

Council Minutes – meeting 169

Date of meeting:	Friday 8 February 2019.
Venue:	Arts Council of Wales, Bute Place, Cardiff
Present:	Phil George (PG) Chair, Andy Eagle (AE), Dafydd Rhys (DR), Richie Turner (RT), Iwan Bala (IB), 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), Sion Brynach (SB) and Katy Brown (KB) – minuting.
Apologies:	John Williams (JW), Mike Griffiths (MG), Marian Wyn Jones (MWJ) and Rachel O’Riordan (ROR).
Observing:	Andrew Stevenson (AS).
Translation:	Dafydd Frayling (DF)
Presentation:	
Status of paper:	For public release.

		Action
1.	<p>Welcome, introductions and apologies The Chair welcomed members to the meeting.</p> <p><u>Creative Learning through the Arts</u> PG informed members that there will be a weeklong celebration of the Creative Learning through the Arts programme, happening across venues in Cardiff Bay from 2-6 April. More information would be available nearer the time.</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>	

MH – that employment with Oxfam been added.
AM – Welsh National Opera be added.
IB – Butetown Artists be added.

3. Minutes of the meeting held on October 2018

At the Council meeting in December a correction was made to the minutes regarding the procedure for the write-back of unused Lottery funding. Unfortunately, the minute did not specifically refer to Capital funding. Officers therefore asked for Council's approval to correct the October Council minute with the following wording:

"The previous convention had been that uncommitted funds within the overall Capital allocation were 'written back' into the general Lottery budget and that individual requests were agreed to write back to the capital budget on a case by case basis. In order to allow best use of Capital funds it was requested that these should automatically be written back to the Capital budget for the 2018/19 financial year onwards."

Council **endorsed** the recommendation.

Minutes of the meeting held on 7 December 2018

The Minutes of the meeting were **approved** as a correct record of the meeting, subject to the following amendments:

National Theatre Wales

KD, RT and PG had all in fact attended the meeting.

Changes were **agreed** to the following sections as set out below.

National Equalities Meeting

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.

Audit Committee minutes

Members had enjoyed the tour of WNO's premises, sitting in on part of the dress rehearsal for Rossini's "Cenerentola", and gaining a deeper understanding of the outreach and community engagement work

<p>undertaken by the WNO.</p> <p>4. Matters arising <u>Council recruitment</u> PG updated members on the interviews held on 2 & 3 February 2019. He was pleased to announce that the process had already identified six strong candidates. Final recommendations would be forwarded to the Deputy Minister. Once the appointments had been agreed, candidates were likely to be notified in March.</p> <p><u>Council member invitations to events</u> KD has encouraged Development Officers to speak to clients about inviting Council members to future activities.</p> <p><u>International strategy</u> It was confirmed that the International Strategy had been launched.</p>	
<p>5. Committee Minutes 5.1 Audit and Risk Assurance Committee – meeting held on 16 January 2019 KE provided members with a report on the business transacted at the recent Committee meeting.</p> <p><u>Internal audit reports</u> She drew attention to five internal audits completed by Deloitte – IT General Controls, Grant Funding, Creative Learning Through the Arts, Strategic Planning and Organisational Performance (which were designated as “substantial assurance”) and HR (“moderate assurance”).</p> <p><u>Radar Report</u> The Committee continued to review the Radar Report with close interest.</p> <p><u>Committee self-assessment</u> The Committee had undertaken a full self-assessment of its performance. This would contribute to annual Governance statements.</p> <p>Council noted the minutes.</p>	
<p>5.2 Future Generations Monitoring Group – meeting held on 24 January 2019 MH provided members with a report on the business transacted at the recent Committee meeting.</p> <p>ST attended a workshop hosted and organized by the Wales Audit Office on 31 January along with other senior colleagues.</p>	

