



National Youth Arts Wales (Image: Kirsten McTernan)

# Building a more resilient Arts Council of Wales

## New ways of working

June 2017

---



Arts Council of Wales is committed to making information available in large print, braille, audio and British Sign Language and will endeavour to provide information in languages other than Welsh or English on request.

Arts Council of Wales operates an [Equal Opportunities Policy](#).

---

## Foreword



*Roald Dahl's City of the Unexpected. Wales Millennium Centre and National Theatre Wales (image: Geoff Caddick)*

The public rightly demands that the institutions they fund are efficient and cost effective. The Arts Council of Wales distributes public funding. So while we must first of all demonstrate the public benefit that our work delivers, and the difference we're making to the quality of the arts in Wales, we must also show that we deliver value for money for the Welsh taxpayer.

However, as the arts sector knows only too well, we are operating in a challenging time for the public funding of the arts. In the period from 2000, a decade first of sustained public and Lottery investment in our cultural life was followed by five years of funding cuts.

In the face of the continuing pressure on public funds, we believe that as much money as possible should go directly to the arts. That's why, over the past year, we've been carrying out an Organisational Review. We set out with the intention of reducing our running costs and we've achieved this. As we implement this most recent change to our organisational structure, we'll have cut our staff numbers over five years by around 25%. It's been a challenging process for our hard-working and committed staff, but it's been the right thing to do in these difficult times.

But as we've attended to our internal re-organisation, we've not lost sight of what really matters – supporting and developing the arts to be the best that they can be, persuading more people to enjoy and take part in them. We remain passionate champions of the arts – first-rate in our delivery, but more sustainable in our costs.



Much of our future approach and staffing structure will be familiar. There'll be no dramatic changes of direction or abandonment of key services. Arts expertise will, as always, be at the heart of our organisation, and we'll continue to have staff based in Arts Council offices across Wales. But with fewer staff you'll see us bringing a tighter focus to our work, reflecting the emphasis that Council wishes to give to those areas of the arts that we're now identifying as particular priorities.

The big message here is that we'll need to develop an even more powerful collaboration between the Arts Council, the organisations and artists we support, and our other stakeholders. It's absolutely clear, given the financial constraints and the reductions in our own staff numbers, that future growth and development in the arts cannot be solely dependent on our capacity alone to achieve it.

Enhancing the impact and reach of the arts will depend on how we make use of existing relationships and networks, or build new ones. So in the coming months you'll see a lot more of us – Council members and staff – as we get out and about across Wales to discuss with you the challenges that we believe we all now face.

It's important that this dialogue happens frankly and openly. As public funding shrinks in real terms, we're going to have to re-double our efforts to convince Government of the value of investing in creative activity. The Welsh Government has shown that it's prepared to listen. But even if we win the argument, we're still going to have to face tough choices in the near future about what precisely we can afford to support.

Plenty of challenges lie ahead for us all. Yet if we work together, to a shared agenda, I'm convinced that we can continue to enable the arts in Wales to grow and thrive. That's why we're making these changes and reforming the way we work. We explain here how we intend to move forward. We hope we can count on your involvement and your support.



Phil George, Chair  
June 2017



## Setting the scene

Continuing financial pressures have required us to look at the costs of running our organisation.

The last five years has seen a reduction in the real terms value of the funding that we receive from the Welsh Government. This has been compounded by a significant decline in income from the National Lottery.

Each year, the inflationary pressures that impact on our running costs have squeezed budgets even further. We therefore had two choices: cut arts funding to cover our own costs; or, reduce our own operational costs to protect direct arts investment. Council chose the latter.

As it considered how to achieve savings, Council agreed five outcomes.

1. Achieving a saving to our running costs of at least £600,000 per annum in the future
2. Improving those areas of our work where we need to be better
3. Focusing our priorities and simplifying our administrative processes
4. Identifying an organisational model that could respond quickly, and flexibly, to an unpredictable funding context
5. Minimising, if possible, the need for compulsory redundancies within our staff team by seeking savings in other cost areas

As a result of the changes we're making, our staff team will be smaller.

