

Council Minutes – meeting 167

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| Date of meeting: | Friday 18 October 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) and Alan Watkin (AW), |
| In attendance: | Nick Capaldi (NC), David Alston (DA), Gwyn Williams (GW), Kath Davies (KD), Diane Hebb (DH), Sian Tomos (ST), Angela Thomas (AT), Sandra Hicks (SH), Sera Walker (SW) and Katy Brown (KB) – minuting. |
| Apologies: | Melanie Hawthorne (MH), Andrew Miller (AM) and John Williams (JW). |
| Observing: | Andrew Stevenson (AS). |
| Translation: | Osian Rhys (OR) |
| Presentation: | James Forse, ACAS |
| Status of paper: | For public release. |

| | | Action |
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| 1. | <p>Welcome, introductions and apologies</p> <p>The Chair welcomed members to the meeting.</p> <p>AM provided apologies as he was speaking at the BFI London Film Festival.</p> <p>PG welcomed staff members SW (Team Co-ordinator for the Investment and Funding team) and SH (Research Co-ordinator) as observers of the meeting. He confirmed that staff will continue to be invited to future meetings to help familiarise staff with the work of Council.</p> | |

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| <p>PG informed members that the February meeting would hopefully be held at the newly completed capital project Ty Pawb in Wrexham. KB would be able to confirm arrangements at the December Council Meeting.</p> | <p>KB</p> |
| <p>2. 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: MWJ - Music Festival Bangor to be removed. MG - Cardiff Metropolitan University - research team (ceased June 2018). AW – Chair of Theatr Clwyd to be added. PG - Cardiff University – Advisor to the Creative Economy project to be removed.</p> | |
| <p>3. Minutes of the meeting held on 6 July 2018</p> <p>The Minutes of the meeting were approved as a correct record of the meeting, subject to the following amendment:</p> <p><u>Item 5.3</u> The sub heading should read “Capital” rather than “Resilience”.</p> | |
| <p>4. Matters arising</p> <p>All actions were recorded as complete, having noted that the item on Creative Learning is to be re-scheduled to December.</p> <p><u>Recruitment of Council members</u> The recruitment period will last from 29 October to 22 November. Council will wish to ensure that all of Wales is represented in the membership. Recruitment information will emphasise Council’s priorities and highlight areas that are currently under-represented on Council – diversity, gender balance and Welsh speakers. These will be balanced against Council’s desire to seek out individuals with experience of developing activities in the disadvantaged areas of the country.</p> <p>The Chair urged members to encourage any suitable contacts to apply.</p> <p><u>Senior Leadership Team ‘lead’ on Welsh Language Policy</u> It was agreed that ST would take on this role.</p> | |

Creative Learning Through the Arts

The team will provide a presentation on the findings of the evaluation report at the Council meeting in December.

5. Chair's business

5.1 Chair's Report

PG reported on recent events and matters.

Rachel O'Riordan

Council congratulated ROR on her recent appointment as Artistic Director and Joint Chief Executive of the Lyric Hammersmith.

Venue Cymru

PG had recently visited the venue and was impressed by the work of the team. It was especially pleasing to see the extent of their engagement with arts in health.

MWJ pointed out that in spite of the organisation's very good work, the infrastructure of the building was showing significant wear and tear. Council recognised that identifying significant new capital funding was virtually impossible, but noted with concern that the inability to invest was in danger of compromising the quality of experience here and at other venues.

Venues

AE reported that managing venues was becoming increasingly challenging. Rapid rises in fixed costs and utilities was having a detrimental impact on underlying sustainability.

Wales NHS Confederation

PG and NC had met with representatives of the Wales NHS Confederation. The meeting covered three main headlines – how the Confederation could assist the Arts Council of Wales with its advocacy with the seven health boards around the appointment of arts and health coordinators; developing sustainable models for social prescription; training of artists and clinicians.

National Contemporary Art Gallery Feasibility Study

NC reported that a Ministerial announcement was expected in the Plenary of the National Assembly on 27 November.

Meeting with the Culture Minister

PG and NC reported on matters raised at recent meeting.

