



Cynulliad National  
Cenedlaethol Assembly for  
Cymru Wales

## **The Petitions Committee**

### **Completion Report**

**Summary of the Petitions Committee's consideration of  
P-03-139 Wyese Arts Centre**

**October 2008**

**Petition Received**

May 2008

**Ruled Admissible**

May 2008

**Initial Consideration****25 June 2008**

The Committee gave initial consideration to the petition and agreed to invite the petitioners to give evidence at its meeting on 23 July

(See Annex 1 for the relevant extract from the transcript of the meeting on 25 June 2008)

**Further Consideration****23 July 2008**

The Committee took evidence from the petitioners and agreed to:

- Invite the Arts Council to give evidence at a future meeting
- Write to the Minister for Heritage

(See Annex 1 for the relevant extract from the transcript of the meeting on 23 July 2008, and Annex 2 for the letter sent by the Chair to the Minister for Heritage)

**2 October 2008**

The Committee took evidence from the Arts Council and considered a response from the Minister for Heritage, and agreed to:

- Write to the Minister for Heritage regarding issues surrounding three-year funding
- Close the petition as it felt unable to progress it any further

(See Annex 1 for the relevant extract from the transcript of the meeting on 2 October 2008, Annex 2 for the response from the Minister for Heritage and subsequent letter sent, and Annex 3 for the written submission received from the Arts Council)

**Petitions Clerk**

**October 2008**

## Annex 1

## **Extracts from Petitions Committee meetings**

**25 June 2008**

**Val Lloyd:** The fourth one is P-03-139 on Wyeside Arts Centre. We are asked to, 'request that the Minister for Heritage... does everything in his power to ensure the survival of this much-praised, highly valued, rural arts centre.'

**Kirsty Williams:** I declare an interest, as Wyeside is in the constituency of Brecon and Radnorshire. I have met the trustees at Wyeside to give them information and advice on the Petitions Committee's procedures. I would like that to be put on the record.

**Val Lloyd:** Thank you.

We could write to the Minister, could we not? Or we could—

**Andrew R.T. Davies:** As we are going to the Royal Welsh Show, it makes sense to take evidence about this petition there, given the local nature of it.

**Val Lloyd:** That would be convenient for the petitioners. How many petitions have we so far for the Royal Welsh? How many are we intending to deal with?

**Mr Sanchez:** Do you mean in terms of evidence sessions?

**Val Lloyd:** Yes.

**Mr Sanchez:** We are intending to deal with two.

**Val Lloyd:** We already have two, so this would be the third.

**Mr Sanchez:** Sorry, this would be the second.

**Val Lloyd:** That is fine. I believe that we are planning to take no more than three.

**Andrew R.T. Davies:** I propose that we take this one at the showground then, because there will be local interest.

**Val Lloyd:** Yes, it will attract a lot of interest.

**Kirsty Williams:** I draw Members' attention to paragraph 5 of the supporting paper, where the trustees extend an invitation to visit Wyeside centre. Given that it is only 400 yd from the showground, Members might like a brief tour of the facilities that are on offer there. I am sure that they would be very pleased to see you there.

**Val Lloyd:** That is a sensible idea. Thank you, Kirsty.

**Andrew R.T. Davies:** What time is our meeting?

**Val Lloyd:** It is in the afternoon.

**Andrew R.T. Davies:** Is it 2 p.m.? Perhaps we could tour it before the meeting.

**Val Lloyd:** I think that that is the idea, really. We will not be able to do it during the meeting, will we?

**Kirsty Williams:** It is in walking distance from the showground, so once you have parked, it is only a matter of walking up to 500 yd.

**Andrew R.T. Davies:** I suggest that we have an informal tour at, say, midday.

**Val Lloyd:** I was going to suggest 11.30 a.m., but there is no point in splitting hairs.

**Andrew R.T. Davies:** How long would it take to go around it—about an hour?

**Kirsty Williams:** I would not have thought that it would be more than an hour.

**Andrew R.T. Davies:** And then we can go back up for a bit of lunch and then go on to the committee.

**Val Lloyd:** I was thinking of lunch, which is why I suggested 11.30 a.m..

**Mr Sanchez:** So, we will ask the centre to arrange the visit for 11.30 a.m..

**Val Lloyd:** Thank you. Right, that is Wyeside dealt with, and the Welsh language daily newspaper petitioners are coming in.

### **23 July 2008**

**Alun Davies:** I understand that the petitioners for this item are Peter Cox, Guy Roderick and Sybil Crouch.

Diolch am eich amser y prynhawn yma.  
Mae'n flin gennyf am y trac sain sydd yn y  
cefnidir; drwy ddefnyddio'r clustffonau,  
gallwch glywed yr hyn sy'n cael ei  
ddweud.

Thank you for your time this afternoon.  
I apologise for the soundtrack that is  
going on in the background; if you use  
the headsets, you will be able to hear  
what is being said.

Mae'r pwyllgor wedi cael cyfle i edrych ar  
eich deiseb ac i'w thrafod. Hoffwn ofyn i  
chi ei thrafod gyda ni am dua 10 munud  
ac i gyflwyno'r dadleuon sydd gennych,  
eich syniadau, a'r ffeithiau yr ydych am i ni  
eu hystyried. Gofynnaf i chi wneud  
sylwadau agoriadol, ac wedyn bydd cyfle i  
Aelodau ofyn cwestiynau i chi.

The committee has had an opportunity  
to look at your petition and to discuss  
it. I would like to ask you to discuss it  
with us for about 10 minutes, and to  
present your arguments, ideas, and  
the facts that you want us to consider.  
I ask you to make some introductory  
remarks, and then Members will have  
the opportunity to ask you questions.

**Mr Cox:** My name is Peter Cox, and I am vice-chair of the trustees of Wyeside Arts Centre. On my left is Sybil Crouch, who will also be speaking today. Sybil is head of cultural services at Swansea University, and she was chair of the Arts Council of Wales from 1999 to 2003. She is also currently vice-chair of the Film Agency for Wales and director of Taliesin Arts Centre. On Sybil's left is Guy Roderick, who is the chief executive officer of Wyeside Arts Centre, and he is also our artistic director.

We have not invited an Assembly Member to speak on our behalf today. We think that Members have already made their points very publicly, and they are on record. We did not want this petition to be seen as singling out any particular Member or party for preferential purposes. It is very much a cross-party issue. Guy will start us off.

**Mr Roderick:** I will cover the basic history of Wyeside Arts Centre. It was established 30 years ago this December, with the specific intent of bringing high-quality art within the scope of this rural community and, in particular, to offer the young people of the town and of mid Wales a cultural experience. That is still an ethos that Wyeside aspires to today.

Wyeside was a visionary inception by two people: Elizabeth Pugh, who owned the building, and Donald Jones, a solicitor. It was groundbreaking at the time, and it has influenced the inception of other arts centres throughout Wales and across the border. For the first 20 years, Wyeside undertook a very broad programme of activity, including vibrant and thriving community arts-based activities that encouraged participation in a range of arts. Wyeside is also home to Wales's longest-running cinema, which was opened at the venue in 1911 and has been screening films there ever since.

Over 10 years ago, Wyeside was obliged to address the debts that it had inherited when it first opened, and which exceeded £100,000. There was a strong, business-like attitude towards addressing these debts, and in partnership with the arts council and Powys County Council, a strategy was implemented to enable Wyeside to trade its way out of debt, which it did over a three-year period. It met all of its targets and, at the same time, increased activity and attendance in terms of the arts. Unfortunately, one of the sacrifices that had to be made was the breadth of community arts activity that Wyeside had held so dear because the revenue was no longer there. So, essentially, there was an increase in cinema activity to enable it to meet the shortfall in public subsidy for the activities that Wyeside had been promoting.

