

Scrutiny of the Welsh Government Draft Budget 2019-20

November 2018

The Culture, Welsh Language and Communications Committee (the Committee) scrutinised the Welsh Government's draft budget 2019-20. This short report summarises the Committee's work.

1. The Welsh Government published its Draft Budget for 2019-20 on 2 October 2018. The proposals and narrative can be accessed here:

<https://beta.gov.wales/draft-budget-2019-2020>

2. The Committee invited Lord Dafydd Elis-Thomas, the Welsh Government's Minister for Culture, Tourism and Sport, to attend a meeting on 8 November 2018 to discuss the budget. Eluned Morgan AM, the Minister for the Welsh Language and Lifelong Learning, was invited to the Committee meeting on 14 November. On each occasion Members of the Committee asked questions on funding allocation and expected outcomes from budget decisions.

3. Prior to the meetings, the Committee asked for a range of information on those parts of the budget which fund activities under the Committee's remit. The Welsh Government provided the following papers:

[Memorandum on the Culture Draft Budget Proposals for 2019-20](#)

[Evidence paper to inform scrutiny of Draft Budget 2019-20 from the Culture, Welsh Language and Communications Committee](#)

4. During the scrutiny process a number of issues arose which require further information or clarification. They are highlighted in this report.



5. The Committee scrutinised three spending areas within the Minister for culture, tourism and the arts' portfolio, culture and the arts, support for the historic environment and media and publishing.

Support for the Arts

Background

6. Culture and the arts includes funding for the Arts Council of Wales, the National Museum, the National Library and the Museums, Archives and Libraries division of the Welsh Government.

7. Compared to the 2018-2019 supplementary budget, revenue funding for Support for the Arts decreases from £66.9 million to £65.9 million in the 2019-20 draft budget (a decrease of 2% in cash terms). Over the same period, capital funding increases from £5.4 million to £10.5 million (an increase of 93% in cash terms).

8. The capital budget “includes £5 million from the Budget Agreement with Plaid Cymru¹ to take forward the feasibility studies into a contemporary art gallery and a football museum in North Wales”.

Wellbeing of Future Generations (Wales) Act 2015

9. The Act was designed to make the public bodies listed in the Act think more about the long-term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach.² The Committee questioned the way in which the goals of the **Act** have influenced the budget allocations. The Minister for Culture told the Committee that the public bodies sponsored by his Department have received remit letters which include this instruction:

“Underpinning everything we do are the aims and wellbeing goals identified with the *Wellbeing of Future Generations (Wales) Act*. The five ways of working should be integrated within your strategic plan and you should demonstrate how you are delivering the well-being objectives that you have set in response to the requirements of the Act on public bodies.”

10. He went on to say:

¹ <https://gov.wales/docs/caecd/publications/171001-budget-agreement-en.pdf>

² <https://gov.wales/docs/dsjlg/publications/150623-guide-to-the-fg-act-en.pdf>

“We expect everyone who receives any funding from us to have given consistent consideration to these issues, and therefore, when we allocate a budget, it is all within that framework.”

- 11.** The Minister gave an example of libraries being used by service users of social services and health bodies as a neutral space for tackling mental health issues.

The Committee was unclear of the extent to which the Welsh Government is evaluating changes in ways of working following the inclusion of the instruction on delivering the wellbeing goals in the relevant remit letters. The Committee would like to see the Welsh Government provide further information to the Committee on this point.

Funding for the Fusion programme

- 12.** The Committee was informed of the publication of the evaluation of the pilot schemes under the Fusion programme, which aims to tackle poverty by encouraging people to take part in arts, culture and heritage activities.

Capital funding for the National Museum

- 13.** The Committee has questioned the capital underspend by the National Libraries and National Museum in previous years. It was noted that the Welsh Government has not made any explicit reference in the draft budget documents to the reprofiling of the funding which was discussed. The Minister agreed to provide further information on this.

- 14.** The Minister also agreed to provide further information on the plans to evaluate the value for money from the Welsh Government’s investment of £7 million in the £30 million redevelopment of the St Fagans Museum.