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| <p><u>Chair of Camelot</u> PG and NC met with Sir Hugh Robertson, Chair of Camelot (the National Lottery operator) to discuss a range of matters relating to the National Lottery. This included the impact of declining lottery funding to good causes and the impact of competitor Lotteries (including society lotteries).</p> | |
| <p>5.2 Council self-assessment</p> <p>As part of its commitment to good governance, Council undertakes an annual self-assessment. This took place on 5 July 2018 and the table summarised and recorded key issues discussed my Council.</p> <p>Council will discuss and review the document at its December meeting.</p> <p>Council noted the paper.</p> | <p>PG</p> |
| <p>5.3 Cymru yn Fenis: Wales in Venice and Ballet Nimba Chair's action</p> <p>Council noted that Chair's Action had been taken in respect of Cymru yn Fenis: Fenis: Wales in Venice and Ballet Nimba. Council endorsed the actions taken.</p> | |
| <p>6. Chief Executive's report</p> <p>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.</p> <p><u>National Theatre of Wales</u> NC reported on a meeting that he had attended between the National Theatre Wales board and a group of writers.</p> <p><u>Arts Council Quarterly Monitoring Meeting</u> The Chief Executive reported on the business of the meeting.</p> <p><u>Theatr Clwyd production of 'Lord of the Flies'</u> ROR advised members that 'Lord of the Flies' was a Theatre Clwyd <u>and</u> Sherman Theatre co-production – the first time that the two companies had collaborated.</p> <p>Council noted the report.</p> | |

7. Operational
7.1 Organisational Review – lessons learned

NC explained that as part of our project management processes we assess, after the event, how effectively we have delivered the project. The paper examined SLT's management of the Organisational Review.

Five questions were asked regarding the process:

1. What did we set out to achieve?
2. What actually happened?
3. Is there a difference between the two?
4. What is the reason for the difference?
5. What lessons can we learn?

The paper presented the analysis of the senior leadership team.

It was informed by:

- the Senior Leadership Team's experience of the practical implementation of the Review proposals
- discussion at Council meetings
- feedback from staff
- two internal audit reports specific to the Organisational Review

Council thanked SLT for its straightforward and honest assessment of the key issues. SLT was to be congratulated for the many positive achievements but it was good to see that some aspects had not gone as well as had been hoped. Council therefore recognised the analysis based on its own scrutiny of the Staff and Deloitte surveys and members' own conversations with staff.

Council noted the key issues as they confirmed the findings of two pieces of work that were considered earlier in the year – the Staff Survey and the Deloitte analysis of staff views. Council had been monitoring progress and endorsed the actions that SLT had been taking.

There are two areas where Council was especially keen to see matters moving forward – improved communications, and greater involvement of staff in the development of key policies and projects. Council was pleased to note that the new staff in the Communications team was progressing the internal communications plan previously agreed by Council. Council also welcomed the staff workshops over the summer/autumn on Diversity and Lottery policy, and the project group looking at the refurbishment of our Cardiff offices.

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| <p>SB reported that there would be more progress made on communications over the coming months. Hwb (internal intranet) was being used more efficiently and the Communications Team was currently testing different usage of communications equipment. Monthly 'drop-in' sessions for staff to share information were also happening on a regular basis.</p> <p>It was noted that SLT has a detailed checklist of tasks that it is progressing, the majority of which had now been completed. Council suggested that this be shared with staff.</p> <p>Council noted the report.</p> | NC |
| <p>7.2 Arts Portfolio Wales 'Radar' report</p> <p>KD presented the findings of the current Radar Report.</p> <p>At the point of the annual monitoring cycle Officers reported that they have been receiving and reviewing Welsh Language Plans from organisations.</p> <p>The following points were noted:</p> <p><u>Aberystwyth Arts Centre</u> The Centre's position had now improved to a green rating.</p> <p><u>Chapter</u> Chapter's organisational review has now concluded.</p> <p><u>Powys County Council and Theatr Brycheiniog</u> The organisation has recently received the welcome news that Powys CC (the owner of the building) has agreed to cover the costs of the last three years of building maintenance costs. The Arts Council of Wales will be undertaking a review of the operational effectiveness of the Theatre.</p> <p><u>Literature Wales</u> The Culture Minister has now published his response to the Publishing and Literature Review. There will be no transfer of functions, although the Minister has urged all parties to work more closely together. NC/PG are meeting shortly with the Chair and Chief Executive of Literature Wales to discuss the situation. It was agreed that a copy of the Minister's letter should be circulated to Council members.</p> <p><u>National Theatre Wales</u> National Theatre Wales has recently received an open letter from a group of writers who are questioning aspects of the company's work.</p> | KB |

