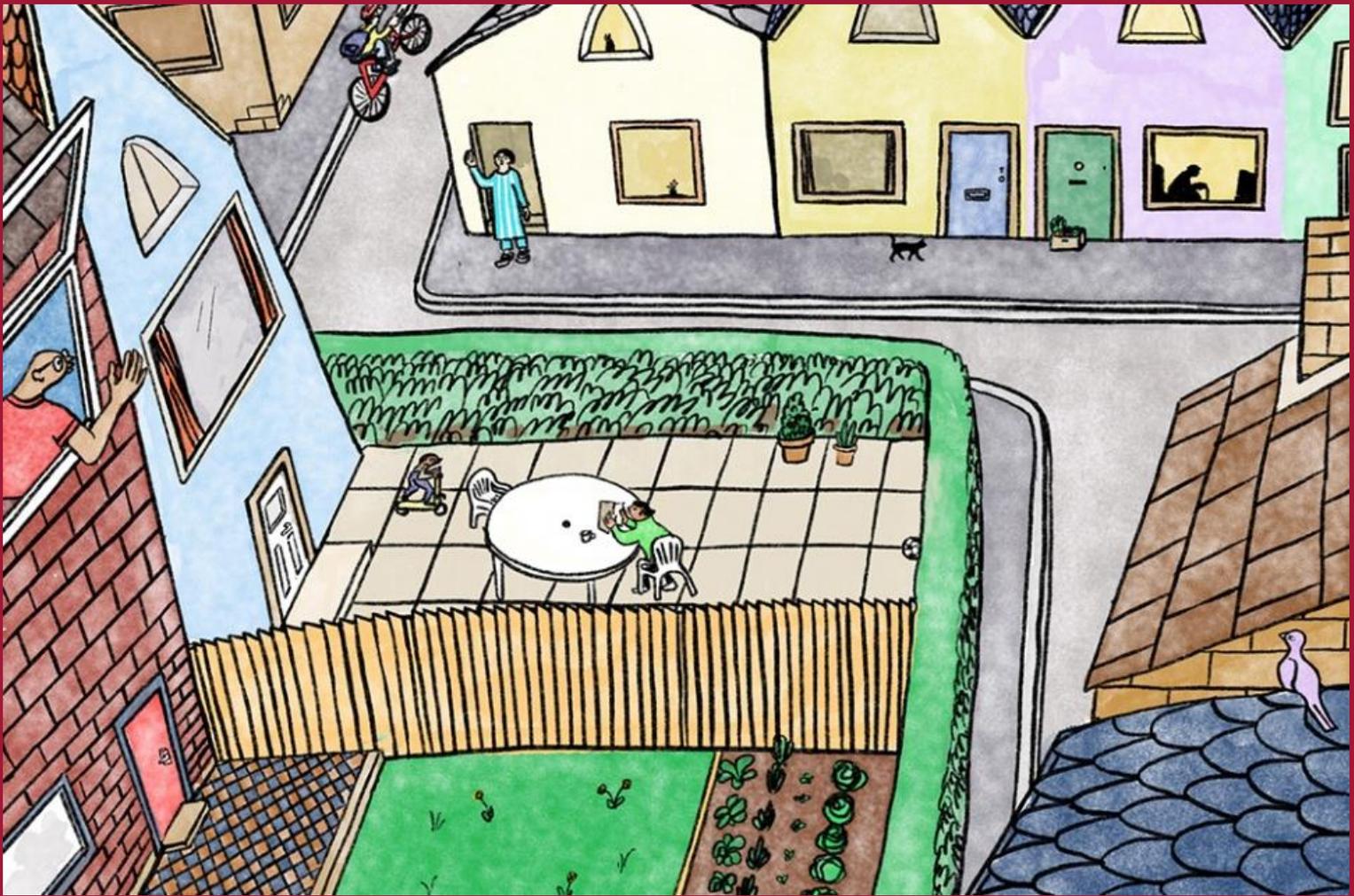




Cyngor Celfyddydau Cymru
Arts Council of Wales

GENERAL ACTIVITIES

Report and Financial Statements
for the year ended 31 March 2022



Noddir gan
Lywodraeth Cymru
Sponsored by
Welsh Government

Charity number 1034245

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What we do...

The Arts Council of Wales is the country's official public body for funding and developing the arts.

Established by Royal Charter on 30 March 1994, we exist to support and develop the arts in Wales for the benefit of people throughout Wales, and to support Welsh arts internationally.

