needed, and this would continue. (An example was the recently held Diversity workshops.) However, SLT wanted to ensure that this didn’t slow down the urgency of the improvement agenda.</p>	
<p>4. Matters arising</p> <p>All actions were recorded as complete.</p> <p>The following comments were also raised.</p> <p><u>Diversity workshops</u> NC reported on the success of the Diversity workshops and thanked those members of Council who had been able to attend. Other sessions would be following during the rest of the year.</p> <p><u>Recruitment of Council members</u> PG has met with Welsh Government officials to discuss the recruitment of 6 new Council members. A key challenge was to satisfy Council’s ambition for a diverse Council membership. There would therefore be two stages in the advertising – an initial ‘sign-posting’ of the opportunity to widen potential interest, and then the actual advertisement itself. PG undertook to keep members informed of progress.</p>	<p>PG</p>

	<p>Appointments were expected to be made by February 2019, in preparation for members to assume their role from April 2019. The deadline for applications will be in November 2019.</p>	
<p>5. Committee reports 5.1</p>	<p>Audit and Risk Assurance Committee meeting held on 7 March 2018</p> <p>Council noted the report.</p>	
<p>5.2</p>	<p>Audit and Risk Assurance Committee – meeting held on 27 June 2018</p> <p>MG provided members with a report on the business transacted at the recent committee meeting.</p> <p>The committee noted that this was an especially busy time for GW and his finance colleagues. Having noted that the annual internal audit report gave a “substantial” assurance rating, the committee warmly commended the work of the finance team. Committee members had noted a significant improvement in the speed with which outstanding business was now dealt with, and welcomed the more efficient approach.</p> <p>PG advised Council that KE would be taking up the position as Chair of the committee in the Autumn. DR will remain as interim Chair until that point.</p> <p>Council endorsed the re-appointment of independent members Andy Butler and Arwel Thomas to the committee. However, it was noted that Katrina Michael did not wish to be considered for a further term because of other work commitments.</p> <p>Council noted the report.</p>	
<p>5.3</p>	<p>Capital Committee – meeting held on 21 June 2018</p> <p>AW provided members with a report on the business transacted at the recent Committee meeting.</p> <p><u>Resilience</u></p> <p>The committee drew to Council’s attention that some funds allocated to specific projects would not now be required. The previous convention had been that uncommitted funds within the overall Capital allocation were ‘written back’ into the Capital budget. Council agreed to this approach.</p>	

Theatr Bara Caws

It was noted that Theatr Bara Caws has identified a new potential development opportunity in Penygroes.

Grant Recommendations

Council **noted** the committee's grant decisions made under delegated authority.

Ideas, People, Places (IPP)

It was noted that a number of projects had now concluded and all balances had been drawn down. The committee will be looking at the broader learning, a process which will be informed by the independent evaluation that is currently underway.

ST advised Council members that Wavehill had been appointed to undertake the evaluation. Evaluation had been 'locked in' from the outset alongside the implementation of the programme so that findings could be fed into delivery. The key task of the evaluation now is to measure the value, impact and effectiveness of the programme.

Officers are currently in discussion with colleagues at Arts Council England regarding the possibility of showcasing three Ideas: People: Places projects as part of an ACE organised conference on creative place-making.

PG reported that he'd attended the Wellbeing of Future Generations event where he'd met and updated the Commissioner on the achievements of the IPP programme.

6. Annual Committee Reports 2017/18

6.1 Audit and Risk Assurance Committee Annual Report 2017/18

It was noted that the Annual Report from the committee forms part of Council's overall Governance regime. The report summarised the Audit and Risk Assurance Committee's activities during 2017/18, and provided members with a brief overview of the planned focus for the year ahead.

Council **noted** the report and thanked DR and GW for its thoroughness.

6.2 HR & Remuneration Committee Annual Report 2017/18

The report summarised the HR & Remuneration Committee's activities during 2017/18, and provided members with a brief overview of the planned focus for the year ahead.

