



Dr Phil George
Chair
Arts Council of Wales
Bute Place
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26 March 2019

Dear Phil,

I would like to start by congratulating you on another successful year for the Arts Council of Wales in 2018-19. Your achievements, included:

- the continued progress of *Creative Learning through the Arts*, including the National Creative Learning Festival and the showcasing of 32 schools at the Tate in London
- your continued success in extending Arts and Health initiatives, and the signing of a joint action plan with the Welsh NHS Confederation
- the hugely successful 'Year of Wales' at the Lorient Festival in August
- the launch of your International Strategy
- the opening of Tŷ Pawb as a community cultural centre in Wrexham
- the success of Horizons Live, exemplified by Alffa's success at becoming the first Welsh language act to hit 1million streams on Spotify
- the formal establishment of Anthem, the Music Endowment Fund for Wales.

I also commend the successes of the many organisations you supported during the past year, which have included:

- *Home, I'm Darling* and *The Assassination of Katie Hopkins* by Theatr Clwyd
- *Nyrsys* by Theatr Genedlaethol Cymru
- The Olivier Award for the Sherman Theatre
- Artes Mundi 8
- The BBC National Orchestra of Wales tour to China
- Hijinx Theatre's success in winning The Stage's International Award
- The National Dance Company's successful tour to Germany and Switzerland.

I look forward to work of this kind continuing, during the year to come and beyond.

You will be aware of the Welsh Government's desire to see partnerships with sponsored bodies moving towards a Term of Government remit. Within that context, I would like you to consider this letter as the basis for our relationship until the end of the current Term of Government in 2021.

I respect your charitable and Royal Charter status, and the need for the Arts Council of Wales to act independently on a day-to-day basis and in the individual funding decisions

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

that the Council takes. However, as a Welsh Government Sponsored Body, the Arts Council's aims should reflect Welsh Government policies. This letter sets out a number of priorities that I would like you to consider when preparing your Operational Plan for 2019-20 and in subsequent years.

Priorities

In addition to its core work, as laid out in its Charter, my priority areas for you in the next few years are set out in Annex 1. Annex 2 confirms the level of Grant-in-Aid funding that the Welsh Government will provide to you in 2019-20. Figures for 2020-21 and 2021-22 will be provided in due course.

The strategic context for our work in the years ahead is similar to 2018-19. Relevant Government strategies including 'Prosperity for All', 'Light springs through the dark', the Well-being of Future Generations (Wales) Act and our Economic Action Plan – all set out a clear framework for working that should be integrated into your Operational Plan.

An important recent development is the decision by my colleague Eluned Morgan, the Minister for International Relations and Welsh Language, to develop a new strategy for International Engagement. The Minister has made it clear that she expects the Arts Council, through the work of its international team Wales Arts International, to play an important part in the development of this strategy. Whatever the outcome of the negotiations over the UK's departure from the European Union, Wales will not turn its back on the world and on our closest neighbours in the EU. In this context, the arts sector has a key role in helping to promote Wales, and in generating new economic and cultural opportunities.

I also note the renewed emphasis in your Corporate Plan '*For the Benefit of All*' on equalities and the importance of reaching and engaging a wider constituency with your work, whether that be as audiences or participants. I welcome this commitment. Like you, we feel that too many communities in Wales are prevented from enjoying and taking part in the arts. Within the context of the Future Generations legislation, I would expect that your approach to inclusive engagement and participation is specific and clear.

These themes should be reflected within your draft Operational Plan, which the Welsh Government should receive from you as soon as possible, in order for the relevant goals, targets and performance indicators within the plan to be approved.

I believe that we have successfully established a positive relationship based on mutual trust and respect, and open and honest communication. I look forward to this continuing and to learning more from your Operational Plan about your work in the years ahead.

Yours sincerely,



Yr Arglwydd Elis-Thomas AC/AM

Y Dirprwy Weinidog Diwylliant, Chwaraeon a Thwristiaeth
Deputy Minister for Culture, Sport and Tourism

Annex 1: Key Deliverables

1. United and Connected

“Our aim is to build a nation where people take pride in their communities, in the Welsh identity and language, and our place in the world.”

Our cultural institutions have the ability to help and empower people from all backgrounds to participate in cultural life, and to support the creation of cohesive communities. I would like the Arts Council to:

- Continue to ensure that our investment enables even more people to actively participate in the arts, and tackle the barriers that inhibit this.
- Continue to support open access to cultural opportunities for young people.
- Continue to encourage and grow the arts sector’s involvement in ‘*Fusion*’ *Creating opportunities through culture*, and if possible, support us to enhance the scale and reach of this programme.
- Encourage local authorities to maintain their support for local arts services, projects and venues, and for national initiatives like the national youth ensembles.
- Continue to develop and promote the arts in and through the Welsh language.
- Promote the role of the arts in supporting place-based regeneration, including opportunities to support major projects such as the Cardiff Capital and Swansea Bay city regions.