The Committee was concerned that the capital investment by the Minister’s Department should be shared across Wales. The Minister agreed to provide a note on the geographical spread of capital funding for Culture and the Arts.

Funding for the contemporary art gallery and football museum in North Wales

- 15.** The Committee asked for an update on the allocation of £5 million for the feasibility studies into an art gallery and football museum in North Wales.

16. The Minister responded that the consultants have reported on both projects and a Plenary debate has been scheduled in the National Assembly. Following this debate he expects to respond with the Welsh Government's preferred options soon after the debate and begin investment early in the New Year. The Minister spoke in favour of a dispersed model of investment, he said:

“The options set out in all the studies very much assist me... in looking for what I might call what is the appropriate Welsh model for national institutions... not about putting buildings in Aberystwyth, and Cardiff, and Wrexham, and Bangor, and wherever, of necessity. I think there is a very important principle... is that collections should travel and should not be in stacks in public buildings not seen. So, I think that when these issues come for public debate, I hope we'll get a really good response.”

Support for the historic environment

Background

17. Support for the historic environment includes funding for Cadw, the National Botanic Garden and the Royal Commission on the Ancient and Historical Monuments of Wales. Compared to the 2018-19 supplementary budget, revenue funding remains the same in the 2019-20 draft budget at £13.1 million. Over the same period, capital funding increases from £4.6 million to £6.2 million (an increase of 33% in cash terms).

18. This increase is accounted for by a £3.8 million increase in Cadw's capital budget (further increases are planned for 2020-2021). In its paper, the Welsh Government wrote this has been “allocated for investments in monuments in order to generate increased income in the future”.

19. During the budget scrutiny session in 2017, the Committee heard that the Welsh Government had decided to stop providing grants to owners of listed buildings and scheduled monuments and to use this money instead for capital improvements to the income generating parts of Cadw's estate. The Committee revisited this policy during this year's session with the Minister. He emphasised that funds are available for co-investment and that the Welsh Government is keen to encourage partnership working with owners of historic sites. Officials went on to say that “innovative funding proposals” are likely to be prioritised and that the Government wants to move away from the traditional model of handing out grants. Despite this it appears that there has been no fundamental shift in of policy in this area.

The Committee would like to see greater clarity from the Welsh Government on the extent to which grants will be available to owners of listed buildings and scheduled monuments, and what steps have been taken to communicate this policy to them.

Media and publishing

Background

20. Support for the media and publishing is funded through the Welsh Books Council. Compared to the 2018-19 revised baseline, revenue funding for this Spending Programme Area remains the same in the 2019-20 draft budget, at £3.6 million. Capital funding also remains the same, at £30,000.

21. The Welsh Government wrote in its paper that the Welsh Books Council's revenue budget has been retained as a result of the Plaid Cymru Budget Agreement.

Funding for hyperlocal news

22. In the Welsh Government's budget agreement with Plaid Cymru funding was allocated for "start up grants for journalists seeking to set up their own business in hyperlocal news". £100,000 was allocated each year for 2018-19 and 2019-20. This funding was to be made available through the Welsh Government's business support service, Business Wales.

23. The Committee sought clarification on how this money has been committed. Officials explained that the "additional funding for the bodies and feasibility studies" came to the Minister's department as a result of the Budget Agreement with Plaid Cymru but the policy responsibility remained with the Cabinet Secretary for the Economy and Transport because he has responsibility for creative industries.

24. The Committee has previously carried out a consultation on how this money should be spent. In response to a separate inquiry by the Committee into news journalism in Wales the Welsh Government said:

"Welsh Government officials have already commissioned a piece of additional research to establish where funding for hyper local journalism would have most impact and provide maximum added value. The research will focus on the current size and characteristics of the hyper local journalism sector; areas of market failure and barriers to

setting up hyper local journalism businesses; support currently available ... and the case for providing funding to existing hyper local journalism businesses as well as to start ups.”

The Committee would like to be updated on the outcome of this research. The Committee would also like additional information on where responsibility for £100,000 fund lies, how it is being promoted, what are the expected outcomes from the spending and how these will be evaluated.

