

Council Minutes – meeting 162

Date of meeting:	Friday 8 December 2017.
Venue:	The Arts Council of Wales, Cardiff.
Present:	Phil George (PG) Chair, Mike Griffiths (MG), Andrew Miller (AM), Melanie Hawthorne (MH) , Dafydd Rhys (DR), Lesley Hodgson (LH), Richie Turner (RT), Andy Eagle (AE), Alan Watkin (AW), Kate Eden (KE), Rachel O’Riordan (ROR). and Marian Wyn Jones (MWJ).
In attendance:	Nick Capaldi (NC), David Alston (DA), Gwyn Williams (GW), Diane Hebb (DH), Sian Tomos (ST), Kath Davies (KD), Andrew Richards (AR), Betsan Moses (BM), and Katy Brown (KB) – minuting.
Apologies:	John Williams (JW) and Iwan Bala (IB).
Observing:	Peter Owen (PO).
Translation:	Dafydd Frayling (DF).
Status of paper:	For public release.

		Action
1.	<p>Welcome, introductions and apologies</p> <p>The Chair welcomed members to the meeting held at the offices of the Arts Council of Wales, Cardiff.</p> <p>Members congratulated AM on his recent appointment as a Council member of Arts Council England.</p>	
2.	<p>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 Friday 13 October 2017</p> <p>The Minutes of the meeting were approved as a correct record of the meeting.</p>	
<p>4. Matters arising</p> <p>All actions were recorded as complete.</p>	
<p>5. Committee Minutes</p> <p>5.1 Audit and Risk Assurance Committee – meeting held on 29 November 2017</p> <p>LH reported on discussions at the recent Committee meeting, highlighting some of the key topics that had been discussed.</p> <p>The meeting had been held at Ballet Cymru, Newport.</p> <p><u>Radar Report</u> There had been a number of changes to aid understanding and interrogation of the information in the report.</p> <p>The Committee had welcomed the new format report.</p> <p><u>Grants Monitoring</u> The Director of Investment and Funding provided an informative presentation on grants monitoring process.</p> <p><u>Internal audit reports</u> LH reported that a suite of internal audit reports completed by Deloitte had been discussed.</p> <p>The committee will be holding a meet the staff session at its next meeting.</p>	
<p>5.2 HR and Remuneration Committee - meeting held on 6 November 2017</p> <p>MG provided a verbal report on this Committee meeting.</p> <p>The Committee discussed organisational change and reviewed management information summarising different aspects of the Arts Council’s HR management.</p> <p><u>360° Appraisal process</u> MWJ asked whether there had been further progress made on the introduction of the new appraisal process.</p>	

<p>DH informed Council that the Committee had raised concerns about the timing of a new process. The change would be a considerable adjustment from the current system, especially during a time of organisational change. Significant training would be required prior to roll out of a new process. MG agreed with NC. He said that the Committee remained committed to 360° Appraisal for senior managers, but felt that a thorough overhaul of Council’s overall Performance management/Appraisal process might yield greater benefits in the short term.</p> <p>MG reported that Deloitte with be conducting a culture change survey for staff.</p> <p>The report was noted.</p>	
<p>5.3 Capital Committee – meeting held on 1 December 2017</p> <p>AW reported on discussions at the recent Committee meeting.</p> <p>ROR had attended her first Committee meeting.</p> <p>The meeting was held at Theatr Felinfach and members had the opportunity for a tour of the venue to hear about some of its capital challenges.</p> <p>Council noted the grant decisions.</p> <p>The report and minutes of the meeting were noted.</p>	
<p>5.4 Welsh Language Monitoring Group – meeting held on 21 November 2017</p> <p>MWJ reported on discussions at the recent Committee meeting, highlighting some of the key topics that had been discussed.</p> <p>MWJ drew members attention to discussion at the Welsh Language Theatre Meeting. BM reported that the event had been very well attended and a paper highlighting the themes of the discussion will be presented to Council at a later date.</p> <p>The report was noted.</p>	
<p>5.5 Future Generations and Well Being Monitoring Group – meeting held on 3 November 2017</p> <p>MH reported on discussions at the recent Committee meeting, highlighting some of the key topics that had been discussed.</p>	