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| <p>Members are being pressed to give a Council view on the current situation. It was agreed that an informal meeting would be convened for members to receive an up to date briefing on the issues facing the organisation.</p> <p><u>Riverfront</u> The Riverfront has recruited Alan Dear as the new Head of Arts of Newport Live.</p> <p>Council noted the report.</p> | <p>KB</p> |
| <p>7.3 Local Authorities Relationship Report</p> <p>PG thanked ST and Henry Rees (Portfolio Manager) for the detailed report.</p> <p>The paper was a snapshot compiled from the SWOT analyses provided by the officers responsible for the relationship with each local authority. It is intended to give Council a flavour of the issues in each area and to provide an insight into potential threats and opportunities. Council welcomed the report.</p> <p>Council noted the contents of the paper.</p> | |
| <p>8. Lottery Strategy – a draft Consultation Paper</p> <p>KD introduced the draft of the public consultation paper which we intend to share publicly during the coming months. The paper is the result of extensive discussion amongst staff and two workshops where ideas were shared, debated and developed. It also reflects our earlier discussions within Council.</p> <p>Many of the themes within the paper were familiar, and the point of reference throughout has been our Corporate Plan <i>For the Benefit of All</i>.</p> <p>Within the document, a wide range of topics are suggested for discussion. Some of these are more complex than others. Council noted that some might have far-reaching implications. The impact of these will need to be carefully assessed at the appropriate time.</p> <p>Members welcomed the document which communicated clearly the Arts Councils priorities and direction.</p> <p>Council approved the document for publication subject to minor amendments (which KD would adjust in the document).</p> | |

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| <p><u>Investment Review 2020</u></p> <p>Given the Lottery consultation and wider funding issues, Council considered the appropriate timing and timetable for the Investment Review 2020. The Welsh Government’s draft budget proposals for 2019/20 proposed standstill funding for the Arts Council. And with Brexit due to reach a conclusion in 2019 and a UK Government Comprehensive Spending Review to happen in the same year, future prospects were more than usually uncertain.</p> <p>Council therefore agreed the following approach:</p> <p>The Investment Review process will begin around Autumn 2019 with consultation on the Terms of Reference, receiving applications in Spring 2020, with decisions taken in the Autumn of 2020. Subject to confirmation from the Welsh Government of its future funding to the Arts Council, new funding arrangements would come into effect from 1 April 2021.</p> <p>Council agreed that this should be communicated to members of the APW and to local authority lead contacts.</p> | <p>NC</p> |
| <p>9. Arts Council of Wales Pay Review</p> <p>Earlier in the year the Welsh Government approved our Pay Remit submission for 2017/18. However, as part of the process of negotiation, the Welsh Government asked Council to look at aspects of our current pay structure.</p> <p>There were a number of areas that needed to be considered. These include:</p> <ul style="list-style-type: none"> • salary levels for some grades • overlaps on grades – grades at the top of some scales are higher than the bottom scales of the next grade up • incremental value – incremental increases vary across grades at between 4% and 14% <p>Acas had been commissioned to undertake the work following a competitive procurement process. Representatives of Acas attended the meeting to brief Council on the initial phase of their work.</p> <p>Council noted that the Pay Review takes place against a backdrop of continuing economic austerity. Welsh Government funding next year does not increase, and there’s a risk that Lottery will decline. Nevertheless, Council’s ambition for the Pay Review was to strike a balance between what’s fair to staff, and what’s affordable for the Council.</p> | |

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| | <p>Since their appointment Acas have undertaken a thorough analysis of our roles and job descriptions, our current pay arrangements, our salary grade structure and relevant HR policies. Acas has also undertaken a benchmarking exercise, looking at broadly comparable roles including those in the Welsh Government, other Welsh Government Sponsored Bodies and our peer UK Arts Councils. Acas has also held a consultative meeting with our union representatives.</p> <p>Council was pleased to see the thoroughness of Acas approach and is looking forward to receiving the final report and its recommendations by the end of this month.</p> <p>Council delegated to a smaller sub-group including the Chair the responsibility for progressing discussion of the Review Report. Council hopes to be in a position to agree the response to the report at its next meeting in December.</p> <p>Council thanked Acas colleagues for their thorough presentation.</p> | |
| <p>10. Committee reports 10.1 HR & Remuneration Committee – meeting held on 19 September 2018</p> | <p>MG provided members with a report on the business transacted at the recent committee meeting.</p> <p>Three members of staff will be invited at each meeting to meet the committee.</p> <p>The committee met to discuss its self-assessment on 18 October.</p> <p>MG asked if Independent members could be invited to observe council meeting.</p> <p>Members agreed to the proposal. KB to liaise with the HR Manager.</p> <p>Members also agreed that Directors report should be circulated to independent members of the HR & Remuneration and Audit & Risk Assurance Committees for their information.</p> <p>Council noted the report.</p> | <p>KB</p> <p>KB</p> |