We'll be losing the equivalent of just over 8 full-time staff posts. This means that we'll have to reconfigure how we deploy staff to focus on our priorities. We have a track record of achievement in advancing the arts in Wales. But we'll need to be realistic about the amount of work we can take on whilst still maintaining the high quality that you'd expect to see. Sadly, we won't in the future be able to respond to every request or good idea presented to us.

In spite of the financially driven changes, Council wants to protect, as far as we're able to, our core areas of work.

The changes that we're proposing are carefully targeted. We're planning some adjustments to the way we work and looking for an improvement in how we manage specific aspects of our work. This is explained in more detail later in this document.

We recognise the needs of our stakeholders and partners.

The arts change and evolve, as does the world around us. Our activities must reflect this, and what we do should continue to meet the expectations, as best we can, of those who we work with.

Of our principal stakeholders:

- the **Welsh Government** expects us to reflect its social, economic and cultural priorities. The Government's culture statement *Light Springs through the Dark* demonstrates that there's virtually no aspect of Government policy that need be untouched by arts and creativity. And our support for the Welsh Government's Well-being of Future Generations legislation reflects our particular responsibility in helping to build a better, sustainable and more equal Wales
- **artists and arts organisations** expect us to be informed and knowledgeable about the arts, offering advice, expertise and funding that helps them to develop
- our **partners** in the public, private and third sectors expect us to work with them to find the common ground that enables the potential of the arts to deliver a range of public services and to be shared in new ways with new audiences
- **the public** expects us to fund and encourage high quality arts activity across Wales which is inspiring, exciting, and engaging

Striving to meet these expectations is reflected in our mission

“Making the arts central to the life and well-being of the nation”.



BLAS – Pontio's Youth Programme (image: Iolo Penri)

Our principal activities are set out within the framework of our three strategic objectives – **Make:** **Reach:** **Sustain.**

MAKE	REACH	SUSTAIN
Developing talent and creativity	Encouraging more people to enjoy and take part in the arts	Enabling a dynamic and entrepreneurial arts sector
Identifying and nurturing talent  Investing in the creation of art  Encouraging choice and diversity  Enabling innovation  Assessing quality	Promoting equal and fair access  Removing the barriers that prevent engagement  Tackling cultural poverty  Growing and widening audiences  Expanding reach	Building resilience  Growing new markets, at home and abroad  Understanding the impact of our investment  Promoting the value of the arts  Developing networks

## What this means for our work

Our [Operational Plan](#) for 2017/18 sets out our programme of work for the year.

Within our overall programme of activity, we're placing particular emphasis on three aspects of our work. Two are outward-facing, the other is specific to the Arts Council itself.

They are:

1. **Access and Equality** – we want to do more to ensure that opportunities to enjoy and take part in the arts are open to all. Too many communities, and places, still face unacceptable barriers that impede their access to the arts. We want to see a more equal Wales in which high quality arts activities are more widely available, creating the kind of fair and equitable access to the arts that public funding demands.

Our research shows the arts across Wales are currently reaching a small cross-section of the public. The gap is especially striking in the shockingly low number of disabled people and those from Black and Minority Ethnic backgrounds employed by or evident on the boards of management of publicly funded organisations. Council has stated its firm intention that this should change. The arts should lead by example and be more ambitious in its intent.

2. **Resilience of the arts sector** – if artists and arts organisations are to thrive, they'll need to build their resilience and capability. If the arts fail to realise their full potential, this will be bad for the arts, bad for audiences and represent poor value for public funding. We believe fundamentally in the importance of public investment in the arts. However, in times of economic austerity we can't ignore the wider realities and we must help the sector to become more durable and resilient.

The arts in Wales will need strong, entrepreneurial leadership. This means building a sector that is imaginative, innovative and able to capitalise on its public investment – generating income, exploiting technology, developing new international markets. The best artists and arts organisations do this, so we want to help as many as we can to reach the standard of the best. The Arts Council's Resilience programme is designed to address these issues. It will be an important focus of our relationship with members of the Arts Portfolio Wales in the months ahead.

