

Council Minutes – meeting 168

Date of meeting:	Friday 7 December 2018.
Venue:	Arts Council of Wales, Bute Place, Cardiff
Present:	Phil George (PG) Chair, Andy Eagle (AE), Mike Griffiths (MG), Dafydd Rhys (DR), Richie Turner (RT), Marian Wyn Jones (MWJ), Iwan Bala (IB), Rachel O’Riordan (ROR), Kate Eden (KE), Melanie Hawthorne (MH), Andrew Miller (AM) and Alan Watkin (AW),
In attendance:	Nick Capaldi (NC), Gwyn Williams (GW), Kath Davies (KD), Diane Hebb (DH), Sian Tomos (ST), Angela Thomas (AT), Louise Wright (LW), Nikki Morgan (NM), Sian James (SJ), Eluned Haf (EH), Branwen Dickson (BD) and Katy Brown (KB) – minuting.
Apologies:	John Williams (JW).
Observing:	Peter Owen (PO).
Translation:	Lynwen Rees (LR)
Presentation:	David Richards (DRi), Director of Governance and Ethics, Welsh Governance
Status of paper:	For public release.

		Action
1.	<p>Welcome, introductions and apologies The Chair welcomed members to the meeting.</p> <p>The Chair welcomed staff observer BD to the meeting.</p>	
2.	<p>Declarations of Interest (to note) Members of Council asked for Declarations of Interest to be recorded in the minutes (attached as an appendix to these minutes).</p>	

<p>The following amendments were provided: RT asked that the University of South Wales be included on the register. (Employed)</p> <p>MH declared that she had been supportive in encouraging a grants application. This was not deemed, however, to be a matter for declaration.</p>	
<p>3. Minutes of the meeting held on 19 October 2018 The Minutes of the meeting were approved as a correct record of the meeting.</p>	
<p>4. Matters arising All actions were recorded as complete, having noted that the agenda item on Creative Learning had been re-scheduled to this December Council meeting.</p> <p><u>National Theatre Wales</u> Council members held an additional informal meeting to discuss recent press coverage of National Theatre Wales’ relationship with writers and actors in Wales. ROR and DR joined the meeting and NC, KD, MD attended as staff members. It was noted that conversations had been challenging, but that NTW was taking steps to address the concerns that had been expressed. It was noted that it might take a while longer yet before the effects of proposed changes could be fully appreciated. It was noted that National Theatre Wales would shortly be announcing the 2019 programme.</p> <p>KD reported that the routine annual meeting with the company would take place in January at which point the funding agreement would be reviewed.</p> <p><u>National Equalities Meeting</u> AM chaired a roundtable on behalf of the DWP Minister for Disabled People and DCMS Minister for the Arts at Westminster. The meeting brought together the 4 UK arts councils, Heritage Lottery Fund and British Film Institute to improve opportunities for disabled people in the arts across training, employment and audience experience. As a result of this meeting, ACE have commissioned a feasibility study to explore rolling out the ACW funded Hynt scheme UK wide. A follow up meeting will take place in the summer.</p> <p><u>Council Recruitment</u> The Welsh Government has received 20 applications to date. PG reported that he will be sifting applications with the recruitment panel shortly. A</p>	<p>PG</p>

<p>further update would be provided at February Council.</p>	
<p>5. Committee Minutes</p> <p>5.1 Audit and Risk Assurance Committee – meeting held on 3 October 2018 KE provided members with a report on the business transacted at the recent Committee meeting.</p> <p>KE thanked DR for his period of chairmanship.</p> <p>The meeting had been held at Welsh National Opera. KE thanked KB, GW, AT for the arrangements and preparation of papers for the meeting, hosted by Welsh National Opera (WNO). Members had enjoyed the tour of WNO’s premises and in particular sitting in on part of the dress rehearsal for Rossini’s “Cenerentola”.</p> <p><u>Internal Audit Report – Well-being of Future Generations</u> Internal auditors had rated this report as ‘moderate assurance’. Overall the report was considered to be positive.</p> <p>It was agreed that the report should be shared with members of the Future Generations Monitoring Group.</p> <p><u>Self-assessment</u> KE reported that the committee self-assessment would be an agenda item for the January meeting. There is a vacancy for one independent member.</p> <p>Council noted the minutes.</p>	<p>KB</p>
<p>5.2 HR & Remuneration Committee – meeting held on 26 November 2018 MG provided members with a report on the business transacted at the recent Committee meeting.</p> <p><u>Staff Survey</u> One of the issues raised by staff had been their perception that there was inconsistent practice amongst managers in relation to the implementation of HR policies and processes. MG noted that Internal auditors, Deloitte, were conducting a review of HR policies and the application of the procedures.</p> <p><u>Staff Leavers</u> DA will be retiring at end of January and GW early in February.</p> <p><u>Self assessment</u></p>	