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| <p>10.2 Audit and Risk Assurance Committee – meeting held on 27 June 2018</p> <p>Council noted the report.</p> | |
| <p>10.3 Audit and Risk Assurance Committee – meeting held on 3 October 2018</p> <p>The minutes will be presented at the next Council meeting.</p> | |
| <p>10.4 Capital Committee – meeting held on 21 September 2018</p> <p>AW provided members with a report on the business transacted at the recent Committee meeting.</p> <p><u>Galeri</u> The committee attended the opening of phase 2 of the capital programme.</p> <p><u>Cwmni Fran Wen</u> Council approved a grant of £224,675 (or 75% of the eligible costs whichever is the less) subject to the following additional condition (s):</p> <ol style="list-style-type: none"> 1. That written communication of the availability of partnership funding and clear details of the sources of partnership funding is submitted to the Investment & Funding Services Team. 2. That a timetable of steering group meetings be agreed with us as a priority and prior to the project commencing. 3. That tender documents for the design team are submitted to and approved by the Arts Council officers prior to advertisement. 4. That Arts Council officers are involved in the procurement of the design team. 5. That CFW confirm in writing how it has considered the cumulative effect of any future fees with the same contractors, and how this would impact on OJEU procurement either now or later in the project. 6. That the appointed artist should lead on the development of the public art strategy for the project. 7. Arts Council officers should be involved in the procurement of the artist. | |

8. That the company takes professional advice to review its VAT status in light of the project, to ensure, going forward, it is able to take advantage of any appropriate VAT savings. This should take place before any further costs are incurred as it could have a significant impact on the total budget for the project.
9. That the company produces a comprehensive risk register to be considered at each steering group meeting.

Council **noted** the report.

10.5 Welsh Language Monitoring Group – meeting held on 5 October 2018

MWJ provided members with a report on the business transacted at the recent Committee meeting.

MWJ reported that it was disappointing to see that lower levels of Lottery grants continued to be allocated to Welsh Language productions.

MWJ thanked ST and officers for holding a consultative event on Welsh Language Theatre at this year's National Eisteddfod, and hoped that this and other initiatives would soon show some success.

Council **noted** the report.

10.6 Future Generations Monitoring Group – meeting held on 2 August 2018

Council **noted** the report.

10.7 Equalities Monitoring Group – meeting held on 11 September 2018

RT provided members with a report on the business conducted at the recent Committee meeting.

It was reported that the advert to recruit two independent members would be published shortly.

MG added that there was also one vacancy for the HR and Remuneration Committee and the Audit and Risk Assurance Committee.

Council **noted** the report.

11. Strategic Equality Plan

The paper with its Appendices, provided an update on our performance against the first year of our Strategic Equality Plan (SEP) objectives for the period April 2017 to March 2018.

The report described the progress we are making in relation to the projects and initiatives we are driving forward. Council was pleased to note that clear we are making significant advances in relation to Hynt, Creative Steps, Arts and Older People, Unlimited and our Capital programme. However, the data from our APW survey still shows disappointing levels of activity.

Council's discussions around our new Corporate Plan together with the review of the first year of delivery for the SEP, raise the question of whether what we are proposing goes far enough. Whilst the actions in the plan will – and in some cases are – bringing about change, the answer may well be that we need to identify key catalysts for change in this area of work.

Council was informed that in reviewing the SEP, our Equalities Monitoring Group questioned the validity and usefulness of the data it had in front of it. The primary challenge in reporting progress is the timing of the APW survey which makes the data available for review some 3-4 months after the reporting date (with the report being placed before Council 6 months after the end of the reporting period). Our research team are in the process of undertaking a major review of our reporting processes and it is hoped that a solution will be found.

Members also questioned whether the data provides an accurate picture of what is actually happening across the sector. We currently ask about the number of targeted events or projects and the data tells us that is reducing with a corresponding reduction in the number of attendees or participants. What is not known is whether this is an indication of reduced need for these type of events because more people are attending non targeted activity. What is missing is equality data in relation to "open" programmes of activity, rather than "targeted" programmes. Our research team are exploring solutions to this.

ROR emphasised that many of the portfolio organisation have made great strides with the equalities agenda. DH confirmed this by saying that there had been an improvement in the Equality Plans received so far from our APWs to date.

Council **noted** the updates provided.