Wyeside has had some remarkable achievements over the last 10 years. One of the things that it had to do was move to a significantly increased level of voluntary support, and it now relies on over 100 hours of volunteer support per month. It has been commended by Investors in People for the way in which it manages itself as an employer—in fact, it is only the third arts centre in Wales to be awarded Investors in People status. Its achievements as a voluntary organisation were recognised at a reception to recognise the value of voluntary organisations at Downing Street, and independent reports by consultants, including officers from the arts council, have commended Wyeside on its business practices.

I will briefly tie this up. This year, Wyeside will promote over 1,000 events, and it anticipates receiving something in the region of 40,000 visitors. It is open to the public six days a week, and as our petition illustrates, it receives a great deal of support from people who use the arts centre. Finally, when Wyeside applies for money, it points out that its activities meet the aspirations set out in Powys County Council's corporate improvement plan, Powys County Council's community strategy, Powys County Council's art strategy, the Arts Council of Wales's arts development strategy, and the Welsh Assembly Government's culture strategy for Wales.

**Mr Cox:** As the vice-chair of the trustees, I feel a great sense of responsibility today to represent the voice of the over 8,000 signatures to the petition. My task is simply to break that down—a very multilayered and complex collection of interest groups and individuals have signed the petition.

The key central group is our audience. We have an extraordinary range of people who attend activities at Wyeside, and they are of all ages and all backgrounds and abilities, and from a wide geographical spread. Arts practitioners and professionals also use Wyeside, and that is an important and key part of the arts and cultural scene in mid Wales.

Arts practitioners around mid Wales are involved in many different sectors. They are involved in health, education, criminal justice, skills development, the voluntary sector, community regeneration, lifelong learning and mental health, and they work with people of all abilities. Wyeside is an extremely important point of access for professionals in mid Wales, as well as for the public.

Linking those two things is participation. We have involved young people in activities over many years in lots of different ways. Mid Powys Youth Theatre, for example, is a renowned and award-winning youth theatre, and it is founded out of Wyeside Arts Centre in conjunction with Theatr Powys, and it has a 21-year history—it celebrates its twenty-first birthday this year. It has represented Wales outside Wales; it has been to the National Theatre as one of the winners in the Lloyds Bank Young Theatre Challenge in the past.

Many of the young people who signed the petition made a very strong case for the importance of Wyeside, not only for access to the arts in rural mid Wales, but also as a springboard and launching pad for their careers. Clearly, the creative industry sector is an important sector for the future of our communities, and Wyeside has a strong history of putting people in very good, early development in their early years of access to the arts and participation.

We also have a strong cultural tourism place in the mid Wales economy. People use Wyeside when they come on holiday. Estate agents cite Wyeside as a reason why people might want to move in and start businesses and that kind of thing. I moved to mid Wales 22 years ago, and I have since become an employer, bringing £2.5 million worth of inward investment to the mid Wales economy. A key reason for me and my family in choosing this part of mid Wales was access to the arts through Wyeside Arts Centre.

Young people also get involved in many different activities through Wyeside, and again, that is not just in access, but through the Builth Wells Community Arts organisation—it is a combination of a venue that provides opportunities for people to view high-quality product and for people to participate. Our most regular users come from a geographical area between 600 to 700 square miles.

**Ms Crouch:** The number of signatures to the petition attests to the importance of Wyeside's local value. I will attest to Wyeside's strategic value more widely in Wales. It is part of a pattern of cultural provision and investment across the country. This has seen the development of new and refurbished facilities in cities, towns and villages across Wales. This most recent revival of civic pride in arts and cultural facilities goes

back about 30 years, with local authorities, universities and other institutions really getting behind this notion that a sense of citizen entitlement exists—in the same way as we perhaps take for granted in terms of sport—for people to have access to good arts facilities. This is the idea that people should not have to travel long distances to access arts and their culture.

The last eight years have seen a further resurgence of that investment, with lottery money coming on stream. The arts have been among the beneficiaries. This investment in bricks and mortar has not been random—until the capital lottery programme closed recently, the arts council had a very good, coherent and well-thought-out strategy that recognised the importance of having investment in towns and villages, as well as in our bigger cities. Wyeseide has benefited from that capital lottery investment, as have many places across the country. The people of this area can appreciate cinema, music, theatre and the visual arts in a comfortable, safe and professional environment. Of course, any threat to the funding of an organisation like Wyeseide means that the community also loses a hugely valuable community asset. I think that most people would agree that there are very few things still left in the public realm—things like libraries and parks, post offices and arts centres—that are not made for profit or for shopping or for drinking alcohol, but are basically places where people can join together and enjoy and celebrate a sense of community.

Why did the arts council cut the funding for St Donats Arts Centre and why is Wyeseide's future under threat? I think that there are a couple of interlinked factors here. One is that there is a very simple view within the arts council that it has too many clients—'The list is too long, so we had better make the list shorter'. Alongside that, there is unfortunately a view that bigger must mean better, that it must mean more excellence, it must be more efficient and, by its very nature, size equals value. Of course, the other side of that coin is that surely small, local and rural must somehow be of lower quality, and must somehow be less efficient. The passionate defence that has been mounted by St Donats Arts Centre and by Wyeseide will make the arts council realise that it needs to challenge those assumptions and revisit its priorities.

Secondly, the arts council has certainly become more centralised over the last five years. When I left the arts council, I left it with a new structure that put a lot more emphasis on the role of the regions. The role of the regional committees, where the local authorities are represented, was strengthened and the role of the regional directors was such that they were made part of the senior management team. That was overturned five years ago and we now have, I am afraid, a very Cardiff-centric arts council. The point of the restructuring was to say, 'Actually, it is the local and the regional that make up the national; the national does not exist without the local. It is the local that makes Wales the country that it is'. I think that we are seeing a combination of the following views: 'We need to shrink the number of organisations that we fund'; 'Big is better'; and, of course, 'Large, metropolitan-type organisations, by their very nature, are superior'. Perhaps there is also an element of thinking that perhaps the small organisations will not be able to mount as vigorous a defence of their future as those with a significant amount of clout.

I will conclude by asking, through this committee, for a few very basic things. I believe that the arts council has a duty to follow the spirit of the Minister's remit letter, in focusing investment and in increasing access to and widening participation in high-quality arts. In the remit letter, there is a sub-clause that mentions Communities First

areas in particular, but I think that many people with rural experience will know that there is deprivation everywhere. Very often, in rural areas, it is below the surface and more difficult to identify. So, arts council, invest in what the Minister tells you to invest in.

One of the problems in relation to Wyeseide is that the arts council has been inconsistent and incoherent in its dealings with the organisation. I think that every organisation has the right to expect coherency, consistency and transparency from public bodies. I also feel that we have got to this position because the arts council does not have a policy on how it supports theatres and arts centres. It had a capital policy, which was very good, but it does not have a policy on revenue funding and what level of support is appropriate. A policy for the support of arts centres and theatres, put together in partnership with local authorities and other providers, is urgently needed and should be required of the arts council, by the Minister, as a matter of priority.

Finally and crucially for this organisation, it is most important that Wyeseide's three-year funding agreement should be reinstated with terms negotiated by the chairs of both organisations and with independent advice. There is some history and background; that needs to be cleared away and Wyeseide's future secured in the context of a proper strategy and a proper communication of that strategy.

**Alun Davies:** Diolch yn fawr. Yr ydym yn gwerthfawrogi eich sylwadau agoriadol. Byddwch yn falch o glywed ein bod, y bore yma, wedi lansio'r adroddiad ar dlodi yng nghefn gwlad, sydd yn delio gyda rhai o'r materion yr ydych wedi'u trafod yn eich cyflwyniad. Yr wyf yn awr yn gwahodd aelod arall o'r Is-bwyllgor Datblygu Gwledig, Mike German, i ofyn y cwestiwn nesaf.

**Alun Davies:** Thank you. We appreciate your opening remarks. You will be pleased to hear that, this morning, we launched our report on rural poverty, which deals with some of the issues that you raised in your introduction. I now invite another member of the Rural Development Sub-committee, Mike German, to ask the next question.