<p>MG reported that the committee had undertaken its self-assessment at the meeting. MG thanked CHP for her support.</p> <p><u>Appointment of Independent Committee member</u> It was noted that Val Ellis had been selected as an independent member. A formal recommendation would be forwarded to Council in February.</p> <p>EC conducted an honest analysis of the response to the staff survey.</p> <p>Council noted the minutes.</p>	AT
<p>5.3 Capital Committee – meeting held on 16 November 2018 KD provided members with a report on the business transacted at the recent Committee meeting.</p> <p><u>Ucheldre</u> The application has been deferred.</p> <p><u>Theatr Brycheiniog</u> KD reported that a new General Manager had been appointed, with a strong entrepreneurial approach and solid background in the arts.</p> <p><u>Cwmni Theatr Fran Wen</u> The company had identified a different site for their project than the one originally selected. Members had agreed that Cwmni'r Fran Wen should submit a brief Options Appraisal as a first step. If satisfactory, the Committee would then consider a request for funds to purchase the site. This would be subject to the receipt of the District Valuer's report.</p> <p><u>Theatr Bara Caws</u> Gwynedd County Council has not approved the loan to purchase Y Fic but have come back with a number of queries. KD agreed to provide a letter of support for the project to Gwynedd CC and has offered to meet officers if necessary.</p> <p><u>Pontypridd YMCA</u> The local project team has suspended the services of the Project Manager and terminated the Cost Consultant contract. Capita has assigned a new lead architect on the project. A meeting with key parties is pending.</p>	

6. Chair's Report

The report contained information on the recent events, meetings or performances attended by the Chair.

Social Care Wales

PG had attended a very useful meeting with Social Care Wales. Both parties noted synergies in their respective agendas.

There was a strong appetite from Social Care Wales to move the relationship forward, possibly through the creation of a joint Memorandum of Understanding.

Engage Conference

PG had spoken at the Conference in Manchester. The Arts Council of Wales had been highly praised.

Theatr y Werin, Aberystwyth Arts Centre

PG noted the importance of this event for the Arts Centre and commented on the lively and vibrant atmosphere in the building. It was good to note that the Culture Minister had also attended.

DR thanked NC and DH for attending, and PG for speaking so warmly.

Lego Foundation

The Chair congratulated DH on hosting a very successful visit by the Lego Foundation who had shown a particular interest in our Creative Learning programme.

Committee membership

AE was proposed as a new member of Capital Committee. Council **endorsed** the recommendation.

PG reported that MH would be stepping down as Chair of the Venice Advisory Committee. Council expressed their gratitude for MH's support and stewardship of the Venice project. It was noted that IB will take on the role as Chair.

Internal Communications

SB reported that the intranet Hwb is being used more effectively, with the average of 2 to 3 stories per week. A project group has been established to review the intranet. Social Media is also being looked at in more detail. The corporate website has been launched in the Beta format. Council asked that their appreciation of the work undertaken by Web Content Editor Betsan Jones should be recorded.

<p>Council noted the report.</p>	
<p>6.1 Council Self -Assessment Council reviewed the table of agreed actions.</p> <p>A number of specific actions were noted:</p> <p><u>Improved Communication with the sector</u> KB to encourage APWs to forward event invites for Council members.</p> <p><u>Council/staff interaction</u> Staff are being invited to meetings.</p>	<p>KB</p>
<p>7. Chief Executive Business NC reported on the recent events which he had attended.</p> <p><u>Wales Lottery Forum</u> NC attends a routine meeting where it's a regular opportunity for distributors to meet. A focus has been on the 25th Anniversary celebration.</p> <p>Council noted the report.</p>	
<p>8. Arts Council of Wales Pay Review All staff with the exception of the Chief Executive, left the room for the duration of this item.</p> <p>In October Council agreed the commissioning of research designed to address questions raised by the Welsh Government in relation to our pay structures.</p> <p>Following a public procurement process, Acas, was appointed to undertake the work. A copy of their report was made available to Council members.</p> <p>This report had been considered in detail at a meeting of the HR & Remuneration Committee on 26 November 2018. The Chair of Council was in attendance for the discussion of this item.</p> <p>It was noted that union colleagues had sent their own comments on the report to Council separately.</p>	