<p>DA informed the group about the Creative Conversations that would be taking place across Wales and had prepared a document outlining the purpose of the discussions and how it would inform the Corporate Plan.</p> <p>The report was noted.</p>	
<p>6. Chair's business 6.1 Chair's Report</p> <p>PG reported on recent events and matters.</p> <p>Council noted report.</p>	
<p>7. Chief Executive's business 7.1 Chief Executive's report</p> <p>The Chief Executive's report detailed recent meetings, events and performances that he had attended.</p> <p>The Chief Executive's report also included information on staff joining and leaving the Council since the last meeting.</p> <p>The report was noted.</p>	
<p>7.2 Implementation and Transition</p> <p>Since the Council last met, the new structure had been formally implemented and had now been operational for 3 months. Staff members have now all been deployed to continued or new posts. Most practical issues arising from the reorganisation had been addressed. However, staff capacity still remained an issue.</p> <p>SLT have been working closely with a change mentor. The internal communication strategy has also been revised. NC thanked ST and BM for their hard work and to MWJ for her input and support. A paper will be presented to Council with proposals.</p> <p>The report was noted</p>	BM
<p>8. Planning 8.1 Strategic Equality Plan 2017-21</p> <p>The paper with its Appendices provided an update on our performance</p>	

against the Strategic Equality Plan objectives for the period April – September 2017. Due to our recording period, and the timing for submission of information, the Arts Portfolio Wales data is for 2016/17.

The key points to note in the Arts Portfolio Wales (APW) data were:

Activity

The total number of events targeted at those within protected groups by APW in 2016/17 was 4,396 generating an attendance of 512,307.

There were 7,543 participatory sessions targeted at those within the protected characteristic groups. Attendance to these participatory sessions totalled 137,131.

Employment

There were 5,222 paid staff and volunteers within the Arts Portfolio Wales in 2016/17:

- 59% female and 41% Male
- 2% Disabled
- 3% BAME
- 3% Lesbian, Gay or Bisexual

- 14% Older people (50+)
- 4% Specific Religious Beliefs
- 1% Pregnant or on Maternity Leave

Boards of Management

There were 696 members of boards of management within the Arts Portfolio Wales in 2016/17:

- 43% Female and 57% Male
- 2% Disabled
- 1% BAME
- 5% Lesbian, Gay or Bisexual
- 54% Older people (50+)
- 4% Specific Religious Beliefs
- 1% Pregnant or on Maternity Leave

Based on the information provided, it would appear that a clear priority for the year should be addressing issues around Governance and Leadership.

RT felt the planning and performance monitoring still required some work but that at this stage it was proceeding well. Officers are conducting various pieces of work on diversity.

<p>RT reported that he had spoken at the Engage Conference at Hull which looked at Diversity. PG had also spoken at the Black History Month launch. Members suggested that we should consider holding another arts conference or seminar to raise the profile of diversity issues.</p> <p>Council noted the report.</p>	
<p>8.2 Corporate Plan/All Wales Creative Conversation</p> <p>DA provided a presentation on the emerging themes from the Creative Conversations.</p> <p>PG reported that the conversations had gone well.</p>	
<p>9. Presentation: Developing new audiences - CLASS The Elephant in the Room</p> <p>Rhiannon White, Artistic Director Common Wealth provided a presentation and showed a short film on the findings of the research conducted.</p> <p>Council thanked Rhiannon White for the insightful and challenging presentation and report.</p>	
<p>10. Financial reports</p> <p>10.1 Mid-year review 2017/18 and draft Budget 2018/19</p> <p>The mid-year review tracks spending in the first half of the year against our budget profile. It also draws some initial conclusions about rates of spend and where, potentially, we might face budget pressures during the remainder of the year. This analysis, carried out as at 31 October 2017, included the information normally contained in the monthly Financial Report.</p> <p>Budget managers had provided updates on current progress and their assessment of spending plans for the remainder of the year. This had been looked at carefully by the Senior Leadership Team, and on the basis of our analysis we recommend budget adjustments in some areas.</p> <p>The Welsh Government issued their draft budget proposals in early October 2017. The paper included details of the indicative position and provided appropriate confirmation of the proposed allocation of funds to Arts Portfolio Wales organisations.</p>	

Council was advised that a comprehensive EIA would be produced at the point in the budget setting process (March 2018) when the full budget was agreed.

GW

Council:

1. **Noted** the contents of the paper
2. **Approved** the grant-in-aid virements set out in section 3 (page 10)
3. **Approved** the proposed Lottery virements set out in section 3 (page 11)
4. **Approved** the proposed running cost virements set out in section 3 (page 12)

For the financial year 2018/19 Council:

1. **Noted** the Welsh Government's provisional allocation of **£31.582m** to the Arts Council of Wales (page 13)
2. **Noted** that we are estimating annual income of **£15.2m** from the National Lottery (page 14)
3. **Approved** funding allocations to the Arts Portfolio Wales of **£26.744m** grant-in-aid and **£1.932m** Lottery (pages 13 and 14) respectively.
4. **Noted** that detailed Strategic, Lottery and Running Costs budget proposals will be presented for Council's approval at our February 2018 meeting

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

RT declared an interest in the Ideas People Places programme.