Support for the Welsh language

25. The Committee discussed the funding which supports the Welsh Government’s “Cymraeg 2050: a million Welsh speakers Strategy and Work Programme”. The Strategy has three key themes that underpin the Welsh Government’s plans to achieve the goal. They are:

- Theme 1: Increasing the number of Welsh speakers;
- Theme 2: Increasing the use of Welsh; and
- Theme 3: Creating favourable conditions – which entails securing the right infrastructure and context to enable themes 1 and 2 to happen.

26. The Committee noted that overall funding for the Welsh language within the Education MEG has remained flat, with £38.3 million allocated within the 2019-20 draft budget. Members questioned whether this was sufficient to ensure progress toward the overall target. The Minister responded that:

“Well, I’m happy that we have been able to ensure that the budget is flat, because there is austerity and many other areas have seen a decline in the budget as part of what they receive ... So, we have ensured that the money continues as it has done in the past. I do think, in terms of the vision to reach 1 million speakers, what’s important now is that we put the infrastructure in place, and that’s what we’ve been preparing. The programme for 2050 is in place and we’re confident that the type of things that we need to put in place for that infrastructure is possible with the budget that we already have.”

The Committee understands the current constraints on funding, however the Committee is concerned that the cash flat budget may not allow sufficient progress toward the Welsh Government’s ambitious target of 1 million Welsh speakers by 2050.

Funding to improve Welsh-medium teaching

27. The Committee discussed funding for schemes to improve the Welsh language abilities of teachers and practitioners, which included funding through Cymraeg Gwaith, the Sabbatical scheme and the funding for studying for a Level 3 Diploma in Children’s Care, Learning and Development through the medium of Welsh.

28. The Committee questioned whether this funding demonstrated value for money given the numbers currently completing the various training courses provided. The Committee also questioned whether the funding that supports training for childcare practitioners through the medium of Welsh is sufficient to achieve the Welsh Government’s target of creating 40 Welsh-medium nursery settings by 2021.

29. The Minister asserted “we are on target to deliver the numbers [of new nursery settings] we want by 2020”.

30. She also commented that it was important to ensure that there were sufficient teachers with the right qualifications to ensure the quality of provision is not diluted in an effort to meet the targets for delivering increased numbers of Welsh nursery school provision. She said:

“what we don’t want is to open Welsh nursery schools that have the title ‘Welsh nursery school’, but, actually, there’s not much Welsh going on in the classroom. So, we have to make sure that, whilst that’s happening, we’re also training the teachers, and there’s significant investment going into that as well.”

31. The Sabbatical Scheme is part of the drive to increase the number of Welsh speaking teachers. The Minister told the Committee that a revised Sabbatical scheme had completed its first year and the Government is assessing whether it can be scaled up. She told the Committee that 66 people attended the “Welsh in a year” course and that she had asked for the figures for those attending short courses. She noted that there had been feedback from participants that they are unable to consolidate their learning once they return to their English-medium schools.

32. In the 2018-19 budget, £600,000 has been allocated to Mudiad Meithrin to support training and development of staff, including the opportunity to gain a NVQ Level 3 diploma in Children’s Care, Learning and Development through the medium of Welsh. The Committee questioned whether the 122 people due to

complete the course this academic year demonstrated value for money. In responding to these figures, the Minister said “we are confident that this is exactly where we should be. The key thing is that we just have to keep on increasing the capacity and the numbers of people who are able to teach through the medium of Welsh”.

The Welsh Government has agreed to provide further details on the expected outcomes of the Sabbatical Scheme to the Committee including the numbers of participants on the short courses, the “Welsh in a Year” course and the evaluation of the language abilities of participants once they return to their schools.

The Committee believes that the Welsh Government’s targets for increasing Welsh-medium early years education provision should be sufficiently ambitious to meet the overall strategy for reaching a million Welsh speakers by 2050. The Committee will continue to monitor the delivery of Welsh-medium nursery settings against the interim targets set by the Minister to deliver the total of 150 settings by 2050.