	<p>MG thanked the HR team for all their hard work throughout the year. He was also grateful for the work of the two independent members. MG reported that there would be a public recruitment process seeking new Committee members.</p> <p>MG welcomed the quality of the Management Information supplied by the HR team.</p> <p>As with Council and its other Committees, staff will be invited to join members at a future meeting to provide an insight into their roles and work.</p> <p>Council noted the report.</p>	
<p>6.3</p>	<p>Capital Committee Annual Report 2017/18</p> <p>The report summarised the Capital Committee activities during 2017/18.</p> <p>Council noted the report.</p>	
<p>7.</p> <p>7.1</p>	<p>Monitoring Group Annual Reports 2017/18</p> <p>As part of the Council’s self-assessment review, there had been consideration of a proposal to merge all current monitoring groups into a single entity. It had been decided that this was not an appropriate time to dissolve the groups as each needed to sustain its particular focus for the time being. However, it was noted there should be a better joining up of all monitoring groups’ activities, and it was agreed that there should be a meeting of Chairs to discuss synergies and areas of coherence.</p> <p>Future Generations Annual Report 2017/18</p> <p>MH noted that the copy of the report presented was a draft version. However, she hoped that it reflected Council’s ambitions to be a leader in the well-being field, promoting innovative new ways of working.</p> <p>On reviewing the data within the report, AM noted that the number of APWs with employees with disabilities had grown, yet the number for BAME had decreased. There had been a significant shift in the figures. KD stated that officers in the research team had not yet had the opportunity to interrogate the figures.</p> <p>Council noted the report.</p>	

<p>7.2</p>	<p>Welsh Language Annual Report 2017/18</p> <p>NC provided an overview of the report. The report will be presented, as required, to the Welsh Language Commissioner. There appeared to be an increase in the attendance of arts that seemed to be very much at odds with the data from previous years. The reason for this would need to be investigated further.</p> <p>NC was pleased to report that 52 % of Arts Council employees can communicate in Welsh.</p> <p>PG reported that MWJ (in her absence) had requested that consideration should be given to nominating a SLT 'lead' for the Welsh Language Monitoring Group. SLT would consider the proposal.</p> <p>Council noted the report.</p>	<p>SLT</p>
<p>8. 8.1</p>	<p>Chair's business Chair's Report</p> <p>PG reported on recent events and matters.</p> <p><u>Equalities Meeting with Welsh Government</u> Welsh Government officials had been keen to understand the progress of the department's WGSBs in addressing the Equalities agenda. The actions being taken by Council were welcomed.</p> <p><u>Creative Learning the Arts</u> It was agreed that an update on the evaluation of the Creative Learning scheme would be presented for Council's October meeting.</p> <p>Council noted the report.</p>	<p>DH</p>
<p>8.2 8.3</p>	<p>Annual Accounts for General Activities the year 2017/18 Annual Accounts for Lottery Distribution 2017/18</p> <p>The Arts Council of Wales has a statutory duty to produce annual reports and accounts in compliance with prevailing accounting standards, the Government Financial Reporting Manual (FReM), the Charity Statement of Recommended Practice (SORP) and the accounts directions issued to us by Welsh Government (for General Activities) and the Department for Digital, Culture, Media & Sport (for Lottery Distribution).</p>	

Council **considered** the report of the Auditor General for Wales (AGW) on the audit of the financial statements, which included (at Appendix 1) a letter with the representations Council members/Trustees make to the AGW regarding their responsibility for the financial statements.

Council **reviewed and approved** the draft Reports and Financial Statements for laying at the National Assembly for Wales (General Activities and Lottery Accounts) and Parliament (Lottery Account) and subsequent publication.

The Chairman evidenced Council's approval and endorsement by **signing** the separately printed Letter of Representation and Reports and Financial Statements on the identified pages, along with the Chief Executive in his capacity as Accounting Officer.

8.4 ISA 260 report

GW introduced the report and highlighted the technical matters covered in the report. The Appendices incorporated letters of representation for both accounts. It also identified matters that needed to be brought to Council's attention. None of these matters were significant.

As far as officers were aware, the intention was to issue unqualified audit statements for both sets of accounts.