We are also a Welsh Government Sponsored Body (WGSB), a National Lottery Distributor, and a registered charity (number 1034245).

Our [Royal Charter](#) sets out our objectives.

They are to:

- develop and improve the knowledge, understanding and practice of the arts;
- increase the accessibility of the arts to the public;
- work through the Welsh and English languages; and,
- work with other public bodies in Wales, and with the other Arts Councils in the UK, to achieve these aims.

A copy of our Royal Charter can be found on our [website](#).

During 2021/22 new variants of the Covid-19 virus emerged. This meant further lockdowns in Wales and a second year of huge impact on our work and on that of artists and arts organisations in Wales. We continued our vital support work, delivering a further two rounds of significant recovery funding.

But creative activity returned. We funded new and collaborative projects and reimagined some key areas of our work, such as the Venice Biennale.

Coming out of lockdown in March 2022, our focus is on what a post-pandemic sector looks like, developing and investing in a long-term vision of the arts in Wales.

By managing and investing our Welsh Government and National Lottery funds in creative activity, the Arts Council contributes to people's quality of life and to the cultural, social and economic well-being of Wales.



Take a look at our short animation explaining why [The Arts Matter](#)

<http://www.arts.wales>



Chair's foreword

You might be surprised to read that as Chair of the Arts Council of Wales, I am genuinely excited by current developments and future possibilities for the arts at the heart of Welsh life and society.

After all, we've been living through the cataclysmic experience of the Covid pandemic and artists and arts organisations are still dealing with its impact on audiences, on their own creativity and on their livelihoods. What's more, the pandemic both revealed and made worse the gross inequalities which blight our shared lives as citizens. The challenges of making substantial change in response to this unfair distribution of access and support are still to be met – we've only made the first steps in that process.

Overarching these threats and challenges is the climate crisis. In the arts, a sense of urgency on this existential matter has prompted reconsiderations of how we do the crucial work of presenting the creative achievements of Wales internationally and supporting international co-production. While domestically, the arts sector and the Arts Council still have a long way to go in responding to the scale of the carbon challenge.

And of course, the pressures on public finances, in national and local government, are huge. So, how can I honestly feel animated and encouraged by what's been happening and by what lies ahead?

The first reason is that the responses of the arts sector and of Arts Council of Wales staff have been truly inspiring during the worst times of the pandemic. Many organisations have strengthened their engagement with their communities and operated as hubs of support. Artists responded inventively to online needs and helped many of us, troubled and isolated by lockdowns and necessary restrictions, to find joy and connection through arts involvement. The importance of the arts has never been clearer.

This sense of value and importance has been shared by our main stakeholder, the Welsh Government. Elsewhere in this report, Mick Elliott details the strength of the partnership with the Government in sustaining the sector through its Cultural Recovery funding – and he rightly refers to our pride in the achievements of our own staff in distributing those funds in such an agile way. This partnership will obviously be crucial to a future where the arts support three key values in Wales: cohesive communities, improving the wellbeing of our people and stimulating a creative economy.

With partnerships in mind, we should be proud of the leading position of the Welsh arts in working with agencies in health, education and the environment. The Baring Foundation's announcement of their investment in our work in the area of arts and

mental health came with a strong statement that the partnership between the Arts Council and the NHS Confederation in Wales was a model for the whole of the UK.

It was hugely encouraging at the end of the year to have confirmation from the Minister for Education and Welsh Language in Welsh Government that our internationally-praised *Creative Learning through the Arts* programme in schools would be supported for a third phase. The value of this programme was vibrantly apparent during the pandemic and it will be a key contributor to the implementation of the new curriculum in Wales.

And our partnership with Natural Resources Wales and our productive dialogue with the Future Generations Commissioner both focus on the power of the arts in place-making and in enriching our experience of shared spaces and Wales's extraordinary landscapes.

All these collaborations are means of the arts connecting more widely and more fairly with the diverse communities, talents and potential of the Welsh people. But the sharp and timed challenges of the Widening Engagement action plans we've established in partnership with Amgueddfa Cymru will drive that process more strongly again.

In relation to ethnically and culturally diverse people, disabled people, Welsh speakers and those living in areas of economic poverty whatever their language, our commitment to equality of access to arts experiences will be central to our funding activity. We've begun this equalities-driven journey with programmes like *Connect and Flourish* and *Creative Steps* but our upcoming Investment Review and our strategic focus in National Lottery funding will be major engines of much-needed further change.