3. **Resilience of the Arts Council** – the Arts Council itself needs to enhance its own resilience and capability. We'll continue to offer a range of high quality arts development services. For the most part, these services will be provided by our in-house team of arts specialists. However, we won't be afraid to enhance that knowledge, if circumstances require, by looking beyond our core staff and working with external partners who can help us to achieve our goals.





NIMBA (image: Roy Campbell-Moore)

## Simplifying the way we work

### With fewer staff we must work differently

Over many years the Arts Council has saved money by simplifying processes, reducing staff numbers and making better use of technology. We're doing this again now.

Arts development, advice, information and funding remain our key services. However, we're kicking off our commitment to simplification by making some changes in three specific areas of our work:

1. The relationship with our Arts Portfolio Wales
2. The relationship with our local authority partners
3. Funding and grants management

### The Arts Portfolio Wales

Our Arts Portfolio Wales (APW) are the vital 'pins on the map' that provide a focal point for local activity bringing the arts within reach of a wider population. Supporting this portfolio of revenue-funded organisations – enabling them to make the best work that they can – will continue to be at the core of our work. But with fewer staff we intend to reduce administrative burdens by working differently with the Portfolio.



*Macbeth*, Theatr Genedlaethol Cymru, Caerphilly Castle (image: Mark Douet)

We're not a regulator of the arts sector, although we have a responsibility for public funds. We should be advocate, enabler, supporter, developer, critical friend – but not policeman. We shouldn't become so pre-occupied with process that we give insufficient attention to organisations' needs and aspirations.

The basics of our relationship will remain unchanged.

We'll continue to meet with you, attend board meetings and see work. We'll continue to monitor how well you're doing, financially and artistically. And the process of negotiating funding agreements remains the same. All APW organisations will continue to have a named 'lead officer' and we'll be writing separately in a few weeks' time to confirm who this will be.

There are other things that we do want to do differently.

Focus group consultation with members of the Portfolio has persuaded us to move away from reliance on Annual Review Meetings and to shift our attention to other aspects of our relationship. Annual Review Meetings absorb a significant amount of officer time. We're not convinced that this is now the best use of limited time and we want to focus instead on organisations' business plans.

The business plans is, in effect, an organisation's operating manual. It should be the key planning document around which our discussions take place. The framework offered by our new Resilience programme also offers an ideal basis for working in partnership with the Portfolio itself to diagnose business needs and find appropriate solutions working with a mix of in-house and external technical expertise.

## Local authorities

Local authorities are not the only organisations who work together with us to fund the arts in Wales. However, they are our most constant and important strategic partners.

Current relationships across the public sector are complex – and becoming more so. It's not just about Arts Services (where these exist) but also about our links forged with Education, Regeneration, Leisure teams, Chief Executives and Executive Members and the newly developing Public Service Boards. We need to be flexible enough to be able to respond to pressing issues across local government and to focus time and energy where it's most needed.

We'll continue to work with local authorities nationally, regionally and locally. We also want to ensure that the arts are fully integrated into the work of the Public Service Boards. Each individual local authority will have a defined relationship with us and a designated 'lead officer'. All authorities can expect to receive a 'universal' service, providing access to advice and information about the arts and about arts funding opportunities. They would receive

our newsletters and be invited as a matter of course to our conferences and seminars. We would also develop joint arrangements for funding and monitoring any Arts Portfolio Wales organisations in which we have a dual interest.

A smaller number of local authorities are considering attaching a higher priority in the future to the arts. This could be because the local infrastructure is weak and under-developed; or alternatively, it could be because an authority has aspirations to develop a more ambitious programme of activity. In this rapidly evolving landscape of organisational change, city deals, city regions, geographically focused task forces, all offer potential opportunities for the arts. We'll be seeking the most effective engagement we can with those authorities who have ambitions to grow, set out in a specific memorandum or partnership agreement.

### Funding and grants management

We spend a lot of time processing, assessing and monitoring funding applications. We've made good progress in recent years in simplifying processes and extending the range of our on-line services. We now need to go further.