PG thanked the finance team for their excellent work in preparing the accounts to such a high standard. He also thanked Ann Wright for her invaluable input into the design of the documents.

9. Corporate Governance

9.1 Code of Best Practice

The Code of Best Practice is the key Governance document that guides the work of Council, its Committee members, advisers and staff. The Code is reviewed every three years or sooner, should circumstances dictate, to ensure that it remains up to date and fit for purpose.

The paper recommended some minor amendments to the Code.

KE was happy for Council to approve the paper. However, she asked that in future hard copies of all papers should be presented for ease of reference (rather than relying on the online system Ffynnon).

Council **approved** the amendments.

9.2 Privacy Policy

It was noted that new General Data Protection Regulations (GDPR) came into force on 25 May 2018. These replace the existing Data Protection Act and apply to all organisations and individuals who may collect, process and store personal data.

Under GDPR, there will be little practical difference in Council's collation and maintenance of HR records, customer lists, or contact details. If we hold information that falls within the scope of the DPA, it will also fall within the scope of the GDPR. However, this needed to be explained in a new Privacy Policy.

Council **approved** the draft Privacy Policy.

9.3 Audit and Risk Assurance Committee Terms of Reference

Council **approved** the amendments to the Committee Terms of Reference.

10. Chief Executive's business

10.1 Chief Executive's report

The Chief Executive's report detailed recent meetings, events and performances that he had attended.

The Chief Executive's report also included information on staff joining and leaving the Council since the last meeting.

Shanghai Visit

NC reported on his recent visit to Shanghai. The central purpose of the visit was to negotiate and sign a memorandum of understanding with Chinese cultural agency, AC Orange. AC Orange was an ambitious and fast-growing organisations that managed over 120 theatres in China and had a range of broadcast and online interests. The organisation was keen to develop a reputation for niche innovative work, and was interested in working with the Arts Council of Wales to see how this might be achieved. This was a practical manifestation of how the memorandum between the Chinese and Welsh governments was being taken forward.

Whilst in Shanghai, NC had taken the opportunity to meet with a range of other arts leaders and artists. There was a string interest in developing existing links with Wales.

NC reminded Council that BBC National Orchestra of Wales would be visiting China on a concert tour just prior to Christmas. This was a further opportunity to increase the visibility and impact of Wales' creative industries.

Brexit

It was reported that there is a Brexit team within Welsh Government which is looking at ways of leveraging in alternative funding in the event of Wales losing out on current investment.

AM advised Council that Arts Council England have established a Brexit committee. Ireland is also looking to establish Irish cultural embassies across the world.

The report was **noted**.

10.2 Implementing our Plans

NC reported that in the wake of the Corporate Plan 2018-23 and Operational Plan 2018/19 being agreed at our Council meeting in March, other relevant actions were continuing to be addressed. The launch of the Corporate Plan will take place in September and will be titled 'For the benefit of all'.

Council **delegated** the final copy/design approval for the Corporate Plan to the Chair in association with the Chief Executive and Head of Communications.

Council noted that a wide-ranging programme of activity was underway to respond to issues raised in the Staff Survey. Council noted that similar issues had been raised in the Deloitte report on the Organisational Review and Council expected to see these addressed as part of the ongoing programme of work.

It was noted that some actions were conditional on others – such as completion of a pay review prior negotiating the 2018/19 pay remit – but that much of the remaining work was already underway. A full summary of progress would be included as part of the October Council meeting, which would also include a concluding discussion of the Organisational Review.

MG asked for more information regarding the internal communications strategy. NC advised Council that now staff resources were now in place, he expected this to pick up pace. SB provided an initial summary of the approach that would be adopted and this was welcomed by Council.

PG

11. Responding to National Assembly Committee reports

11.1 Building Resilience – Non-public funding for the arts

In March 2018, the National Assembly’s Culture, Welsh Language and Communications Committee published the findings of its Inquiry into Non-public funding of the arts. Council was briefed on the principal findings at its meeting in May.