	<p>The focus of the workshop was the development of the Arts Council’s corporate strategy and how this had been influenced by the well-being “five ways of working”. This was tested through a process of discussion and analysis.</p> <p><u>Ideas: People: Places</u></p> <p>ST advised that the evaluation report that the Arts Council had commissioned from Wavehill had not yet been signed off. Further work was needed on some of the data sets.</p> <p>Council will be presented with report once it has been signed off.</p> <p>Council noted the minutes.</p>	
<p>6. Chair’s Report</p> <p>6.1</p>	<p>The report contained information on the recent events, meetings or performances attended by the Chair.</p>	
<p>6.2</p>	<p>Committee appointments</p> <p>Council were recently advised that applications were being sought for 3 Independent Members, one each to the following Committees / reporting Groups:</p> <ul style="list-style-type: none"> • Audit and Risk Assurance Committee • HR & Remuneration Committee • Equalities Monitoring Group <p>Following a successful recruitment campaign in December, the following appointments are proposed for Council endorsement:</p> <p>Audit and Risk Assurance Committee - Dr Elid Morris</p> <p>HR & Remuneration Committee - Valerie Ellis (formerly a co-opted Member)</p> <p>Equalities Monitoring Group - Guto Gwilym</p> <p>Subject to Council’s formal approval, terms of office for each Member will commence in February 2019 and run for a period of 3 years (after which there will be opportunity for consideration for reappointment for a further term of office).</p> <p>The assignment of Members to our Committees will be considered at our March meeting of Council.</p> <p>Council endorsed the recommendations.</p>	<p>PG</p>

8. Chief Executive Business

8.1 NC reported on the recent events which he had attended.

Gambling Commissioner

The meeting was regarding the future of next lottery license. The commissioner is looking at other lotteries in particular local.

UK Parliamentary Foreign Affairs Committee

The Committee met in Aberdare and NC had contributed evidence as part of the Committee's discussion. The main focus of the meeting was on Brexit.

National Theatre Wales

National Theatre Wales was continuing its programme of public engagement, seeking to address issues raised earlier in the year. An 'open meeting' is planned for 3 March.

PG conveyed his gratitude to NC and staff for their hard work with National Theatre Wales.

Cofiwch Trywerin

IB noted the recent vandalism committed to this iconic sign and felt that it needed to be protected. NC stated that the protection of public heritage artefacts was a matter for Cadw and lay outside the remit of the Arts Council.

64 Million Artists

DH reported that the organisation, 64 Million Artists, had been appointed to conduct a report on inclusion, engagement and diversity in Wales. The internal widening engagement working group will interrogate the report at its next meeting.

Council **noted** the report.

8.2 Realignment of SLT responsibilities

All staff other than the Chief Executive withdrew for this item.

NC reported that with two posts vacant in our Senior Leadership Team (SLT), a business case review had been undertaken to assess future options.

The review examined five questions:

1. Is the best course of action a straightforward 'like-for-like' recruitment to the vacant post(s)?
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2. Is there an opportunity to reduce costs by delaying recruitment and keeping the post(s) vacant?
3. Should we seek to achieve a saving by deleting vacant posts from our staff structure?
4. Is there a case for changing the focus of the vacant post, and/or other posts in the staffing structure?
5. If changes are proposed, are they viable and affordable?

NC reminded Council that the pressure to save costs remained a continuing consideration. However, we must assure ourselves that we have the right staffing to fulfil the duties required of us, especially in Finance and the Arts.

Having considered a range of options, Council **agreed** that:

1. We will return the currently part-time Director (Finance) post to a full-time Director (Finance and Business Services)
2. We will not recruit to the Director (Arts) post, choosing instead to operate with a smaller (and cheaper) SLT
3. As a consequence of 2 above, there will be some realignment of current Director responsibilities.
4. This will involve a change to existing job titles. Council has **agreed**:
 - Director (Engagement & Participation) to Director (Arts Engagement)
 - Director (Enterprise & Regeneration) to Director (Arts Development)
 - Director (Investment & Funding Services) to Director (Arts Funding Services)

Council noted that there might be opportunities to strengthen capacity in other parts of the staffing structure below SLT levels.