**Michael German:** I echo the view about poverty being hidden, and not being seen and observed well enough in rural Wales. That was the finding of the Assembly sub-committee.

I want to try to establish what it is about the criteria that has played against you—if, indeed, there were to be criteria. The third paragraph of the supporting letter to the petition says that:

'Wyeseide's crisis...raises general issues about appropriate criteria for the Minister's remit letter to ACW'.

You have just mentioned, specifically, Communities First areas. Is that the part of the criteria that is at fault, or has some other part of the criteria run against you and made it more difficult for you?

**Ms Crouch:** One of the difficulties is that that sub-clause—forgive my lack of knowledge of the proper term—is focused upon to the detriment of the rest of the sentence, which goes on to talk about promoting access to the arts for the people of

Wales. Giving a particular focus is, of course, appropriate, but it does not mean that you only support access to the arts in those particular areas. So, I think that the remit letter needs to be understood by the arts council in the sense in which it was intended, rather than, if you like, the council being selective with its choice of bits of sentences.

**Michael German:** What evidence do you have that the Arts Council of Wales has misinterpreted, or not interpreted fully, the views of the Minister's remit letter?

**Mr Roderick:** Even within the funds available there are centres, such as Wyeside, being threatened with closure, which will disenfranchise people from any sort of access. There will be no alternative. There is lack of rationale by which we can make these statements to the arts council in order to argue that there is a way of achieving what the Assembly wishes. That has already been presented to the arts council, but it has not been taken up.

**Michael German:** Are there others who have also fallen foul of this criterion? Apart from St Donats, what other organisation would be in that category?

**Mr Roderick:** This year, I believe that it is St Donats Arts Centre and Wyeside Arts Centre. I believe that there are other organisations that have been given an indication that next year is possibly the year in which their future will be addressed, as money is focused particularly at one part of a strategy at the cost of organisations that address the crucial first part of the remit letter.

**Michael German:** To be clear, what part of the strategy is at fault?

**Mr Roderick:** I am afraid that I am unclear as to what the arts council's strategy is. I have asked, but I do not believe that there is a strategy.

**Ms Crouch:** The issue is that Wyeside and similar organisations are measurably delivering on the access agenda, yet funding is either being withdrawn or threatened for no clear reasons. It has been implied that, somehow, they are not priorities in terms of delivering access—that there are fewer access issues, if you like, in rural areas. If Wyeside was in Swansea's Castle ward, perhaps, it would not be judged in the same way. However, Wyeside can provide evidence to support the access criterion laid down by the Minister.

**Michael German:** To play hardball on this, is this because someone, somewhere in the arts council is interpreting access as being access for poor people when there are no poor people in Wyeside's area?

**Ms Crouch:** You could say that.

**Andrew R.T. Davies:** That is quite a damning statement, and one that I am sure we will look forward to investigating further. There are two strands here, one of which was mentioned by Guy. You said that, when you came on board, there was a debt at Wyeside Arts Centre and that you paid it off. I am not sure whether I heard the figure correctly: was it £80,000 or £8,000?

**Mr Roderick:** The debt was just in excess of £100,000.

**Andrew R.T. Davies:** I did not hear it correctly either way, then. If Wyeside was that financially secure then, what has radically changed now? If you were able to pay off a £100,000 debt over three years, which is no mean feat, what has changed dramatically since? Is it the level of work and commitment to the area, or is it just that it is a far more expensive operation to run and, without the grant, it is just a non-runner?

**Mr Roderick:** It is a combination of a number of things. The need to address the £100,000 debt was brought about by a change in the legislation, whereby banks had to limit the amount of borrowing that they were allowed to give to charities. So, Wyeside was told by its bank that it would have to bring the overdraft down. There was no public money available to write off debts, so we argued for a capital investment in order to improve facilities to increase turnover. We increased turnover by £100,000. Essentially, we turned the theatre into a cinema. That was to save Wyeside. The downside of that is that youth dance workshops and youth theatre workshops, bingo, and community arts classes of all varieties had to go, because there was no money to subsidise them. We reached our maximum earning capacity. To give you an example by way of explanation, we were open seven days a week. We did the sums and realised that we could generate a similar amount of income over a six-day period, thereby reducing our expenditure but still maintaining income. We are now operating at capacity.

**Andrew R.T. Davies:** Could you slow down, please, because you are competing with the music from the Young Farmers Club. I want to take all of this information on board.

**Mr Roderick:** I am sorry, I am just aware of the time.

We increased our earning potential and cut our expenditure to a minimum, but we are now at capacity in terms of what we can earn. We cannot keep offsetting the increases to the customers. We still maintain a strategy of ensuring that the arts are financially accessible to young people. Wyeside's funding from the local authority has stood still for seven years; we have received £37,000 for the last seven years. There has been no increase. The arts council is unable to give us any more money. The wages bill alone for staffing events, the number of which has risen from 800 to 1,000, is bound to increase each year. Staff are not on an incremental scale, but the very least that we try to offer staff is something to help them to keep up with inflation. Fuel bills and the other costs of running a relatively old arts centre mean that, although we wrote off the earlier debt, we are now accumulating another debt. We have flagged up for the last five years that this would happen.

**Andrew R.T. Davies:** Sybil and Peter, the point was made that numerous events are held at Wyeside. Assuming the worst-case scenario, what are the options for the community in Builtth if Wyeside goes? That must also be a factor. You look at the overall strategy for where these 1,000 events could be held and where 40,000 individuals could access what you are offering.

**Mr Cox:** The reality is that we bring our audience and participants from an extraordinarily wide area of a minimum of 6,700 square miles. The suggestion is that

many people would have to travel to Hereford—they would go across the border from the east Radnorshire area. There is no equivalent arts centre until you get to Aberystwyth or, really, until you get to south Wales and Swansea. Sybil is vice-chair of the film agency in Wales; that is the sector that I work in. It is a developing sector and is the key global artform of the late twentieth century. Wales is developing its film-making sector. There is a theatre in Brecon and Theatr Hafren in Newtown, but to get access to the kind of things that Guy is able to programme, we would have to go a very long way indeed. So, you are talking about a huge environmental impact in terms of the transport miles that people would have to undertake to access this kind of cultural activity. It is beyond thinking about, particularly with the price of fuel being high on people's agenda at the moment. It makes no environmental sense whatsoever, and it makes no cultural access sense whatsoever.

**Alun Davies:** I am surprised that you dismiss Theatr Brycheiniog so easily.

**Mr Cox:** Not at all. I go to watch Theatr Brycheiniog productions, and go to Aberystwyth Arts Centre regularly; I am a great supporter of both organisations. However, the reality is that the film content of the programme does not exist in Brecon. The access to foreign-language films and non-mainstream films are the things that young people tell us are particularly important aspects of their access. We have those comments endlessly on the petition. I meant no disrespect; once again, it was due to time constraints.

**Andrew R.T. Davies:** I would like to enlarge on that. St Donats Arts Centre was mentioned—and I declare an interest, because it is in my constituency and I have been involved to a point—and it was successful in its appeal and it is now negotiating with the Arts Council of Wales to try to formulate a longer-term strategy. Have you appealed against this decision or are you in the process of appealing against the decision? What are you doing?

**Mr Cox:** I think that Guy should clarify the situation with Wyeseide, and perhaps Sybil can talk about St Donats.

**Mr Roderick:** We have attempted to appeal, but part of the reason why we addressed this petition specifically to the Minister and the Assembly is that we were unable to establish the level of dialogue that we had hoped to achieve in order to address this issue.

**Mr Cox:** We should also clarify that St Donats' grant was cut, whereas Wyeseide's petition and campaign were already up and running, so, any decision to cut us was put on hold, and we are still in that position.

**Andrew R.T. Davies:** For clarity, you have appealed, have you not? Have you actioned that process or not?

**Mr Cox:** We would have to have been cut in the first place to make an appeal. Our campaign and our petition began before the arts council made a decision at its council meeting. It has been considering and discussing us without cutting us ever since, and it is now four months later.