None of that should be seen as threatening. Quite the reverse. It opens up exciting possibilities where the creative and collective energies of the people of Wales can find dynamic expression. A fairer Wales, a truly contemporary Wales, a Wales where many more of our citizens, of all ages and backgrounds, join in the imaginative and transformative adventure of the arts.

Why wouldn't we be excited by that?

Phil George
Chair

Performance Report and Operational Review



Interim Chief Executive, Michael Elliott, gives his reflection of the impact of the last year

On joining the Arts Council of Wales at the very end of the financial year, it was immediately evident to me how vital the Arts Council of Wales's action has been in assisting so many artists and arts organisations to navigate the adverse impact of the pandemic on their sustainability and livelihoods. Its timely and effective

delivery of the Welsh Government's Cultural Recovery Fund (CRF) was central to its achievements in the year and to the sustainability of the arts sector.

In the early days of the pandemic the Council used a combination of its Lottery and strategic funds to provide Urgent Response and Stabilisation rounds of funding. However, it was clear even then that the Council's own funds would not match the growing and urgent needs of the sector and that a national programme of support would be needed.

The first round of Culture Recovery Funding was launched in August 2020, and additional funding for the sector came in two further rounds in this financial year - CRF 2 in April 2021 and CRF 3 in January 2022 - providing a total additional investment in the arts sector in Wales in excess £31m over the last two financial years.

The Council's partnership with the Welsh Government and its officials in creating and managing this response to the crisis facing the nation's arts sector will reap rich benefits in the years to come, provided targeted and continued action can be maintained. Rebuilding engagement with, and attendance at, arts events and replacing talent and key skills lost during the pandemic, compounded by growing economic pressures, will take many months, if not years. Planning for long-term sustainability and becoming agile in response to rapidly changing circumstances has never been more necessary for the Arts Council and the arts sector.

In addition to the further rounds of emergency assistance provided by the Welsh Government, Lottery support held up well with the Council's share of the proceeds hitting above £18m, the same level as 2020/21. Both the *Connect and Flourish* and *Create* lottery-funded schemes have provided significant project support for the sector, with some bold and creative new initiatives now having their impact.

Creative Steps has enabled the Council to make advances in support of projects aligned with its Widening Engagement Plan and partnership with Amgueddfa Cymru. The Council's Arts and Health programme attracted additional funding and established new partnerships with Health Boards, and the partnership with Natural Resources

Wales to support arts and the environment activity led to the establishment of a new post to develop a national programme.

Meanwhile, although international travel has been restricted, the Council's international work has not. Its attendance at many virtual events and the establishment of important new networks and relationships are bringing significant benefits for the international engagement of the arts in Wales.

My admiration for the Council's many achievements is all the greater for the knowledge I have gained of the passion, professionalism, expertise, and pace of the Council and its staff in get supporting to where it counted, whilst itself experiencing significant challenge. The impact of the retirement of Nick Capaldi as the Arts Council's longstanding and highly effective Chief Executive in September 2021 and, at the same time, the retirement on grounds of ill health of his highly-regarded successor designate, Siân Tomos, were deeply felt.

Phil George, Chair of Council, and the remaining three members of the senior leadership team - Rebecca Nelson, Diane Hebb and Richard Nicholls - picked up and ran very successfully with the considerable additional challenge this presented at a critical time for the sector and the nation. It was, therefore, an honour to be invited to join this impressive team in March 2022 as Interim Chief Executive to help provide additional stability, support and direction until a new permanent Chief Executive is appointed and can take up the post.

Despite these leadership changes the Council confidently began the preparation of its next Strategic Plan due for implementation from 1 April 2023 and started its Investment Review for the period beyond 1 April 2024. Both will be critical to the Council's work over the remaining years of the current decade and its contribution to the recovery, transformation, and sustainability of the arts sector. The Council has an unwavering determination to ensure the arts once again flourish and advance their engagement and co-creation with the diverse communities and people of Wales in the pursuit of the seven goals of the Well-being of Future Generations Act.

Michael Elliott
Interim Chief Executive

Our strategy for recovery and renewal

The principles that drive our work

Our mission and our priorities

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

Our vision is of a creative Wales where the arts are central to the life and well-being of the nation.

Our goal is the re-building of a creative Wales in which our best talents are revealed, nurtured and shared; a country in which the widest possible cross-section of people in Wales is enabled to enjoy and take part in the arts; a country in which excellent work is valued, protected and supported to grow. This is described in more detail in our corporate plan –**For the benefit of all**.