Since then the Culture Minister had prepared the Government’s response to the Committee recommendations. On 22 May he wrote to us seeking our views on the response that he proposed to make. A copy of the Minister’s letter and PG’s response were attached to the paper.

Council **noted** the contents of the report.

11.2 Hitting the right note – Funding for and access to music services

In June 2018, the National Assembly’s Culture, Welsh Language and Communications Committee published the findings of its Inquiry into funding for and access to music education.

The Committee’s decision to hold the Inquiry originated in a poll of the public conducted over the summer of 2016 in which this topic generated the greatest interest.

The terms of reference for the inquiry were as follows:

- Access to local authority music services for all children and young people;
- The current position with the national and regional ensembles;
- Progress made in implementing the recommendations of the Welsh Government’s reviews into music services and the national music ensembles;
- The impact of funding decisions on the delivery of local authority music services and issues relating to the music education workforce; and
- Examining the broader provision of music education services through the third and commercial sector.

The report largely focuses on addressing shortfalls in music service provision across Wales. The Committee’s stated aim is to ensure that every child, regardless of their location or financial backing, has an equal opportunity to progress to excellence in music tuition.

	<p>Council noted, and agreed with, officers overall analysis of the issues and a response to the Committee based on this analysis.</p> <p>Council:</p> <ol style="list-style-type: none"> 1. Noted the contents of the report 2. Identified the themes and issues that should be included in Council's response to the Committee's report. 	
<p>12.</p>	<p>expenses@work – a demonstration of Council's on-line Expenses system</p> <p>Ruth Roberts Finance Team Coordinator and Duncan Lackie, Senior Finance Officer provided a demonstration for the Council members on the online system expense@work. This would be followed up with appropriate system access information along with support to members in its use going forward.</p>	
<p>13.</p> <p>13.1</p>	<p>Arts Portfolio Wales</p> <p>Arts Portfolio Wales Radar Report</p> <p>KD presented the findings of the current Radar Report.</p> <p>At this point in the annual monitoring cycle it was reported that we have been receiving and reviewing Strategic Equality Reports from organisations prior to making second quarterly payments. Officers also received and signed off all of the APW surveys for the period September 2017 to March 2018 and the Research Team is currently collating and analysing the associated data.</p> <p>Council noted the report.</p>	
<p>13.2</p>	<p>Your life jacket is located under your seat...</p> <p>An update for Council on the Resilience Programme</p> <p>KD presented the report which provided an update on the programme to date and highlighted the progress being made by organisations in the "Resilience" programme.</p> <p>Council noted the comprehensive report.</p>	
<p>14.</p> <p>14.1</p>	<p>Financial reports</p> <p>Pensions</p> <p>RT declared interest in the pension scheme as a pension scheme member. It was noted, however, that the nature of the item didn't require him to leave</p>	

the room.

The paper provided Council with an update on the deficit position reported at the last formal actuarial valuation (that was effective from 1 April 2017). GW provided information about the on-going action that is designed to mitigate future costs and the proposal to make a lump sum contribution to the scheme to clear the current deficit. The proposal provided Council with significant savings of c£50k compared with current deficit repayment plan. The funding had been identified as part of the 2017/18 carry forward business plan to the Welsh Government.

It was noted that given the nature of pensions issues, the future will continue to be challenging. It is the responsibility of the Arts Council as employers to do everything possible to try and ensure that the scheme remains affordable. GW also advised council that we had contracted with Arts Council England and Creative Scotland in a joint exercise to explore options for mitigating the costs of future service benefits.

Council **approved** the payment of a lump sum contribution of c£372k, or such contribution as confirmed by the actuary, to the ACRP scheme in accordance with the proposal outlined in the paper.

14.2 Funding recommendations

Decisions on lottery applications of £50,001 or more require Council approval. A total of 9 recommendations were presented in this paper.