Council **agreed** that the effectiveness of these changes should be reviewed in 12 months' time.

8.3 Pay Review

DH reported that we were now progressing the recommendations contained in the Acas report:

1. A review of all job descriptions within the organisation
2. A full job evaluation exercise to assess and evaluate all posts in the organisation using up to date job descriptions (from 1 above)
3. Establishment of a fit for purpose pay structure (based on the outcome of 2 above)
4. Implementation of the new pay structure across the organisation.

1 above was underway, with 2 soon to follow.

	<p>Council noted that the pressures that a Pay Review might place on staff. Council was reassured to hear that management and union colleagues are committed to working together to make the possible as smooth as it can be.</p> <p><u>Pay Remit</u></p> <p>NC updated Council on the outstanding Pay Remit negotiations for 2018/19. Council was aware that a pay increase of 2% was agreed for the financial year 2017/18 and that this agreement was for a single year.</p> <p>NC reported that the financial position remained challenging. Council’s position had consistently been that pay awards should be reasonable and affordable. Council acknowledged the commitment and hard work of staff, but with no source of additional income on the horizon, room for manoeuvre was extremely limited.</p> <p>NC had reported to the union that he felt unable to offer any further increases in 2018/19. Council noted that union colleagues would be responding in due course.</p> <p>Council noted the report.</p>	
<p>8.4</p>	<p>Staff Survey – December 2018</p> <p>ST introduced the paper setting out the findings in the most recent Staff Survey. Council was encouraged to see that progress was being made in a number of areas. However, Council remained concerned about those areas where progress seemed more difficult to achieve.</p> <p>Council asked SLT to re-double their efforts to address the outstanding concerns, and asked SLT to come back with clear and developed proposals to respond to remaining shortcomings.</p> <p>Council discussed how frequently we should be surveying staff. Annual surveys felt about right, but in the short-term Council asked for more frequent ‘flash’ surveys looking at those areas of particular concern.</p> <p>Council noted the report.</p>	<p>ST</p>
<p>9.</p>	<p>Operational Plan 2019/20</p> <p>The Corporate Plan has been shared. As a result, Council are required to look in more detail at the operation plan. A different approach is required. The Operational plan has to be readable externally and internally. It also has to reflect the “5 ways of working”.</p>	

<p>All staff will be involved later in the month in a workshop and this will provide preparation for the March meeting.</p>	
<p>10. The Arts Portfolio Wales</p> <p>10.1 Overview of Business Plans</p> <p>As part of our annual monitoring cycle for the Arts Portfolio Wales each organisation is required to submit a three year business plan. These plans are reviewed in detail by the Lead Officers and discussed internally by relevant Sector Development Groups.</p> <p>A 'SWOT' is completed for each plan, and a summary paragraph which encapsulates the main issues is agreed. The Groups also take a 'helicopter' view and agree an overview of each sector identifying common themes and challenges.</p> <p>Officers believe that the summaries provide a useful snapshot of the Portfolio and will provide Council with a timely overview of activity across all sectors.</p> <p>PG thanked PMs and Officers.</p> <p>Council noted the report.</p>	
<p>10.2 Radar Report</p> <p>KD presented the Radar Report noting organisations that were a particular focus of officers' work.</p> <p>Council noted the report.</p>	
<p>11. Brexit</p> <p>Brexit Risk Assessment</p> <p>Council noted the contents of the paper and the latest edition of the Brexit Risk Register.</p>	
<p>12. Directors' report</p> <p>The report provided brief snapshots of activity across the organisation.</p> <p>Council thanked the Directors for the report.</p> <p>AW congratulated ST and Sally Lewis on the good progress being made with Health Board partnerships.</p>	

Hijinx was congratulated for receiving “The Stage’s” international award.

Council **noted** the report.

12. Financial reports

12.1 Finance report to end 31 December 2018

NC presented the report to Council. He noted that it provided a high-level overview of income and expenditure to the end of December 2018. During the course of his commentary he drew attention to matters requiring discussion and action.