Two priorities underpin this strategy. They are:

1. Promoting **Equalities** as the foundation of a clear commitment to reach more widely and deeply into all communities across Wales.
2. **Strengthening the Capability and Resilience** of the sector, enabling creative talent to thrive

Council has also identified a further action to support the delivery of these two priorities:

3. **Enabling the Arts Council to work more effectively**, collaborating more imaginatively with like-minded partners across Wales

Responding to Covid-19

2021/22 was another challenging and unpredictable year, with Wales going in and out of lockdown. We did see a return to the arts, albeit not to the pre-pandemic level, and we saw particular pressure on venues as audience numbers failed to return. We continued to advocate the need for large-scale emergency funding for the sector with Government. Cultural Recovery Funding rounds 2 and 3 were crucial to the financial survival of many.

The Covid-19 pandemic has changed the way we all live, our outlook and how we engage in the arts, culture and creativity. At its core, the arts are a social as well as cultural experience. As we come out of the pandemic, audiences and participants will seek out the social and engagement aspects of art and culture even more than usual. As they do, they're likely to take more of an interest in how the arts connect to them as individuals and communities. Our funding will reflect what's relevant and deliverable given need and circumstance.

Welsh Government

The priorities of the Welsh Government set the overall context for our work. The Welsh Government's expectations of us are set out in an annual Remit Letter. These include:

1. United and Connected

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

2. Ambitious and Learning

"Our aim is to instil in everyone a passion to learn throughout their lives."

3. Prosperous and Secure

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

4. Healthy and Active

"Our aim is to improve health and well-being in Wales, for individuals, families and communities... and to shift our approach from well-being to prevention."

As a result of the Welsh Parliament election in May 2021 there was a delay in the issue of our Remit Letter for 2021/22. A new Welsh Government was formed and in the Cabinet re-shuffle which followed Dawn Bowden MS was appointed as the Deputy Minister for Arts and Sport. A new Programme for Government was developed for the 5 year period of Government.

As a Welsh Government Sponsored Body, we operate within a complex network of public policies, strategies and legislation. The most important of these is the Welsh Government's Well-being of Future Generations legislation. Well-being and sustainability are fundamental to our work. Our activities address all seven of the well-being goals:

1. A prosperous Wales
2. A resilient Wales
3. A healthier Wales
4. A more equal Wales
5. A Wales of more cohesive communities
6. A Wales of vibrant culture and thriving Welsh Language
7. A globally responsible Wales

We also adopt, in our planning and in the delivery of our work, the legislation's "five ways of working": **Long-term, Prevention, Integration, Collaboration, Involvement.**



* Many participatory sessions were delivered online during the lockdown in 2020/21 attracting more participants than at organised location-based sessions during the first 6 months of 2021/22.

Public benefit

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

In setting our objectives, and in the planning of our work, Council members have given serious consideration to the Charity Commission's general guidance on public benefit. Public benefit is at the centre of all aspects of our work. This commitment is strengthened by the Welsh Government's Well-being of Future Generations legislation.

As a Welsh Government Sponsored Body (WGSB) we allocate taxpayers' money for the benefit of the Welsh public.

The funding that we distribute has a number of public purposes:

- it helps to make sure that Welsh audiences can enjoy and take part in high quality arts activities
- it enables investment in the commissioning, production and exhibition of the arts, helping to sustain the careers of creative professionals in Wales
- it makes the arts more affordable, bringing them within reach of more people
- it encourages innovation and risk-taking, raising the quality and diversity of the arts made and promoted in Wales
- it furthers the cultural, social and economic priorities in the Programme for Government

Public funding also helps to address 'gaps' in the market by investing in those activities that the commercial sector either won't, or isn't able to, support. In all aspects, our funding is intended to encourage the best of the arts and to enable as many people as possible to enjoy and take part in these activities.

We undertake detailed research each year to assess the extent to which we're achieving these goals. In the pages that follow, we set out the key highlights of our work during 2021/22 and the public benefit that these activities deliver.