ID/Ref	Organisation	Request	Recommendation	Strand
20180405	Beyond the Border Storytelling Festival	£80,000	£0	Festival Grant
20180425	Llangollen International Musical Eisteddfod	£80,000	£80,000	Festival Grant
20180354	Ffotogallery	£75,000	£75,000	Festival Grant
20180496	Vale of Glamorgan Festival	£70,000	£70,000	Festival Grant
20180359	Awen Cultural Trust	£64,000	£64,000	Programme Support Grant
20180394	Swansea City Opera	£70,000	£70,000	Large Grant Production
20171864	Ensemble Cymru	£66,165	£66,165	Large Grant Production

20180411	FIO	£60,000	£60,000	Large Grant Production
20180362	Pontio	£60,000	£60,000	Large Grant Production
		£625,165	£545,165	

Council **approved** the recommendations.

14.3 Audiences insight

CB introduced paper.

There are currently 31 venues engaged with the project and over 19 million ticket transactions have been recorded.

The current contract was coming to completion, so a review of the project was initiated with the principal findings set out within the paper.

Based on these findings, Officers had concluded that a better option in the future might be to split the project into two functions for its next phase:

- the technical function of collecting and storing the box office data along with an interface for analysis
- a reporting function which would reduce the need for individual venues to carry out their own reporting and offer opportunities for bespoke pieces of work on a national and individual venue basis.

It was proposed that the invitation to tender (ITT) will be split into the two key elements of the project ('Technical' and 'Reporting'). Suppliers will be encouraged to submit proposals for individual elements of the ITT or both.

Council discussed the contents of the paper and **agreed** the proposal for a formal tender process.

15. Reports for information

15.1 Bute Place Property update

Earlier in the year Council had been briefed on the fact that our current office lease would be expiring in February 2019, and that we would be exploring the possibility of new, cheaper accommodation as part of our ongoing commitment to cost-savings. Council had given approval for that search to begin.

	<p>Following negotiation an option has emerged that allows us to stay at Bute Place. The paper provides details of the final heads of terms for Bute Place that will be used to draw up the lease documentation. It therefore provides the basis for the recommendation to renew our lease at Bute Place and not seek to relocate.</p> <p>The proposal provides with significant savings on running costs and gives us the opportunity to reconfigure the offices, on a smaller footprint, to meet our current and future operational requirements.</p> <p>The Arts Council currently pay £18 per square foot (psf) and service charges of £7.85 psf. It is estimated that the future lease costs will generate c£90k savings per annum. Council congratulated GW, and the team on their work which has been a great achievement.</p> <p>Council approved the adoption of the revised lease for Bute Place, based on the agreed heads of terms set out in this report, following final confirmation of Landlords board approval and legal contracts.</p>	
<p>15.2 Corporate Assurance/Risk Register</p>	<p>The Corporate Assurance Framework/Risk Register is reviewed quarterly by Audit and Risk Assurance Committee (ARAC) and presented to Council on an annual basis. At its meeting in March 2018, Council agreed it would be beneficial for the document to be presented at each Council meeting, following its review by ARAC. The areas for each objective had been reviewed and updated by SLT in May and June. In accordance with the Terms of Reference, the attached version has been reviewed by Audit and Risk Assurance Committee prior to its presentation to Council in July.</p> <p>The Trends section of the Corporate Assurance Framework outlines the main points of note resulting from the recent review.</p> <p>Council noted the report.</p>	
<p>15.3 Operational Plan 2017/18 Quarter 1 report</p>	<p>Council noted the quarter 1 report reviewing progress against our targets.</p>	
<p>14. Date of the next meeting</p>	<p>Friday 18 October 2018, Arts Council of Wales, Cardiff.</p>	

**Council meeting:
Friday 6 July 2018:**

Summary of actions and decisions

Agenda item	Action/Decision	Responsibility
4	The Chair undertook to keep Council informed of the process to recruit new Council members.	PG
7.2	Consideration should be given to nominating a SLT 'lead' for the Welsh Language Monitoring Group.	NC
8.1	A presentation on the evaluation of the Creative Learning programme was requested at Council's October meeting.	DH
10.2	Council delegated the final copy/design approval for the Corporate Plan to the Chair in association with the Chief Executive and Head of Communications.	PG