In preparing the recommendations for 2018/19, Officers have taken account of four particular issues:

1. The performance of the Portfolio since our Investment Review decisions in 2015
2. Our scrutiny of Portfolio members' business plans
3. The information that is starting to emerge 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 2018/19. These include a welcome confirmation that the current level of funding will be maintained for the next two years (up to April 2020) and means that we will retain the 3.5% increase we received in 2016/17

Subject to Council's agreement of the overall budget for 2018/19, the recommendation was to maintain the current level of grant-in-aid funding to

the APW and keep Lottery funding for delegated APW organisations at current year's levels.

The paper set out the proposals for funding of each APW member (summarised in **Appendix 1**). Officers had also received two requests for an advance on next year's funding – Sherman Cymru and Mostyn. Details were contained in **Appendix 2**.

Council discussed the paper.

Council **approved** the APW funding recommendations for 2018/19 (as set out in the schedule attached as **Appendix 1** to the paper).

10.3 Funding recommendations

Decisions on lottery applications of £50,001 or more require Council approval. A total of 11 recommendations were presented in the paper.

The paper was in four principal sections:

1. Funding recommendations to our routine Lottery programmes.
2. A funding recommendation for Horizons/Gorwelion as part of our partnership with BBC Wales.
3. Funding for Wales Literature Exchange and Literature Across Frontiers
4. Funding decisions take under delegated authority

ID/Ref	Organisation	Request	Recommendation	Strand
20171452	Arts Migrations CIC, International Contemporary Arts in Wales: Season 12 & 13	£200,000	DEFER	Audience Development
20171426	Artichoke, PROCESSIONS	£70,000	£70,000	Taking Part

20171407	Eisteddfod Genedlaethol Cymru, Eisteddfod Genedlaethol Caerdydd 2018	£75,000	£75,000	Festivals
20171423	Green Man Trust Ltd, Green Man Festival 2018	£60,000	£60,000	Festivals
20171418	Hay Festival of Literature and the Arts Ltd, Writers at	£80,000	REJECT	Festivals

	Work at Hay Festival 2018			
2017050	Mid Wales Opera, <i>L'heure Espagnole/Tosca</i> tours - Ignite the Passion season	£91,285	£91,285 (following deferral)	Production
20171402	Swansea Festival of Music and the Arts Ltd, Swansea International Festival 2018	£70,000	£60,000	Festivals
20171464	Venue Cymru, Young Creatives, Families, Classical Music	£87,000	£87,000	Taking Part
20171112	Oriel Wrecsam, WE ARE OPEN: The Oriel Wrecsam People's Market Development	£120,000	£120,000 (following deferral)	Programme Support
		£853,285	£563,285	

Migrations

Council noted the decision panel's support for the quality of the organisation and the application. Nevertheless, there were inevitably some concerns around the principle of supporting a project of this kind and size – not least when Lottery budgets are severely stretched and declining.

Council concluded that Migrations is an organisation that presents a strong and persuasive case for support. Under normal circumstances a positive recommendation would have been approved. However, it was felt that a further conversation was needed with the applicant to explore a range of funding options that might make the company's plans more affordable. The application was therefore deferred.

Hay Festival

Council noted that Hay Festival is an internationally significant organisation of inarguable repute. It is an event that brings great credit to Wales and one that we have been pleased to support over many years.

Council queried the extent to which this particular application offered value for money whether the proposals satisfied overall additionality criterias (a key concern for Lottery funding).

Within the context of a very competitive funding round, the application as presented was significantly underdeveloped in comparison with other

<p>applications that we were being considered.</p> <p>It was therefore concluded that this application would be rejected and that officers would discuss the possibility of a re submission.</p> <p>Council:</p> <ul style="list-style-type: none"> - Agreed for officers to take forward an international resilience scoping work to explore longer term, sustainable investment for literary translation activity in the first part of 2018. - Agreed the funding of £110,00 to Horizons/Gorwelion as part of our partnership with BBC Wales. - Agreed the funding of £95,000 to Wales Literature Exchange and Literature Across Frontiers and noted that a further application would solicited from University of Aberystwyth for 2018/19. 	
<p>11. Date of the next meeting</p> <p>Friday 2 February 2017, tbc Swansea</p>	

Council meeting Friday 8 Decmber 2017: Summary of actions and decisions

Agenda item	Action/Decision	Responsibility
7.2	A paper will be presented to Council setting out proposals for a new approach to internal communications.	BM
10.1	An Equality Impact Assessment will be included as part of the final budget papers on 2018/19 spending (Council's March meeting).	GW