<p>Council discussed the paper and the union’s observations.</p> <p>The Council endorsed the Acas recommendations (report pages 20-24). In doing so, Council noted the following observations:</p> <ol style="list-style-type: none"> 1. The Acas report addresses the Welsh Government’s original concerns. 2. A full job evaluation of posts should be undertaken. 3. Work is needed to regularise and simplify the salary grade structure 4. The potential impact on staff is a key consideration. The process should be delivered as quickly as is appropriate and possible, and staff should be kept fully informed of progress 5. SLT should work closely with union colleagues to try and expedite mutually agreed outcomes 6. Acas’ offer to assist in the further stages of the process would be welcomed. <p>Council agreed that the Chair should respond to the union’s comments on behalf of Council.</p> <p>Council noted the report.</p>	<p>PG</p>
<p>9. Arts Policy and Projects</p> <p>9.1 International Strategy</p> <p>EH briefed Council on the work undertaken to revise our International Strategy. The review process has involved significant debate and discussion, not least the International Forum held at Chapter earlier in the year. Plans have also been discussed with key partners, such as the British Council.</p> <p>Council welcomed the value placed on the key priorities: talent development of individual creatives; securing the resilience of our sector through the building of international partnership and trading relations; and promoting the profile and visibility of Wales’ arts.</p> <p>Council also noted that the strategy also stresses the importance of adopting a cross-Council approach to the delivery of our international agenda. Our international team – Wales Arts International – provide a natural point of focus, bringing definition and impetus to our international activities. However, our international interests extend beyond Wales Arts International, and Council was reassured to see that our strategy reflects this.</p> <p>The context for our international work shifted significantly following the vote to leave the EU in June 2016. A note on the actions we have taken to prepare for Brexit are a separate item on the Council agenda.</p>	

<p>Council:</p> <ol style="list-style-type: none"> 1. Noted the contents of the paper. 2. Approved the International Strategy for publication subject to slight amendments. PG/NC and EH will sign off the document and circulate to Council. 	EH
<p>9.2 Brexit – the potential implications for the arts</p> <p>Over the past two years we have monitored Brexit developments and provided information to the sector. In the months immediately following the referendum, we carried out a survey of sector attitudes. We also published research showing the range and extent of EU funding to Wales between 2007 and 2016.</p> <p>This survey identified the following broad categories of concern:</p> <ul style="list-style-type: none"> • Ease of movement – there are concerns about the opportunities for individuals to move around Europe. There are also concerns that there will be fewer opportunities for touring companies and stricter limitations on the movement of cultural objects. • Funding – funding from various sources (including Creative Europe and European Regional Development Funds) could be lost to the sector. 14% of organisations are direct beneficiaries of EU funding, but 30% receive indirect benefits from this support. • Trade – concerns continue about arts and cultural organisations’ capacity to trade internationally after Brexit. • Legal and regulatory frameworks – the sector benefits from EU laws and regulations relating to copyright, intellectual property, artist re-sale rights, VAT exemption as well as employment legislation, tax and NICs. If Wales-based artists face additional costs and bureaucracy this might be enough to make them abandon plans to work internationally <p>Council remained concerned that UK artists, organisations and freelance professionals still need to be prepared for an environment in which they will potentially:</p> <ul style="list-style-type: none"> • Face restrictions and costs when bringing EU talent into the UK, as well as far less flexibility to bring in freelancers quickly to work on projects. • Face far higher costs and delays when trading goods and services in Europe as we revert to a previous system of licences, customs checks, and tariffs 	

	<ul style="list-style-type: none"> • Lose access to EU funding and private sources of finance if the UK becomes a less attractive destination for investors <p>With the position starting to become clearer, it was suggested we feel that the time is right to provide our sector with some basic information about the factors that they should be considering. A draft information briefing is attached as Appendix 2.</p> <p>PG congratulated the team on hard work.</p> <p>Council:</p> <ol style="list-style-type: none"> 1. Noted the contents of this paper and the attached Risk Register 2. Approved the Brexit information briefing for publication. 	
<p>9.3</p>	<p>National Gallery for Contemporary Art</p> <p>LW presented the paper and asked that formal thanks be extended to DA for his support and advice.</p> <p>In November 2017, the design and consultancy agency, Event Communications Ltd, was commissioned by Welsh Government to assess the feasibility of establishing a National Contemporary Art Gallery Wales.</p> <p>The Study required a consideration of the appropriate models, the potential cost and a set of options to enable delivery of the outcome.</p> <p>A detailed and comprehensive report was published by the Welsh Government on 20 November 2018 in advance of a plenary debate in the Senedd scheduled for 27 November.</p> <p>Council discussed in detail the proposal.</p> <p>Council noted the report.</p>	
<p>10.</p>	<p>Presentation for Chairs and Board Members on Public Sector Governance</p> <p>David Richards, Director of Governance and Ethics, Welsh Government provided a presentation on the governance protocols for Welsh Government Sponsored Body Board members.</p> <p>Council thanked DR for the comprehensive presentation.</p>	
<p>11.</p>	<p>Presentation: Creative Learning through the Arts</p> <p>SJ and DH provided a presentation on the work and outcome of the programme to date.</p>	

Council members thanked both SJ and DH for the informative presentation.