**Ms Crouch:** That is one of the key issues—Wyeside is having to operate in a climate of huge uncertainty. Only the first three months of its grant has been released. It is unable to replace staff who have left because people are uncertain about the future. It has been put into some difficulty in terms of being able to make proper business decisions, because of the uncertainty and the lack of coherence in terms of its future, and a failure to acknowledge the real costs of maintaining a facility such as this. It goes back to the need for a coherent policy from the arts council.

My understanding is that although St Donats won its appeal on the basis that the procedure that was followed was not correct, its future is far from secure. The arts council has said that there is an understanding in place that the arts centres that did not get Arts Outside Cardiff funding—this is all a bit arcane—three years ago would be priorities for additional lottery funding. So, if you want to do something special in terms of your programme, you can apply for some lottery money. A lot of small organisations rely on that top-up over and above their revenue grant. St Donats has been given the opportunity to use that little caveat that said that those organisations would be priorities, however, when Wyeside tried to make the same argument, that it needs that extra money to programme appropriately and that the arts council said that it would receive priority for that lottery funding, I was at the meeting where the chief executive said, 'Oh, that doesn't apply any more'. On the one hand, we have an arts organisation that is being cut being told that it can apply as a priority, and, on the other, another organisation is told it cannot apply for that funding. There is uncertainty, a lack of coherence and a lack of consistency, and people cannot run organisations, employ staff, and have a commitment to their communities without clarity from the organisations that support them. That is one of the main things that we are seeking for Wyeside.

**Alun Davies:** Before I bring Mike in, I warn Members that I will wind up questions in about five minutes' time.

**Michael German:** I want to be clear on this point. Am I right to say that you have had the first three months of funding—presumably that is April, May and June—at the old rate, but you have no money or guarantee of any money for July, August and September at the present moment, and that you have not been allowed—I am phrasing it that way, but you can tell me if I am wrong—to make a lottery bid?

**Mr Roderick:** We are not in a position to make a lottery bid because to make a lottery bid, you must have the security of a 12-month funding agreement from your arts organisation, so we do not fit the criteria. We were also told that we could only expect half of what we got last year, which makes it less of an issue as we have a much bigger problem to deal with, and that is what we have been trying to get across, but, unfortunately, so far—

**Michael German:** I want to be absolutely clear on this. For July, August and September, what precisely have you been told?

**Mr Roderick:** We were told that for July, August and September—and this was only verbally, over the phone—we should probably get a second-quarter cheque, but that there was no guarantee for the third and fourth quarters, which makes it difficult.

**Michael German:** So, at the moment, it is hand to mouth.

**Mr Roderick:** Yes, and the nature of the organisation is such that we have to plan at least 18 months in advance, so unfortunately—

**Michael German:** And because it is hand to mouth, you cannot apply for a lottery grant.

**Mr Roderick:** No, and we cannot re-employ staff.

**Bethan Jenkins:** The financial issues have been well rehearsed and I am sure that we could talk about those afterwards, but on something that you have all mentioned, namely youth arts development and having to change that in accordance with the financial difficulties that you have encountered, I have an interest in that because I was a member of the National Youth Orchestra of Wales and I saw the development structures from county level to national level. I have undertaken some research on the areas that young people, who take part in national youth arts, come from and those areas that they do not come from, and the progression that occurs. How do you see that affecting your area? You said that people would potentially have to travel to Hereford for the arts to the detriment of youth arts progression in your area.

**Mr Roderick:** Young people, in particular, do not have access to transport to get them anywhere else, unless they are lucky enough to know someone with a car who will take them there. So, Wyeseide is their one and only opportunity. At the heart of the centre, and the reason why it was set up, is to encourage and enable young people to access a range of art forms, and not just as simple observers and paying customers. We encourage them to participate and to develop an understanding of the language of the arts. That is why Wyeseide is very good and why I was appointed, because my background is as a youth arts worker.

I established the Mid Powys Youth Theatre and I have always been excited about the long-term strategy of investing in young people and encouraging young people to embrace and understand the arts. There is a lot of short-term thinking, but many young people have come through the youth theatre and, in fact, the twenty-first youth theatre show will be directed by one of the young people who was in the first show. There are many young people in the industry, in the arts and other sectors and that is all down to the arts activity that Wyeseide promoted and encouraged; we want to get that back, but, in order to do so, we need the support. We can evidence our success, but it is about how we get someone to see the evidence, measure it against what appear to be published criteria and support our successes.

**Bethan Jenkins:** Is that where you see—[*Inaudible.*]—and cinemas? Is that where you see the lack of coherence and strategy and the youth arts coming into that? Is that where you would like to see your role coming in?

**Ms Crouch:** There is a dichotomy relating to the emerging view, which is the entitlement view. For example, the Assembly is looking at making the arts a statutory responsibility of local authorities. Not many people are aware that within the United Nations Convention on the Rights of the Child there is the right to enjoy and to practise the arts. If national policies are shrinking the amount of organisations that receive money, concentrating that funding into metropolitan or larger regional centres, then there will be a direct effect on the entitlement of the citizen, but particularly of relevance, and about which we all feel passionate, is the effect on the

entitlement of the child and the young person. So, it is all interconnected. If we lose those resources, we lose opportunities for young people in the future. To be able to provide those opportunities, there needs to be more than short-termism—people need to know that they have a future and a resource over the medium to long term.

**Bethan Jenkins:** Just to finish, you introduced the regionalisation, so do you believe that there should be a reconsideration of that strategy on behalf of the arts centre and is that something that you would like this committee to call for?

**Ms Crouch:** The arts council needs to have clear, published policies against which it is accountable. My own view is that the regional committees and localities must have a role in shaping national policy, otherwise we go back to—we have already gone back—that top-down approach of 'the centre knows best'. That goes against the grain of so much of what we believe in in Wales.

**Alun Davies:** Diolch am eich amser y prynhawn yma. Gofynnaf i chi adael y bwrdd tra'r ydym yn trafod sut i symud ymlaen. Mae croeso i chi wrando ar ein trafodaeth yn y gynulleidfa.

**Alun Davies:** Thank you for your time this afternoon. I ask you to leave the table while we discuss how we move forward. You are welcome to listen to our discussion in the audience.

I find this quite a difficult issue and I do not know whether I should declare a constituency interest. In the opening statements, I detected a lot of anger and frustration in what was being said; I share a lot of that frustration, and those of us who were present this morning to discuss poverty in rural Wales will appreciate that access to cultural experiences are an essential part of what should be the Government's agenda.

The whole issue is the policy and the approach of the Arts Council for Wales; Wyeside is one example, and Ystradgynlais is another, of where Arts Outside Cardiff has not succeeded in securing cultural experiences, if you like, for people in sometimes deprived areas. I probably share the view of the petitioners that there is a lack of recognition of the needs of people, particularly young people, in areas such as this.

I will start the discussion by saying that it might be useful for the Petitions Committee to ask the arts council to attend committee to discuss the policy that had directly led to this situation. I know that it has been discussed previously. If the arts council were to attend it would be a good opportunity to air some of these issues at least, but, at the same time, I am aware that the funding of small arts centres such as Wyeside—and I am also thinking of Ystradgynlais in particular, because we are in the Breconshire area—is important. That probably implies a wider review of arts-funding policy, which is probably the responsibility of the relevant scrutiny committee, rather than of this committee. I will now throw the discussion open to Members.

**Michael German:** I agree with that; I think that we need to understand more, but there is a short term and a longer-term problem here. In the longer term, we need to

acquaint the arts council with the report that was published this morning so that it is aware of what rural poverty is, and that access and rural poverty are locked closely together. I think that that would be a splendid outcome. In the short term, we have an arts centre dangling on a string, working hand to mouth for its funding, and unclear as to how it can secure its future. It seems to me that its being able to secure its own future is the issue here.