During the current year we're reviewing all our funding programmes. We want to reduce the number of schemes and to simplify application processes where we can. New arrangements will be in place for 2018/19.

Simplification always helps. However, there are pressing financial reasons for looking carefully at how we fund creative activity.

Income from the National Lottery provides the money for our open-to-application funding programmes. However, funding from the National Lottery is in decline. In 2016/17 we received an income of approximately £16.15m against forecasts at the start of the year of £18.0m. (As a basis for comparison, income in 2015/16 was £19.38m.) We don't currently see any prospect of immediate improvement. Indeed, recent guidance from the Department of Culture, Media and Sport has provided us with a range of possible income projections for 2017/18 – from £12.95m to £16.30m, with the mid-point between the two being £15.17m. Funding at this level would lead to a significant reduction in the amount of activity we'd be able to support, and we need to plan for a range of funding scenarios. We know that many individuals and organisations look to our Lottery programmes to develop and grow their work. We will provide regular information about funding prospects and will keep in touch as we monitor Lottery income throughout the year.



## What happens next?

We'll be implementing the changes to our staff structure from 1 September 2017.

Although that's still a few months away, you can expect to receive more information over the coming weeks about the changes we're introducing and how we're organising our staff team. For Portfolio organisations and local authorities, we'll be writing to you individually to explain who from within our team will be your day-to-day contact. Other than that we intend to maintain continuity of service as we introduce a managed process of change. However, in some areas we'll need time to complete the transition and to work out the fine detail of who will be responsible for which areas of our work. We're almost there and will be providing more information next month about precisely who does what.

As we plan for the future, we have the opportunity to take a fresh look at our relationships with stakeholders, partners and the public. So to some extent 2017/18 becomes an interim year – one in which the way we work is tested and developed.

An important part of this will be talking to you about how we work in the future.

Later in the year we're going to be embarking on what, for the moment, we're calling our "All-Wales Creative Conversation". We feel that this is an important moment to be finding out more from people across Wales about what they expect from the arts and in particular what they expect from us. It's a conversation that's needed both in places familiar with the arts and those less so. It needs to range broadly and be engaging. Our goal will be to embrace our key stakeholder groups – members of the public, the arts community, a range of public agencies and Arts Council members and staff.

We hope that the process of conversation and debate will generate fresh insights into the opportunities and challenges of increasing public engagement with the arts. We'll learn a lot from the process. We want to ensure that we continue to serve all our stakeholders to the best of our ability and to help you feel more connected to us and our work. This will be fundamental to the Arts Council we want – outward-looking, responsive and transparent, working with the sector itself to make the arts central to the well-being and lives of the people of Wales.

Finally... let us know what you think.

If you'd like to ask questions or discuss the contents of this document, please contact our Chief Executive, Nick Capaldi at:

[nick.capaldi@arts.wales](mailto:nick.capaldi@arts.wales)

or by writing to him at:

Arts Council of Wales

Bute Place

Cardiff CF10 5AL

## Appendix 1: our arts development services

Prior to the move to our new staff structure on 1 September, we'll be publishing more detailed information about staff roles and responsibilities. In the meantime, we summarise below our key arts development services.

### Arts expertise

Through our Council, staff and National Advisers we have the largest concentration of specialist arts knowledge in Wales. Our staff have expertise across a wide range of arts practice – they understand how the arts are developed, and how organisations and artists develop and grow their work. We'll be publishing further information, in due course, about how this expertise is organised.

Within our Arts Development team, our specialist arts staff work together on projects that nurture and develop talent. Arts development depends on creating a supportive environment in which artists and arts organisations are more likely to prosper. Working towards this goal is a significant part of our work.

Each organisation in our revenue-funded Arts Portfolio Wales will continue to have a designated lead officer, as will each of our 22 local authority funding partners. Our lead officers provide the day to day point of contact, working with colleagues across the Arts Council to ensure that we provide the services that are needed.