330

schools engaged during the second phase of the *Creative Learning through the Arts* programme

85

schools participated in year 2 of their *Lead Creative Schools Scheme* projects

Over
450

teacher engagements with the *Creative Learning* programme

Over
20,500

learner engagements with *Creative Learning* activity

Over
500

creative professional engagements with the *Creative Learning* programme

133

Creative Learning Recovery Grants supported over

6,000

learners with their return to schools

Creative learning through the arts

Creative learning through the arts: an action plan for Wales 2015-2020, has transformed the learning experiences of pupils across Wales since 2015. By placing the arts and creativity at the heart of education this ground-breaking programme has supported schools in developing new approaches to curriculum design. It has also supported teachers in exploring innovative approaches to teaching and supported pupils to grow as independent, creative learners who are more engaged, more confident, and higher achievers.

In February 2020, and with the support of the Welsh Government, the Arts Council of Wales was pleased to announce a second phase for the programme. Our focus for this second phase was on continuing to support schools on the journey towards the development and delivery of Curriculum for Wales. The **Lead Creative Schools Scheme** has remained at the heart of delivery, providing opportunities for more schools, pupils and teachers, to experience this transformational approach to teaching and learning.

This phase was designed to:

- support more schools to develop creative approaches to teaching and learning, building on the knowledge and expertise of the schools already engaged in the Lead Creative Schools Scheme
- provide Continuing Professional Learning opportunities for teachers and artists
- support schools to explore creative approaches to curriculum development and design
- support the development of creative skills in our learners
- continue to widen opportunities for learners to explore high quality arts and cultural experiences through **Go and See**

Key work in 2021/22

- 330 schools engaged during the second phase of the programme
- Over 20,500 learner engagements with Creative learning activity
- Over 450 teacher engagements
- Over 500 creative professional engagements
- 34 schools participated in an online version of the Lead Creative Schools Scheme during the initial lockdown
- 58 Go and See grants awarded since the scheme re opened in October 2021 benefited over 4,500 learners
- 42 Go Creative grants supported over 2,000 learners
- 133 Creative learning Recovery Fund Grants supported over 6,000 learners with their return to schools
- 85 schools participated in year 2 of their Lead Creative Schools Scheme projects launched in September 2020

- 19 secondary schools participated in an Enhanced Offer for Secondary Schools to further explore, develop and embed their understanding of creative learning collaboratively across Areas of Learning and Experience and to explore curriculum design and delivery in preparation for Curriculum for Wales
- 4 schools, over 1,200 learners and 22 creative practitioners have participated in Cynefin exploring diversity in Wales, past and present
- with the National Academy for Educational Leadership we worked with a cohort of 10 senior leaders from across Wales
- over 800 teachers and creative professionals attended Creative Learning training sessions

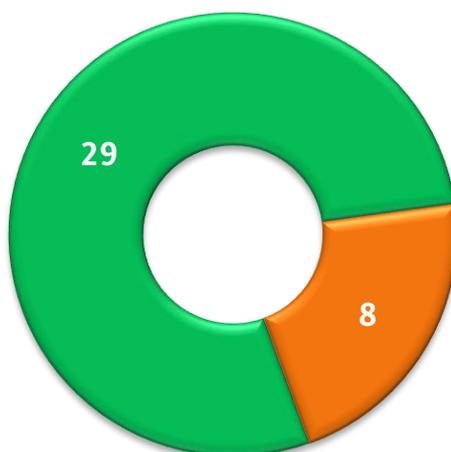
Our performance

A year of strong performance against our corporate objectives

Our Operational Plan for 2021/22 provided the focus for our work. It contained 37 key tasks, each with its own targets, across 7 strategic areas of activity. Progress was monitored throughout the year through quarterly progress reports presented to Council. We also met quarterly with officials of the Welsh Government.

We successfully delivered against all 7 strategic areas and over 75% of our tasks. At the end of the year:

- 29 tasks had been successfully completed
- 8 tasks were progressed



Throughout 2021/22, responding to the impact of Covid-19 continued to require significant attention and activity. We provided ongoing support to the Sector to safeguard creative activity for audiences and participants.

We postponed our Investment Review to allow organisations more time to recover and develop from the impact and restrictions imposed as a result of the pandemic. Investment Review activity will be resumed in 2022/23.

At the same time, we needed to adapt our own organisation in response to the pandemic and to support our staff. This was against a backdrop of physical resource challenges whilst we were without a Chief Executive and Director of Arts Development for a significant part of the year.

Following the welcome announcement by Welsh Government, at the end of December 2021, of a 1.5% uplift in funding for 2022/23, and successful appointments to the posts of Director of Arts Development and Interim Chief Executive, our position at the year-end compared to the targets in our Operational Plan 2021/22 was as follows.