I would like to think that we could take immediate steps to ensure that this matter is resolved as swiftly as possible, either through the intervention of the Minister or the intervention of the arts council directly, so that, one way or the other, everyone is aware that we have a situation where certainty is not being provided—and it seems, from what we have heard, that it is the only arts centre in Wales that has not been given certainty for this current year; we are not talking about future years. The whole issue of application for Lottery funding, which is more difficult now with the Olympics, is in doubt anyway, because it cannot make an application while that uncertainty exists.

Ending uncertainty seems to me to be something that this committee can do, either by asking the Minister to intervene to ensure that this matter is brought swiftly to a conclusion, or, alternatively, by bringing it to the attention of the arts council. I would personally favour asking the Minister.

**Bethan Jenkins:** I second the point about talking to the Minister about this issue, but, as you indicated, Alun, there is a wider remit for a committee, probably the Communities and Culture Committee, to look at the overall arts strategy in relation to not just rural poverty but devolving the arts to other areas of Wales, taking into consideration the development of young people, as mentioned, given the possible statutory duty on local authorities to provide cultural activities.

**Alun Davies:** I think that the new Minister will regret his choice of holiday dates when he returns.

**Andrew R.T. Davies:** I concur with my colleagues. What we must also focus on is that this petition is specific to Wyeside. We have heard about the precarious nature of finances at Wyeside, so it is an exercise of bringing this to the Minister's attention, so that the arguments that we have heard today, which are persuasive and compelling, weigh on the Minister's mind so that he steps in in the short term and offers some sort of alleviation to help secure the longer-term future. However, ultimately, although there are two sides to every argument, from the evidence that we have gathered here, it seems that there is an issue of a national policy and how that is directed by the arts council. I would like to hear the arts council's view, but I would suggest that, in the longer term, it would be a piece of work on which the Communities and Culture Committee could launch a full scrutiny. However, the petition relates to Wyeside Arts Centre and not the national policy. It is a symptom of the position in which it finds itself.

**Alun Davies:** Okay. Are we coming to a consensus? The first action is to seek the views of the new Minister and to ask for an intervention.

**Michael German:** That is to speedily resolve the short-term funding issue at the Wyeside Arts Centre.

**Alun Davies:** I see that we are agreed on that. The second action would be to ask the Communities and Culture Committee of the National Assembly for Wales to ask the arts council to review its approach to arts outside Cardiff and to ask specifically how the arts council would see the new cultural duty, on which the Government is seeking to work with local authorities to provide a cultural experience for everyone, operating within the policy structures that it is now operating.

**Andrew R.T. Davies:** I do not dissent from that, Chair, but I think that the middle part should be the arts council coming in to give its side of the argument. When we have collated that, we could push it into the scrutiny process of the Communities and Culture Committee. As I said, there are two sides to every argument, and it is important that we project the level of opinion that was shown to us today, along with the persuasive argument, and hear what the arts council has to say about its remit and how it has come to these decisions. Having the arts council before us at our next scrutiny session in the early part of next term, in September, would be the most beneficial way for us to approach this.

**Alun Davies:** I am happy with that.

**Mr Sanchez:** I want to clarify that we will not be formally referring this petition to the Communities and Culture Committee; we will invite it to look into the broader issues.

**Alun Davies:** We will invite the Arts Council of Wales to the next meeting of this committee to respond to what we have heard this afternoon. Unless it can enable us to feel content with the approach that it is taking, the next step would be to refer this matter to the Communities and Culture Committee of the National Assembly for Wales and ask it to undertake scrutiny of the policies being followed by the arts council in relation to arts outside Cardiff and the future of small—I am trying to avoid saying 'rural' because it does happen in other parts as well—

**Michael German:** 'Access' is the right word.

**Alun Davies:** It is a matter of access to cultural and arts activities.

**Michael German:** Perhaps we could also send it a copy of this report.

**Alun Davies:** Frankly, I prefer a more subtle approach, but we can do that.

**Andrew R.T. Davies:** I will just correct you, if I may, Chair. It is not a case of 'unless'; we want the arts council to come to a scrutiny session. Rather than its sending a letter, we want it to come in to present evidence.

**Alun Davies:** Yes. I should have made that clear. Is there any other action to take?

**Mr Sanchez:** Let us not specify exactly when the arts council will come in. We will get it in as soon as we can.

**Alun Davies:** I think that we should ask it to come pretty soon. We cannot let the situation continue and, therefore, I think that we should tell it that we expect it to be

available in September.

**Mr Sanchez:** We are not meeting in September.

**Alun Davies:** Therefore, it will have to be in October, or the first available meeting.

**Mr Sanchez:** Okay.

## **2 October 2008**

**Val Lloyd:** Our first petition for consideration today has had some airing previously, particularly at our last meeting, which was held at the Royal Welsh Show. We are delighted to welcome the chair and the chief executive of the Arts Council of Wales. Please introduce yourselves, gentlemen.

**Professor Smith:** I am Dai Smith, chair of the Arts Council of Wales. I also extend a warm welcome on behalf of everyone to Nick Capaldi, who is our new chief executive. This will be his first time, I think, appearing before any of your committees.

**Mr Capaldi:** I am Nick Capaldi, chief executive of the Arts Council of Wales. I am very pleased to be here.

**Val Lloyd:** It is a pleasure to have you here. I will just run through the procedure this afternoon; it will not take a great deal of time. We allow anyone who is addressing us to have up to 15 minutes. How you distribute that time is entirely in your hands. I am not taking from your time in my introduction. I always assure people of that. We will then ask you to retire and to move to the gallery to hear our deliberations, if you wish. While you are doing that, we will probably move on to the next item of business in the interests of saving time and when we see that you are seated comfortably in the gallery, we will begin our deliberations. We will also take 15 minutes to level the score, so to speak. Therefore, you may start.

**Professor Smith:** I will not take anything like 15 minutes. In fact, I do not think that I will take five minutes. It is a great pleasure for us to come before you and I thank you for the opportunity. I know that you have received our written submission and I will not take you through it point by point. However, I will highlight some matters on which you may have been—however inadvertently or for whatever reason—misinformed or misled in your previous deliberations.

I will turn directly to the Wyeseide Arts Centre issue and highlight the major points. At a meeting in January 2008, when officers put various concerns about the management of Wyeseide Arts Centre before the arts council, the Arts Council of Wales reaffirmed its wish to support Wyeseide Arts Centre and to continue discussions to ensure that its ongoing viability would be effective. The Arts Council of Wales has never threatened the closure of Wyeseide Arts Centre or, indeed, the withdrawal of any grant, provided that accountability for public money could be assured by a satisfactory business plan and by urgent discussion between Wyeseide Arts Centre with other partners and our sense that that would happen and was happening.

In July, as you will see from the written submission, the council agreed—because of those issues—the release of funding, which was then triggered. Constructive discussions followed which, again on officer advice, led to the confirmation of further funding to April 2009, and that was advised to Wyeside Arts Centre after the September council meeting. I believe that you also have the note from the current chair, Julian Gibson-Watt, which candidly states that Wyeside acknowledges that the Arts Council of Wales's decision on that issue is not connected to the petition hearing. To which I can only add, 'indeed'.

My other major point, and my final point, is that, as I am sure you will agree, the Arts Council of Wales would have been failing in its duty as a responsible arts council with a charge of taking accountable, transparent and strategic decisions on the arts in Wales if it were in any way to allow such matters to impinge on the judgments that it takes. That is where we are, and we will be delighted to address any further points or questions that you may have.

**Val Lloyd:** Mr Capaldi, did you want to contribute?

**Mr Capaldi:** No. That was a very fair summary of our position.

**Val Lloyd:** Thank you. I should have mentioned in my introduction that we are quorate, but that one Member has not been able to join us yet. I believe that he was late leaving another meeting, so we await his arrival.

**Michael German:** For me, there are two issues remaining. If we take the petition at face value on the question of longer-term funding, as I understand it, you have confirmed funding through to the end of this financial year, and Wyeside is probably very happy with that. However, if this is the process by which you engage with each of your bodies, using an ongoing dialogue, at what point in the cycle would you give the body in question a decision on its funding for the next year, so that it has some certainty? Is three-year funding a possibility?