### Funding and investment

We support and develop creative talent, using the funding available to us to create more opportunities for people to enjoy and take part in the arts. Through applications to our Lottery funding programmes we're able to invest in projects that develop new arts activity, supporting individuals, communities and organisations

### Information and advice

We're the national centre of a network of information and intelligence about the arts in Wales. We also have strong international links, connecting to networks in Europe and beyond. We'll continue to offer guidance and support to those wishing to apply for funding.

### Partnership working

Our staff work with a wide range of partners across the public and private sector, widening the influence of the arts into the activities of other organisations. From local authorities to housing associations, the BBC to S4C, Cadw to the National Trust, a key part of our work is encouraging other organisations to support the arts.

## Creative Learning through the Arts

Our Creative Learning programme is the anchor point for our work with children and young people. Now in its third year of five, this innovative joint project with the Welsh Government will, during 2017/18, achieve a presence in over 500 schools (a third of schools across Wales). Creative Learning has a particular focus on using creative techniques to boost standards in literacy and numeracy. But the project is also providing the bridge head into wider activities that promote young people's skills and creativity, providing opportunities for them to enjoy and take part in the arts.

## Arts & Health

A growing amount of academic research has demonstrated the positive impact that engaging with creative activity and the arts can have on health and well-being. By supplementing medicine and care the arts can improve the health of people who experience mental or physical health problems.

Well-being, in its widest sense, is a key outcome of arts and cultural activity. Creativity, culture and the arts can help to build a sense of community and cohesion, and individual and community well-being. They are a powerful force in the development of improved public health. Our priority during 2017/18 will be to work with Welsh Government colleagues and other stakeholders to identify appropriate points of contact around joint areas of work. We will do this through carefully targeted research.

## Night Out

Our popular Night Out scheme works with local voluntary groups to bring high quality arts to heart of their communities. The Night Out team advises on programming and promotion, and can offer financial assistance to help cushion the risk of promoting public performances. Each year over 500 shows are booked through the scheme by nearly 350 different community groups across Wales. The Night Out team also runs our Young Promoter's scheme, working with children and young people to provide performances in their school.

## Collectorplan

Collectorplan is an interest free credit service that helps people to buy contemporary art and craft in Wales. Over 50 galleries participate in the scheme which assists the purchase of original work by living artists. In 2016/17 the scheme supported over £1m of sales.

## Wales Arts International

We support a wide range of international activity, reflecting the importance that we attach to this work. We create opportunities to explore and develop new international contexts and markets for art from Wales as well as compiling information and intelligence on international opportunities. The Welsh Government has recently put renewed emphasis on the importance of international working for social, cultural, and economic reasons. We are organising ourselves to meet such opportunities and challenges, matching the resources that we have to the international possibilities that are unfolding. Wales Arts International (WAI) the international arm of the Arts Council, leads on the delivery of strategic developmental projects and international networks. Working closely with the Welsh Government and British Council, WAI will have a particular focus in 2017/18 on developments in two countries: China and India. We'll continue our International Opportunities Fund and provide intelligence on European partnerships and network opportunities. We also work with the Welsh Government to provide information on European funding opportunities through the Government based Creative Europe Desk.

## Advocacy

We influence planners and decision-makers. The arts take place in many different settings. They can have a dramatic impact on the quality of people's lives, and the places in which they live and work.

The arts are also frequently at the heart of initiatives for economic and social regeneration. Our job is to ensure that the contribution that the arts can make is recognised, valued and celebrated.

We raise the profile of the arts in Wales, at home and abroad. We're the national voice for the arts in Wales, making sure that people are aware of the quality, value and importance of the country's artists and arts organisations.