Coleg Cymraeg Cenedlaethol

33. The Committee was told that the Welsh Government has expanded the remit of the Coleg Cymraeg Cenedlaethol to the further education and work based learning sectors. In light of this, the budget included an allocation of £150,000 to “expand activity in areas where [there will be] an immediate benefit for the development of Welsh medium post-16 provision” in 2018-19. The Committee was told that “The allocation for 2019-20 will be dependent on the priorities identified within the new post-16 implementation plan under development”.

34. The Minister told the Committee that the action plan will be delivered in the next few weeks.

The Committee questioned if this additional funding would be sufficient to deliver the action plan priorities given that the action plan has not yet been published. The Committee has requested further details on the priorities in the action plan, and the funding supporting them, when this information is available.

Funding for the Welsh Language Commissioner

35. The Committee found that the presentation of the budget allocation for the work of the Welsh Language Commissioner was unsatisfactory. For instance, it was not immediately clear whether additional funding had been allocated to cover the handover between the new Commissioner being appointed and the current Commissioner leaving.

36. The Committee was told that the budget for the Welsh Language Commissioner is flat. This is because the Welsh Government is not intending to introduce new Welsh language standards and that activity within the Commissioner's office should in future have a greater emphasis on promotion rather than regulation.

37. The Committee addressed the substantial reduction in the Commissioner's reserve funds, from roughly £600,000 to £69,000. The Committee was told that the Welsh Government is comfortable with this reduction and that the rationale was that the reserves had been built up to fund potential tribunal costs. The Minister said:

“if there are any tribunal cases, for example, where cases come forward and they don't have the capacity within that cushion that they've allowed themselves, then I think, as a Government, we would have to look at that if and when that case arises. So, I think we do need to allow some flexibility there, should that kind of situation arise.”

The Committee would like a firmer undertaking from the Welsh Government that it is their intention to underwrite any costs from tribunal activities by the Welsh Language Commissioner's office which cannot be met from its funding reserves.

The Committee were keen to understand the process by which the budget proposals were agreed between the Minister for Welsh Language and Lifelong Learning and the Welsh Language Commissioner. The Committee will be asking the Welsh Government to set out the communication between the Minister, officials and the Welsh Language Commissioner. In particular, the Committee would like to understand the timing and nature of the Commissioner's revisions to her budget.

Welsh language legislation

38. The Committee questioned the timing of the proposed Welsh language legislation. Members commented that the current system for Welsh language standards is “paralysed” in anticipation of new legislation. Members commented on concerns that the private sector may not be investing in improved Welsh language provision because it is waiting for the new Welsh language duties. For instance, one Member quoted SSE Swalec, who said:

“We don’t intend to invest significantly in new bilingual resources until we know what our obligations regarding the Welsh language will be following the publication of the new Bill.”

39. In response, the Minister said:

“if a new Bill isn’t introduced, we’ll have no right to ask these private companies to do anything anyway. So, it’s important that we focus on developing a new Bill, to ensure that we can give leadership to these companies. I also believe that it’s important that we simplify the process. I don’t think it makes any sense for us to introduce more standards at present while we’re in the process of trying to simplify how we approach the standards in future. So, I don’t think that there’s much sense in us carrying on with creating standards if we’re going to change things in future.”

40. The Minister was asked to give assurances that the Bill will be introduced in the final year of the Assembly and she responded

“Well, that’s the plan. We’re working through it at the moment. That’s the intention. I actually think everything’s up in the air because of Brexit. We have no idea what’s going to happen, what the fall out of that will be and how that will impact on the core legislative programme. But, the intention at the moment is that we are working hard on the Bill.”

The Committee would like a much firmer commitment from the Welsh Government as to when a Welsh Language Bill will be introduced..

It is also important that commercial organisations, such as public utilities do not use the lack of Welsh language standards, as an excuse to diminish or stall their Welsh language provision.

The Welsh Government needs to ensure the private sector continues to invest in Welsh language provision. In this context, consideration should be given to providing greater information on the likely provisions of the new legislation to allow private sector organisations to prepare.

Capital funding

41. The Committee welcomed the one-off sum of £2.75 million for the expansion, restoration and updating of facilities in Glan Llyn and Llangrannog. The Committee requested further detail on the nature of the expected outcomes from this funding.

The Committee will wish to return to this investment to seek to establish the outcomes of the spending during the next budget round.