The second question is the criteria that you use for Arts Outside Cardiff funding. The Wyeside Centre is outside Cardiff, so would it qualify? What are the baseline criteria for that?

**Professor Smith:** On your first point, Mike, we are not able to guarantee our clients funding except on a year-on-year basis. We would like longer funding cycles, and we are in discussion with the Minister on that, as we have been with previous Ministers. However, budgetary considerations mean that all our clients are in that position, although it is possible to give people assurances. In this particular case, we were advised by officers that we needed to be clear that effective management was being putting in place and that there were discussions with Powys County Council and other partners in the area. That has taken time, but we are now there.

In terms of Arts Outside Cardiff, the money is designed to provide high-quality arts provision across Wales. On the basis of the regional strategies that we have adopted, particularly with the regional performance arts centres—the so-called REPACS—we are content that we are doing that effectively. Powys has been a particular beneficiary of the Night Out scheme—there were 170 performances this year, out of a total of 406, and Powys has had 55 of those performances this year, which is the highest number of any local authority area. Where those performances go is a matter for those who put together the programmes, in discussion with our officers.

**Mr Capaldi:** In an ideal world, one would want to give at least a quarter of a year's advance notice of funding for the subsequent year. However, as Professor Smith has explained, we are not always in a position to do that; it depends on when we have confirmation of our own funding. We look individually at each organisation, and examine its circumstances on a case-by-case basis. It was through that process that we identified some issues that we wanted to talk to Wyeside about, and that could be true for a number of organisations.

**Michael German:** In general, when would you expect an organisation to know its budget for the following year? Would it be post-April or before April of the financial year in question?

**Mr Capaldi:** Before April.

**Michael German:** In that sense, if you were satisfied with all the matters concerning this project at the moment, presumably, there should be no barriers to clearing the hurdle for next year on time.

**Professor Smith:** No, we are engaged with the theatre at the moment, and we still have some concerns about the ongoing process that we want to iron out, as I know Wyeside does. In the January meeting, we were faced with dividing up the limited resources from last year's tight financial settlement, and that led to our taking some decisions on the change to our portfolio. We had to speak to five of our clients in that particular way. St Donats was the one that appealed against that and, on the basis of process only, it won its appeal. Wyeside was never in that category, and we recognised from the very beginning that there were very firm regional, strategic reasons why we would wish to see Wyeside prosper. However, we were also clear that we did not have the moneys that it was looking to us to provide it with, and, therefore, there had to be an effective business plan that could be taken forward. I think that we have come to a constructive end to that part of the story.

**David Lloyd:** From your point of view, what is the biggest risk to Wyeside's future financial security?

**Mr Capaldi:** The biggest risk is the ambitious fundraising targets that it has established. It has exceeded the target for this year, but, given the current economic climate, it may be difficult to sustain in future years. That is one particular area that we are looking at.

**Andrew R.T. Davies:** Thank you for coming in this afternoon. It seems like a lifetime ago when we were discussing this petition at the Royal Welsh Show, back in the dark—or bright—days of summer. When the petitioners were presenting their evidence, one thing that came across time and again was the fact that Wyeside is seen as a hub for a lot of other organisations in a rural location. I appreciate that that may not be your paramount objective—or is it, actually? From reading some of the papers, I see that you identify with how it promotes the arts in rural Wales, particularly mid Wales. How important to your strategy of delivering arts and artistic direction in an area is an organisation like Wyeside theatre? How important is retaining it in that area? If you were to take the theatre out of the area, you would suddenly be creating a void that something else would have to fill. The petitioners made the point that, if you took the theatre out of Wyeside, there would be little or no other provision available, and no-one else could provide such a facility.

**Mr Capaldi:** Strategically, that is an issue that is very much in our thoughts when we are planning expenditure. It is certainly the case that strongly performing and

artistically ambitious hub organisations are incredibly important for arts provision in the locality. However, one needs to be certain that it is working to optimum capacity, and we have a pan-Wales responsibility to look at the resources that we have and to ensure that every pound that we allocate is well spent. Unfortunately, on occasion, that can mean that we are not able to support even those organisations that we think are important. However, I hope that what you have got from the extract of the minutes is the council's absolute recognition of the importance of looking at Wyeside theatre's needs, which is why my officers have spent a significant proportion of the year working with it.

**Professor Smith:** There are issues, in a positive sense, about a county like Powys, given its size and the spread of the population. If you look at it only through the telescope of Wyeside, you may miss the point that 13 arts organisations across Powys are supported by the Arts Council of Wales, and they have received a total of almost £1,200,000. Theatr Brycheiniog is also just down the road. If we were talking about an urban area or an urban-ish area, the distance between Theatr Brycheiniog and Wyeside theatre would not appear to be quite the distance that it is, in the more elaborate sense that people in Builth and Brecon do not necessarily think of themselves as being contiguous.

**Andrew R.T. Davies:** With respect, although that might be just down the road, the communications in that neck of the woods are a fundamental deterrent to its being considered in that way.

**Professor Smith:** Indeed. That is what I meant when I said, 'If it were an urban area'. We have taken that into account and I think that we have an understanding, through the expertise on the council, of the localisms of the localities of Wales. As Nick says—and I am sure that the committee will appreciate this—Wales is more than the sum of its parts.

We are charged with looking at a strategy for the arts across Wales. We have a regional strategy and we have strategies for almost everything in every artform. Wyeside Arts Centre falls firmly within that concern and remit. Something that emerged from the verbatim report of your committee meeting was how the representatives of Wyeside would have liked to do more with the community. They talked about how they had to claw that back and increase the cinematic offerings. We would also like to see it do more with the community, but, as Nick says, there are issues with funding. Two members of Powys County Council are coming onto its board, and they are looking at the future in a more positive light. However, there is no point in pretending that we have magic wands or endless pots of money to dip into; we do not.

**Val Lloyd:** I was not at the last meeting because of personal circumstances, but I have read the transcript, as have you. I note that the petitioners stated that funding was prioritised for encouraging access to the arts in Communities First areas, because of the Arts Council of Wales's interpretation of 'access' in its remit letter. Is that the case, Professor Smith?

**Professor Smith:** It is not a description of the arts council that I recognise. As I said a moment ago, there must be an understanding about the decisions taken about the establishment of the regional performance arts centres. They were looked at in great detail by the arts council and successive Ministers, as was the spending on that. On how we respond to the remit letters of Ministers, including on access, we take them absolutely seriously. Of course Communities First areas come into it, but we also see the index of multiple deprivation in other ways and there are always anomalies, as

between Cardiff and Cardiff bay, for example. So, we tend to be sensitive, and that is why we have members on the council from across Wales representing many different interests. We also have our regional committees and regional offices. I firmly believe that we have our finger on the pulse of those matters.

**Mr Capaldi:** Last year, we invested a little over £10 million in Communities First areas, which is about 31 per cent of our total direct arts expenditure.

**Val Lloyd:** We have three minutes left, if any Member would like to ask another question.

**Andrew R.T. Davies:** I have two further questions on the back of what my colleagues have asked. You touched on the new board that has been set up and strengthened, which is to be welcomed. With the experience that you have across Wales, have you worked with the board and helped it to strengthen the governance and outreach of Wyeside Arts Centre, or has the centre created a more proactive board itself in the hope of maintaining these new levels of funding? With the economic climate as it stands, an event like this can galvanise support, but, as time progresses, that support can filter away and you end up in the same position. Therefore, are the changes that we have read about in these papers fundamental changes that will, hopefully, secure the long-term future of Wyeside Arts Centre?