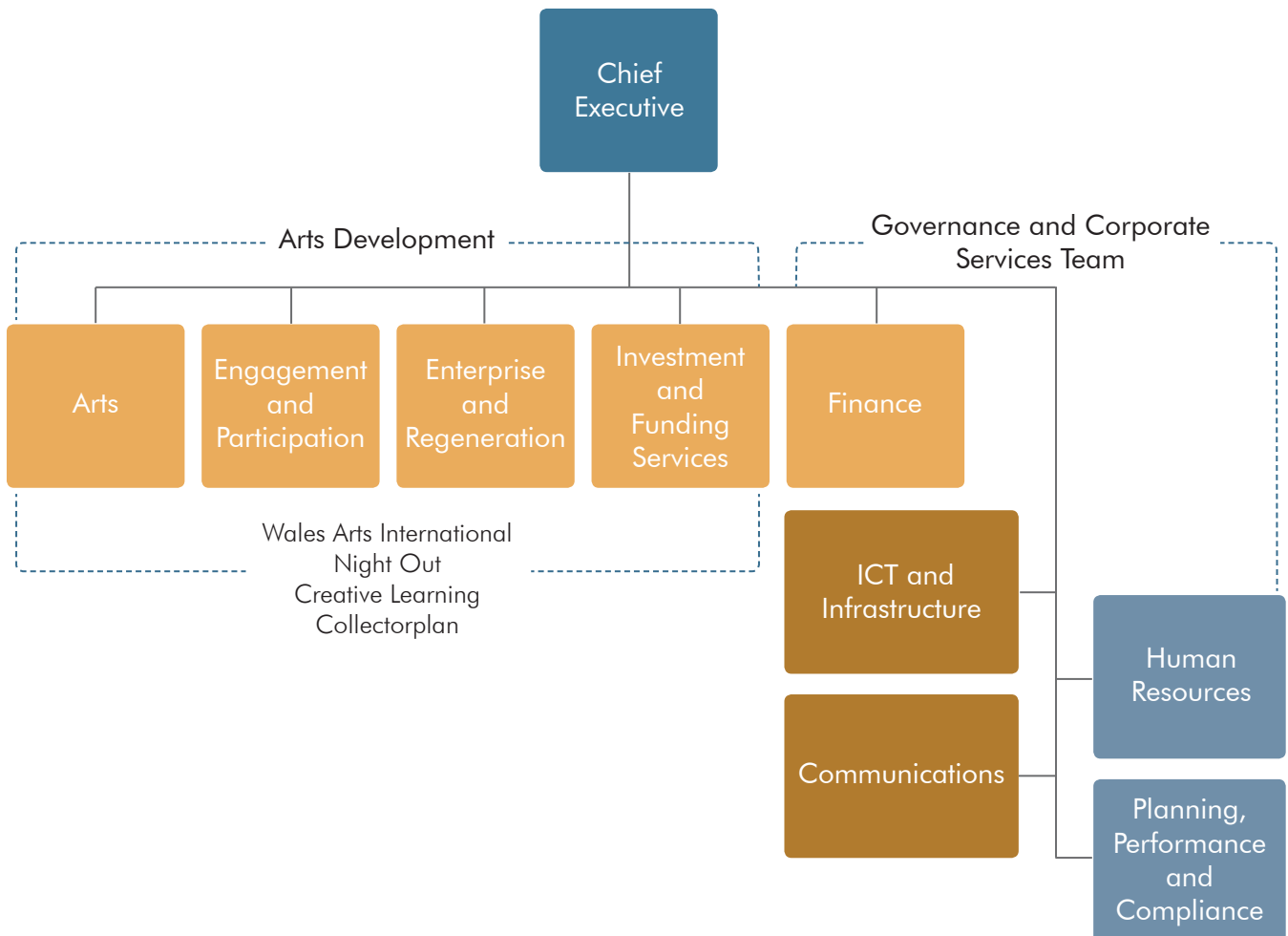


## Appendix 2: our structure

Our revised staffing structure becomes operational from 1 September 2017. It will look largely familiar, with our staff organised across two teams:

- Arts Development
- Governance and Corporate Services

Nearer the launch date we'll be posting more detailed information on our website setting out more specific areas of responsibility. A number of staff will be leaving us and we will be explaining how this work will be managed in the future. In the meantime, we set out below the overall structure and approach to the deployment of staff.





Cyngor Celfyddydau Cymru  
Arts Council of Wales

[www.arts.wales](http://www.arts.wales)