12. Directors' report

Members welcomed the comprehensive and informative report. The following observations were noted:

Concordat for Arts, Health and Wellbeing in North Wales

MWJ attended the highly successful event at Theatre Clwyd to launch the Health for Arts concordat which provided examples of the impact of arts on health.

British Council Showcasing report

British Council Wales had recently published research on international showcasing. The implications of this need to be considered as the Arts Council completes work on its International Strategy.

Anthem

Significant progress has been made and DA was pleased to report that an interesting dynamic individual has been appointed as Chair. An announcement of the appointment will be made early November.

Brexit

KE asked whether it was an appropriate time for Council to be discussing the implications of Brexit. NC informed members that Officers have established an internal working group to look at the relevant issues and a report would be coming to December's Council meeting.

National Eisteddfod

MWJ was disappointed that there was no reference specific reference to the success of this year's Eisteddfod in the Director's report. DA advised members that the completion report had not been completed. A more detailed report would possibly be available for December.

Council **noted** the report.

13. Governance and Financial reports

13.1 Wales Audit Office Management Letter

Council **noted** the letter and congratulated the Finance team on the very low number of issues raised.

13.2 Financial report 2018/19 to the month ending 31 August 2018

The report provided Council with a high-level overview of income and

expenditure to the end of August 2018.
Council **noted** the financial position.

14.3 Funding recommendations

Decisions on lottery applications of £50,001 or more require Council approval. A total of 10 recommendations are presented. Formal approval was also sought for an additional In-year grant award to National Youth Arts Wales to assure the project: *Sorrows of the Somme*.

| ID/Ref | Organisation | Request | Recommendation | Strand |
|----------|------------------------|-----------------|-----------------|----------------------|
| 20180694 | Be Aware Productions | £54,000 | £54,000 | National Touring |
| 20180706 | De Oscuro | £77,644 | REJECT | National Touring |
| 20180705 | Give It A Name | £60,000 | DEFER | National Touring |
| 20180681 | Hijinx Theatre | £78,216 | £78,216 | National Touring |
| 20180626 | Mid Wales Opera | £91,031 | £91,031 | National Touring |
| 20180654 | The Other Room | £100,000 | £100,000 | National Touring |
| 20180656 | Theatr na nÓg | £85,000 | DEFER | National Touring |
| 20180682 | Theatr Pena | £98,500 | REJECT | National Touring |
| 20180661 | We Made This | £57,000 | £57,000 | National Touring |
| 20180683 | Pontio | £59,697 | £59,697 | Programme Support |
| 20180585 | Mercator International | £95,000 | £95,000 | Audience Development |
| | | £856,088 | £534,944 | |

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| <p>RT left the room for Mercator discussion.</p> <p>ROR left for the Hijinx discussion.</p> <p>Council approved the recommendations. KD was asked to establish the full list of the Creative Team involved in The Other Room’s project.</p> <p>Council approved an in year one off grant to National Youth Arts Wales of £78,750</p> <p>Council noted the grant funding of £534,944.</p> | |
| <p>14. Reports for information</p> <p>14.1 Operational Plan 2018/19 – Q2 report</p> <p>Council noted the quarter 2 report.</p> | |
| <p>14.2 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. Dates of future Council meetings</p> <p>Council noted the dates.</p> | |
| <p>16. Date of the next meeting</p> <p>Friday 7 December 2018, Arts Council of Wales, Cardiff</p> | |

**Council meeting:
Friday 18 October 2018:**

Summary of actions and decisions

| Agenda item | Action/Decision | Responsibility |
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| 1. | We will confirm in December whether the February Council meeting will be held in Wrexham. | KB |
| 5.2 | Council's self-assessment will be reviewed at the December Council meeting. | PG |
| 7.1 | SLT's checklist of Organisational Review tasks to be shared with staff. | NC |
| 7.2 | A copy of the Minister's letter on the Publishing and Literature Review should be circulated to Council members. | KB |
| 7.2 | An informal meeting would be convened to brief Council members on developments with National Theatre Wales. | KB |
| 8. | Members of the APW and local authority lead contacts should be notified of the timetable for the Investment Review 2020. | NC |
| 10.1 | Members of the HR & Remuneration Committee would be given an opportunity to attend and observe a full Council meeting. | KB |
| 10.1 | The Directors report prepared for Council should be circulated to independent members of the HR & Remuneration and Audit & Risk Assurance Committees for their information. | KB |
| 14.3 | The full list to be established of the Creative Team involved in The Other Room's programme of activity. | KD |