**Professor Smith:** We were encouraged by the way in which both parties were proactive, and by the levels of co-operation. I understand that difficulties arose early in these discussions, but, as I said, with our responsibility for public money, we were concerned that sustainability and viability for the future be underlined, because we want to see Wyeside Arts Centre go forwards. So, I do not think that the Arts Council of Wales would wish to take credit for those changes on the board; all credit is due to Wyeside Arts Centre. However, we are deeply encouraged that it has responded to some of the initiatives that we led it to do. I am confident that we can go forward in a sustained fashion, but serious difficulties will remain, not just for Wyeside Arts Centre, to be frank, but also for the arts across Wales.

In the meetings that I have with Alun Ffred and others, we say that we get approximately 0.2 per cent of the entire Welsh Assembly Government budget to spend on grant in aid for the arts in Wales, but that is not enough, ladies and gentlemen. It is not enough if we are to take the creative economy of Wales forward, and understand what we mean by 'creativity'. Nick's officers are performing miracles at the moment, and the arts community is struggling to maintain those standards, given the diminution of funds occurring elsewhere.

**Val Lloyd:** Thank you very much. I must draw this item to a close now. Thank you for answering our questions. We limit the time allowed, so that we take the same approach to everybody. A member of staff will escort you to the public gallery, and we will deal with other business until you are settled.

**Professor Smith:** I hope that I have been able to help you to clarify matters.

**Val Lloyd:** I see that the representatives of the arts council have now reached the public gallery, which means that we can now return to our first petition. I open it up for Members to discuss.

**Andrew R.T. Davies:** Considerable progress seems to have been made on this petition. The petitioners certainly informed me a lot about what goes on at Wyeside Arts Centre when they took the opportunity to present their evidence in their home

town of Builth Wells. Hopefully, the oxygen of that publicity has focused minds. Having heard from the arts council today about the agreements that have been reached, I really cannot see where else we can go with this matter. Admittedly, the petition is asking the Minister to intervene personally, but, as I think we are aware, the Minister treats funding on an arm's-length basis. While there may be a perception that Ministers can pick up telephones and demand X, Y or Z, it does not always happen that way. However, the positive nature of this petition means that, through the engagement of both parties, a productive outcome has been achieved, and, hopefully, the long-term future of Wyeside Arts Centre has been secured, albeit going forward in a challenging climate. I hope that this petitions system has afforded all parties a reasonable opportunity to debate the points and to get an understanding of the positions. As a Member, I have benefited from it. With that, I suggest that we now close the petition.

**Michael German:** I do not disagree with that. I have just thought of one other thing that we could do, following the evidence that we have just received from the arts council, and that is to consider the issue of three-year funding.

It is something that dogs voluntary organisations across Wales. We could say that we have received this petition seeking long-term support, that, underpinning all of this, is the issue of three-year funding, and we could ask whether the Minister is willing to look at the issue of three-year funding proposals, which would help the Arts Council of Wales in its sustainability proposals for organisations such as Wyeside Arts Centre.

**Val Lloyd:** I agree. Do you mean for all organisations or specifically for Wyeside?

**Michael German:** No, it is not specific to Wyeside, although it could be mentioned as an example. Part of the problem of longer term sustainability is that, at the moment, the arts council cannot give funding for more than one year. It means that organisations are always scrabbling around at the end of the year hoping for funding for the next year. We all know the syndrome. We try to do it for other parts of Welsh public life. It seems to me that it is a case that the Minister might want to consider. I am asking only that we write a letter and still close the petition. It is just an observation that arises from the petition.

**Val Lloyd:** Yes. I will take advice. Should we close the petition now and write to the Minister or should we not close the petition on a technicality until we have had the Minister's response?

**Mr Davidson:** Not closing the petition at this stage would allow the committee the opportunity to look at the Minister's response.

**Andrew R.T. Davies:** I agree entirely with Mike. However, the petition is relevant to Wyeside. The point that Mike makes is about the generality of arts council funding and three-year funding, rather than a specific point about Wyeside. I am not sure whether we are jeopardising our position since we are making an observation resulting from what we have gleaned from Wyeside. We will be making the more general point that the arts council should be allowed to give three-year funding to all organisations.

**Val Lloyd:** You make a very good point. You have also raised the central issue of our overall deliberations. Very often, we are ready to close a petition, having worked hard and exhausted all avenues. We never take the decision to close a petition lightly, do we? Then, if the Minister lets us come back on an issue, we find that there

is a tendency for organisations to think that the process can carry on. Therefore, would it be possible for us to close the petition and record the Minister's letter when it is received?

**Mr Davidson:** Yes. We could include it as a paper to note.

**Val Lloyd:** Shall we do that? I see that there are no objections.

**Michael German:** I am sure that the arts council could find some of its supporters to submit a petition themselves.

## **Annex 2**

**Y Pwyllgor Deisebau**

**Petitions Committee**



Cynulliad National  
Cenedlaethol Assembly for  
Cymru Wales

Alun Ffred Jones AM  
Minister for Heritage  
Welsh Assembly Government  
Cardiff Bay  
CF99 1NA

Bae Caerdydd / Cardiff Bay  
Caerdydd / Cardiff CF99 1NA

Our ref: PET-03-139

4 August 2008

Dear Alun Ffred

**PETITION: WYESIDE ARTS CENTRE**

The Committee has been considering a petition calling on the Welsh Assembly Government to ensure continuity of funding for the Wyeside Arts Centre ('the Wyeside'), and to help prevent its closure. The Committee took evidence from the petitioners at its meeting on 23 July 2008.

The petitioners presented evidence that demonstrated the financial uncertainty faced by the Wyeside. Following the receipt of this evidence, the Committee resolved to ask that you:

- Provide the Committee with your position on the funding situation that faces the Wyeside
- Consider intervening directly to help resolve the short-term funding issue at the Wyeside

I thank you for your consideration of this matter, and look forward to receiving your response.

Yours Sincerely

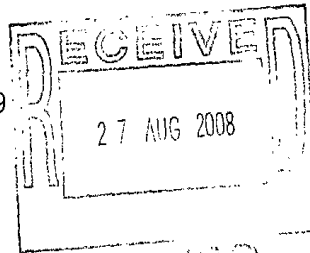
**Val Lloyd**  
Chair, Petitions Committee

Alun Ffred Jones AC/AM  
Y Gweinidog dros Dreftadaeth  
Minister for Heritage

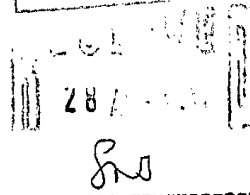


Llywodraeth Cynulliad Cymru  
Welsh Assembly Government

Eich cyf/Your ref PET-03-139  
Ein cyf/Our ref AJ/00022/08



Val Lloyd AM  
Chair  
Petitions Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA



22 August 2008

*Dear Val,*

Thank you for your letter of 4 August 2008, regarding the petition considered by the Petitions Committee on the Wyeside Arts Centre.

I am aware of the current financial difficulties facing the Centre, and that the Arts Council has been working with the Centre, together with other funding partners, to try and address the current situation. I understand that the Arts Council has had encouraging discussions with the Centre over recent months and is continuing to work with them to try and address the future financial viability of the Centre.

As Heritage Minister, in accordance with the arms-length funding principle, it would not be appropriate for me to intervene directly in the individual funding decisions of the Arts Council. I would however encourage both the Centre and the Arts Council to continue their discussions to try and identify a way forward.

*Yours sincerely,  
Alun Ffred Jones*

**Alun Ffred Jones AC/AM**  
Y Gweinidog dros Dreftadaeth/Minister for Heritage

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1NA

Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)

English Enquiry Line 0845 010 3300  
Llinell Ymholiadau Cymraeg 0845 010 4400  
Ffacs \* Fax 029 2089 8015  
correspondence.alun.ffred.jones@wales.gsi.gov.uk

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## Y Pwyllgor Deisebau

### Petitions Committee

Alun Ffred Jones AM  
Minister for Heritage  
Welsh Assembly Government  
Cardiff Bay  
CF99 1NA

Bae Caerdydd / Cardiff Bay  
Caerdydd / Cardiff CF99 1NA

Our ref: PET-03-139

8 October 2008

Dear

#### **PETITION: WYESIDE ARTS CENTRE**

Further to my letter dated 4 August 2008, and your reply on 22 August, you are aware that the Petitions Committee has been considering a petition calling on the Welsh Assembly Government to ensure continuity of funding for the Wyeside Arts Centre ('the Wyeside'), and to help prevent its closure. The Committee took evidence from the petitioners at its meeting on 23 July 2008, and from the Arts Council for Wales on 2 October 2008.