12. Financial reports

12.1 Finance report to the month ending 31 October 2018 and draft Budget 2018/19

GW explained that the report provided Council with a high-level overview of income and expenditure to the end of October 2018 and drew attention to matters which may require discussion and action.

The final section of the report outlined the draft budget position for 2019/20 based on the indicative allocations from Welsh Government from their draft budget proposals issued in early October 2018, and continued estimates of lottery income.

Council **noted** the report.

12.2 Arts Portfolio Wales funding recommendations 2018/19 and 2019/20

In preparing these recommendations for 2019/20, KD explained that officers have taken account of four particular issues:

1. The performance of the APW since our Investment Review 2015
2. Our scrutiny of Portfolio members' business plans
3. The information emerging as part of our *Resilience Programme*
4. Progress against our revised Funding Agreements

Earlier in the year the Welsh Government published its draft budget proposals for 2019/20. Subject to Council's agreement of our overall budget for 2019/20, officers were proposing that Council maintains the current level of grant-in-aid funding to the APW and to keep Lottery funding for delegated organisations at current year's levels.

ROR left the room for the Sherman Theatre discussion.

Council noted that the paper set out the proposals for funding of each APW member (summarised in **Appendix 1**). It was also noted that two requests had been received for an advance on next year's funding, although the current position was that only one organisations (Sherman Theatre) would require an advance (details in **Appendix 2** of the paper).

Council **approved**:

1. The APW funding recommendations for 2019/20
2. The grant advance for Sherman Theatre

ROR returned to the room.

12.3 Funding recommendations

Decisions on Lottery applications of £50,001 or more require Council approval. A total of 8 recommendations were presented.

ID/Ref	Organisation	Request	Recommendation	Strand
20180890	Ty Pawb	£115,000	£115,000	Programme Support Grant
20180907	Ballet Cymru	£59,200	£59,200	Training and Professional Development
20180897	Green Man Festival Limited	£60,000	£55,000	Festivals
20180947	Hay Festival of Literature and the Arts Ltd	£60,000	£60,000	Festivals
20180959	Eisteddfod Genedlaethol Cymru	£75,000	£75,000	Festivals
20180942	Conwy Arts Trust	£70,000	£70,000	Taking Part
20180899	Peak	£60,000	£60,000	Taking Part
20180931	Venue Cymru	£82,000	£82,000	Taking Part
		£581,200	£576,200	

Council **approved** the recommendations.

Council also **noted** the grants under £50,000 approved according to Council's schedule of delegated authority.

Arts and Business Cymru

Council discussed A&BC's progress in addressing the targets and requirements set out in Council's previous offer of funding.

Council was disappointed that A&BC had not made more progress in

	<p>achieving greater self-sufficiency – indeed, Council noted that the organisation was seeking an increased level of public funding from the Welsh Government.</p> <p>Council noted the importance that the Welsh Government attached to encouraging business support and the Government’s desire to form a funding partnership with the Arts Council.</p> <p>Council therefore agreed to:</p> <ul style="list-style-type: none"> • continue to fund Arts and Business Cymru • work with the Welsh Government to agree a partnership agreement with Arts and Business Cymru that incentivises business innovation and growth. • survey APW organisations to get a better understanding of the practical requirements of the sector and the current level of performance of A&BC • make clear that funding would require A&BC to deliver against our corporate plan priorities • earmark a maximum of £50,000 in the budget for 2019/2020 for A&BC for planning purposes. (The details of any arrangement to be negotiated and managed by staff.) 	
<p>13.</p>	<p>Directors’ report Members welcomed the comprehensive and informative report.</p> <p>Council noted the report.</p>	
<p>14.</p>	<p>Date of the next meeting Thursday 28 & 29 March 2019, Ty Pawb, Wrexham</p>	

**Council meeting:
Friday 7 December 2018:**

Summary of actions and decisions

Agenda item	Action/Decision	Responsibility
4.	The Chair to provide an update on the recruitment of new members to Council.	PG
5.1	A copy of the internal audit report on Well-being of Future Generations should be shared with members of the Monitoring Group.	KB
5.2	Recommendations for the appointment of new Committee members to be presented to Council for approval.	AT
6.1	Council Invites to arts events should be encouraged.	KB
8.	The Chair will respond to the union's comments on the Acas Pay Review report.	PG
9.1	A further draft of the International Strategy should be agreed between PG/NC/EH and published at the earliest opportunity.	EH