The Arts Council has a key role in helping Wales to become a more creatively active nation, by providing access to cultural opportunities for people from all backgrounds. I would like you to:

- Encourage and increase participation in arts activities from the broadest range of diverse audiences, and encourage arts organisations to increase the level of engagement in their work by minority communities and by disadvantaged groups.
- Support the ongoing feasibility work into the possible creation of a National Gallery for Contemporary Art.
- Continue to advocate for local authorities to support music education, and where possible help to deliver the recommendations of the "*Hitting The Right Note: Inquiry Into Funding For And Access To Music Education*."

The Arts Council also has an important role to play in showcasing our vibrant culture and language to an international audience, and in helping the arts sector to develop new markets. I would like you to:

- Work with arts and international relations officials to inform the new Welsh Government strategy for International Engagement, in particular on ways in which the arts sector can help to promote Wales, and exploit economic opportunities overseas.

- Maintain and develop your existing international links, including those within the EU and in India; helping us to ensure that Wales is properly represented in relevant UK-wide cultural initiatives overseas.
- Continue to support the implementation of the Welsh Government's cultural memorandum of understanding with China
- Contribute to UNESCO Year of Indigenous Languages

2. Ambitious and Learning

“Our aim is to instil in everyone a passion to learn throughout their lives”

Cultural institutions can widen people's horizons and lift their aspirations, offering both formal and informal learning opportunities. You have an important role in supporting young people to make the most of their potential and to encourage 'learning for life'. I would like you to:

- Support young people to make the most of their potential and encourage learning for life, by continuing to lead the successful *Creative Learning through the Arts* initiative, and by helping to develop the new Curriculum for Wales, in particular the 'Expressive Arts' Area of Learning and Experience (AoLE).
- Continue to support the development of 'Anthem – Music Fund Wales', to help this new organisation to become fully effective.

Prosperous and Secure

“Our aim is a Welsh economy which delivers individual and national prosperity while spreading opportunity and tackling inequality...”

The arts have a significant role to play in supporting people and businesses to drive prosperity. Therefore I would encourage you to work with other organisations, including Careers Wales and Creative and Cultural Skills to improve career pathways and address specialist skills requirements within the arts sector. I would like you to:

- Abide by the principles within our *Economic Contract*, of inclusive growth, fair work, health and skills in the workplace and the management of carbon footprints. The Economic Contract forms part of our Economic Action Plan, and is an important means through which we will deliver public investment with a social purpose.
- Collaborate with relevant partners to promote the careers available in the arts, and to develop more apprenticeships, traineeships and mentoring opportunities.
- Continue to develop 'Resilience' and other tailored advice services, to help your revenue clients, and if possible others, to improve their business and marketing skills, and good practice in governance.
- Continue work to increase funding from external sources to reduce the arts sector's reliance on public subsidy, including Welsh Government Grant-in-Aid. As part of this, work with Welsh Government officials and other partners to implement the recommendations within the National Assembly's Inquiry report on '*Non-public funding of the arts*'.

Healthy and Active

“Our aim is to improve health and wellbeing in Wales, for individuals, families and communities... and to shift our approach from wellbeing to prevention”.

The arts sector can support wider efforts to create the right conditions for better health, wellbeing and greater physical activity and increase social inclusion by offering opportunities for older people and people with physical and mental health conditions to engage in cultural activities. I would like you to:

- Build on the Arts in Health in Wales Mapping Study, by working in partnership with Welsh Government, Public Health Wales, the NHS Confederation and the arts sector to (i) improve the evidence base for ‘arts in health’ interventions, and (ii) scale-up those interventions that are proven to be effective in improving people’s health and wellbeing.
- Contribute towards the cross-cutting priority of ‘better mental health’ by supporting Welsh Government and Health Boards with social prescribing and other relevant initiatives.

Annex 2: Financial support

The Welsh Government will provide the following Grant-in-Aid funding to the Arts Council of Wales in 2019-20 to deliver the priorities outlined in this letter. Planned figures are also provided for 2020-21(Capital only). Funding levels for future years will be confirmed during the Welsh Government's usual annual Budget process.

Expenditure

THE ARTS COUNCIL	Budget 2019-20 £'000	Plan 2020-21 £'000
Revenue - Current Expenditure / Running Costs	31,227	-
Non Cash - Depreciation*	119	-
Capital Expenditure**	355	355
Total	31,701	355

The breakdown between expenditure and running costs is to be confirmed.

* This is a non cash item and is not available for draw down in the course of the year

** Ring-fenced within Capital Expenditure: £300,000 for the Wales Millennium Centre

TOTAL Grant-In-Aid 2019/20

£31,701,000

Terms and Conditions of Grant-in-Aid funding:

The Arts Council of Wales' funding agreement with the Welsh Government (the Framework Document) sets out the details of the sponsorship relationship and the terms and conditions under which the Welsh Government provides Grant-in-Aid funding to the Arts Council as a Welsh Government Sponsored Body. Grant-in-Aid funding is provided to the Arts Council under Section 61 of the Government of Wales Act 2006.

The Framework Document also sets out various operational requirements and refers to government guidance and policies with which the Arts Council of Wales needs to comply, in addition to its own duties and responsibilities as a Charter body, Registered Charity and public institution in Wales. As stated in the Framework Document, the Welsh Government's Culture, Sport and Tourism Departments (Arts Branch) is the sponsor department for the Arts Council of Wales and monitors its progress against key targets and milestones through quarterly meetings.