At the meeting on 2 October 2008 the Committee decided to close the petition due to the fact that events have progressed and funding has now been agreed for Wyeside Arts Centre for the coming year. However, evidence presented to the Petitions Committee by both the petitioners and the Arts Council for Wales, indicates that there is a more general issue relating to the short term nature of funding of rural arts centres in Wales. According to their evidence, the Arts Council are not currently in a position to be able to agree funding for more than a year in advance which makes it difficult for the rural arts organisations to plan on a longer term basis.

The Committee resolved to ask you to look at the possibility of enabling the Arts Council to allocate funding on a three year basis.

I thank you for your consideration of this matter, and look forward to receiving your response.

Yours Sincerely

**Val Lloyd**  
Chair, Petitions Committee

## Annex 3

## **Arts Council of Wales Submission to the National Assembly for Wales Petitions Committee, 2<sup>nd</sup> October 2008.**

### **Introduction**

1. On 23<sup>rd</sup> July 2008 the Wyeside Arts Centre presented a submission to the Wales Petitions Committee. The submission called on the Assembly to petition the Arts Council of Wales to overturn its threatened withdrawal of funding to the Wyeside Arts Centre.

### **There was, in fact, no proposal to withdraw funding**

2. During 2007 the Arts Council undertook a review of its portfolio of 111 revenue funded organisations. The aim of this review was to examine the effectiveness of the Arts Council's current investment and to identify those organisations that presented the most persuasive case for future support.
3. The findings of the review were presented to our Council meeting on 25 January 2008. At that meeting Council decided that it would provide no further revenue funding to 5 organisations. Wyeside Arts Centre was not one of those organisations.

### **The Arts Council recognised the strategic importance of Wyeside Arts Centre**

4. The Arts Council's review of revenue funded organisations considered a number of strategic issues: the quality of artistic activity; ease of access to such activity, the financial and organisational strength of funded organisations; and the value for money of the Arts Council's investment.
5. At the January 2008 meeting our Council specifically acknowledged the important role that Wyeside Arts Centre plays in delivering the arts in Powys. It also noted the lack of alternative provision within the region. Given these factors, Council needed to feel sure that Wyeside had a

viable and financially sustainable future. At the time of the meeting, this was not certain.

6. The minutes of the January 2008 meeting clearly note that:

“Council were anxious that every possible way of avoiding closure was explored.”

### **The Arts Council encouraged Wyeside to address the issues that affected its future viability**

7. We attached a clear set of conditions designed to ensure that Wyeside would focus in a structured way on its ongoing development.
8. The continuation of revenue funding was, of course, dependent on meeting these conditions, (as is quite often the case in funding agreements of this nature). At no time was Wyeside Arts Centre “threatened with closure” by the Arts Council.

### **We knew back in January that Wyeside faced, and continues to face, a range of challenges to its ongoing viability and long-term sustainability**

9. We wrote to Wyeside Arts Centre on 20<sup>th</sup> February 2008 confirming the offer of revenue funding for 2008/09. We informed the Wyeside that the offer was subject to the normal standard conditions of grant, and one additional condition. This condition said:

“That you need to submit a Business Plan confirming the financial viability of Wyeside Arts Centre on the present level of regular revenue funding and demonstrating clear support from other partner organisations such as your Local Authority. This should be submitted ... as soon as possible and no later than the close of business of Monday 31<sup>st</sup> March 2008”.

10. At no time was there any reference to the possibility of Wyeside’s closure. Instead, the Arts Council was seeking clear confirmation from Wyeside that it could continue to function within a standstill budget as no inflationary increases could be made to Wyeside (or indeed to any of the Arts Council’s revenue clients).

## **On 14<sup>th</sup> April 2008 Wyeside Arts Centre formally accepted the Arts Council's offer of funding**

11. The Director of Wyeside Arts Centre subsequently contacted the Director of the Arts Council's Mid and West Wales Office to seek an extension of time for the completion of the Business Plan. This was agreed and the submission date was later extended to 30<sup>th</sup> June 2008.
12. Wyeside's Director understood that in seeking the extension, the release of funding would be delayed, as it was conditional upon completion of the Plan. The Business Plan was received by the Arts Council on 29<sup>th</sup> June 2008.

## **Within a week we had completed a review of Wyeside's Business Plan**

13. The Business Plan was reviewed in detail by senior Arts Council Officers (who sought clarification from Wyeside on a number of points, and provided feedback on certain areas). A paper was presented to our Council meeting on 8<sup>th</sup> July 2008.

## **We concluded that good progress had been made**

14. Wyeside's Plan demonstrated that financial projections were generally realistic, and that overall planning was prudent in nature. The Centre had opened discussions with its local authority, as we had requested, and had received positive communication from the Chief Executive of Powys County Council regarding ongoing financial support.
15. Officers remained concerned, however, that annual fundraising targets of up to £37,000 per annum were not realistic or achievable on an ongoing basis, and that further work was necessary in this area.

## **Although more work was needed, we were sensitive Wyeside's financial position**

16. Council agreed that Officers should continue to work with the Centre on the development of the Business Plan. Members also gave Officers the delegated authority to release the first tranche of revenue funding on the understanding that Wyeside agreed to continue working on the plan. A payment was released on 17<sup>th</sup> July 2008.

## **Positive and constructive dialogue followed**

17. On 7<sup>th</sup> August 2008 we met with the Chair, Vice Chair, Director and Finance Manager of Wyeside Arts Centre. The meeting was extremely constructive and we jointly agreed a clear way forward. Particular emphasis was placed on the potential for co-working with other venues, strengthening the relationship with Powys County Council and the ongoing development of the Business Plan.
18. We were particularly pleased to note the reinvigoration of the Arts Centre Board following a number of new appointments, including Cabinet members from Powys County Council. This was confirmed in a letter to the Chair of Wyeside on 13<sup>th</sup> August 2008. Throughout the discussions, the tone was positive, constructive and partnership was the overriding theme.

## **Wyeside has now addressed some of the key issues identified as on-going development priorities.**

19. The fundraising target for 2008/09 has now been met, and discussions with other partner organisations regarding co-working arrangements are moving forward. The relationship with Powys County Council is stronger, and the Board of Wyeside is continuing to build on this.
20. We presented a report to our September 2008 meeting of Council. The paper noted the progress made to date and also identified those areas that still require further work. In particular, it was noted that while the funding shortfall for 2008/09 had been addressed (indeed exceeded), a fundraising plan for the next three years needed to be put in place.

## **We agreed to confirm in full the 2008/09 funding to Wyeside Arts Centre**

21. It was agreed that we should continue to work with the Wyeside on this aspect of its operation, and a further progress report should be presented to the November 2008 meeting of Council. On the basis of the positive developments to date, Council agreed that Wyeside's funding for 2008/09 should be confirmed (as the condition of grant set out in the February 2008 offer letter had been met).

## **A year of patient and careful development**

22. We believe that Wyeside Arts Centre's future is significantly stronger now than it was in January 2008. We have been clear from the beginning that our desire to provide continuing support to Wyeside had a clear strategic rationale. However, as custodians of public funds, the Arts Council also has a duty to ensure that the funds that it provides are used effectively. On the basis of the positive dialogue that we have had throughout the year with Wyeside, we are more confident that the organisation is better placed to play a more effective role in the developing the arts in Powys.
23. By end of 2008/09 Wyeside Arts Centre will have received its full year grant of £67,381.

**Arts Council of Wales**  
**September 2008**