The full year forecast demonstrated that we are likely to end the year with a cash balance above the 4% benchmark. NC drew attention to the broad reconciliation Section 5. If a carry forward is required, a business case will need to be presented to the Welsh Government.

The report set out specific recommendations for the virement of Lottery funds. Given timing issues, some budgets had yet to be fully committed whilst others were struggling to meet potential demand. Council agreed that it was no desirable to turn down good and deserving applications if the capacity existed to support them.

Council also discussed current banking arrangements with Santander UK plc, noting that this had been in place since 1 April 2016. NC reminded Council that under the terms of the award, following a full procurement process, Santander were appointed as our bankers for three years, with an option to extend that appointment for a further two years. NC reported that as we approach the end of the three years we have undertaken a review of the service. There have been no significant issues and officers were recommending that Santander’s appointment be extended for a further two years up to 31 March 2021.

In conclusion, Council **agreed** to:

1. **Note** the financial position;
2. **Note** the matters arising, particularly the current expenditure forecasts;
3. **Approve** the proposed Lottery virements (section 7 of the paper); and
4. **Approve** the extension of the term of appointment of Arts Council of Wales’ current bankers (section 10 of the paper).

Council **noted** the report.

12.2 Funding recommendation: cARTrefu Cymru

AGE Cymru is the leading national charity for older people in Wales. In 2015 we began a partnership with the Baring Foundation to jointly fund Age Cymru to deliver a major 'Arts in Care Homes' programme across Wales. The first phase of the programme was delivered over a two-and-a-half year period to April 2017. It involved mentored artists delivering residencies in care homes and the training of care home staff to understand the value of participation in creative arts activity.

The first phase of the project delivered nearly 2,000 hours of multi-art form activities to over 1,500 residents in 122 care homes. This is equivalent to nearly 20% of care homes in Wales. The evaluation report highlighted the high quality, transformational arts experiences that the older people had access to.

Building on the success of the first phase, Council agreed to support a second phase of the project, once again in partnership with the Baring Foundation.

This started in 2017 and is due to end in March 2019.

Council **approved** the funding recommendation as set out in the paper.

**13.3 APW Funding Advance Request:
National Dance Company Wales and Chapter****APW Funding Advance Request**

Andy Eagle absented himself from the room for the duration of this item.

AR informed Council that two Arts Portfolio Wales (APW) organisations had requested advances of part of their annual funding for 2019/20.

National Dance Company Wales and Chapter requested £60,000 and £164,348 respectively to assist them in managing short term cash flow issues.

Requests for grant advances are made on the basis of a business case reviewed by SLT. This includes scrutiny of the organisation's current risk rating (as indicated in the APW Radar report), the basis for the request, its purpose and the medium term financial implications. AR confirmed that we had followed this process with both of these requests.

<p>Council approved the following two advances from 2019/20 revenue funding as follows:</p> <ol style="list-style-type: none"> 1. National Dance Company Wales - £60,000 2. Chapter - £164,348 	
<p>14.1 Corporate Assurance Framework and Risk Register The areas for each objective have been reviewed by SLT and updated by the Manager for Planning Performance and Compliance in December. The revised version has been considered by Audit and Risk Assurance Committee prior to its presentation to Council.</p> <p>Council noted the report.</p>	
<p>14.2 Operational Plan 2018/19 Quarter 3 report Council noted the Q3 Report.</p>	
<p>14. Date of the next meeting Thursday 28 & 29 March 2019, Ty Pawb, Wrexham</p>	

**Council meeting:
Friday 8 February 2018:**

Summary of actions and decisions

Agenda item	Action/Decision	Responsibility
6.2	The assignment of Members to our Committees will be considered at our March meeting of Council.	PG
8.4	SLT is asked to re-double its efforts to address the outstanding concerns in the Staff Survey. Council asked SLT to come back with clear and developed proposals to respond to remaining shortcomings.	ST