We protected the sustainability of the Sector, arts organisations and individual artists, enhancing our support to aid recovery from the Covid-19 pandemic

- in partnership with Welsh Government, we provided an additional £4m of revenue funding, through our General Activities Account, for a third round of the Cultural Recovery Fund
- we delivered significant funding to organisations and individuals through our new Lottery programmes – Connect and Flourish and Create – alongside Creative Steps and Capital investment and our rolling programme of small and large grants
- we increased engagement with our Arts Associates, involving them in grant assessment to ensure previously unheard voices informed decisions based on their diverse, lived experience

We implemented a number of activities to widen our engagement with communities and the individuals they serve. We worked to remove barriers to engagement and participation in the arts:

- in partnership with Amgueddfa Cymru we published Reports commissioned for specific research into community engagement, to include social, economic, disability and ethnicity factors, and the resulting joint Widening Engagement Action Plan
- we appointed an Agent for Change to help drive forward our Equalities Agenda, and, more recently, appointed an Assistant to our Agent for Change under the Kickstart programme
- through our National Lottery programmes we increased the focus on equalities, emphasising the importance of promoting collaborative proposals between creative individuals and organisations that will help reach wider and deeper into communities
- our Night Out scheme was closed for much of the year due to Covid-19. It re-opened gradually to bookings from community promoters and has been guiding and enabling the reintroduction of events whilst helping promoters comply with Welsh Government Covid-19 regulations. 108 events were booked through the scheme in 2021/22, 35 of which were in what was previously known as Community First areas

We progressed our commitment to promoting the use of the Welsh Language in the arts and introduced a number of new initiatives. We have:

- we appointed a Welsh Language Enabler to drive forward our work to facilitate and promote the use of the Welsh language in the arts. This work includes the development of a new Welsh Language Strategy, which will be completed and published in 2022
- we developed a new Welsh Language assessment process for all new and vacant posts at the Arts Council
- we provided opportunities during working hours for employees to receive Welsh language training
- we progressed the recommendations in our published response to the Welsh Language Mapping Report
- we developed a partnership with the National Centre for Learning Welsh

- we launched our Bilingualism Promotion pack to encourage organisations within the arts sector to consider how they can boost their activity in Welsh and to advise ways to achieve this
- we increased the emphasis on Welsh language consideration in our grant application project proposals

We progressed the second phase of Creative Learning through the Arts:

- in the academic year 85 Lead Creative Schools continued their year 2 projects. Schools are now in their evaluation stage. These projects have involved over 2,500 learners and have created opportunities for 180 Creative Practitioners to work in our schools
- we continued our recently-launched programme, Cynefin: Black, Asian and minority ethnic Wales. The first cohorts of projects concluded with teachers from 24 schools, 708 learners and 22 Creative Practitioners exploring Wales as a multicultural society
- we launched the Creative Learning Recovery Fund. This was designed to support schools to reinvigorate, reimagine and re-engage learners with their learning. Over 5,900 learners from 133 schools have worked with 148 teachers and creative professionals to reconnect with their classrooms
- we launched the Go Creative Fund for schools to bring in creative practitioners to deliver short creative experiences focused on engagement and well-being, in line with learning recovery goals. In addition to 94 Go and See grants we awarded 59 Go Creative grants
- we secured the continuation of the Creative Learning programme with a 3-year extension to March 2025

We continued to progress our Arts and Health programme:

- we progressed our Capacity Building programme which supports specialist arts co-ordinator posts in each Health Board. 2 of the 7 Health Boards transitioned from our 3-year funding and looked to sustain the posts through core National Health Service (NHS)/charitable funding. Independent evaluation of these posts will be commissioned early in the next financial year
- we held regular partnership meetings with the Welsh NHS Confederation including participation on a Special Wales panel at the Culture, Health and Well-being International Conference in June 2021. The conference attracted 500 people from 30 countries and the Wales panel's discussion attracted a lot of interest
- the Health, Arts, Research, People (HARP) funding programme is nearing completion, following which we will publish an approach/guide to developing Arts and Health innovations together with a series of recommendations
- we launched our Arts Health & Wellbeing National Lottery fund in April 2021. Over 2 rounds we awarded over £48,000 to 16 partnership projects with a number of projects receiving media attention
 - Welsh National Opera's singing and breathing project with Health Board rehabilitation services, to support people recovering from 'long Covid', used as an exemplar by Welsh Government

- National Dance Company Wales' *Moving Beyond Compliance* partnership project with Cartrefi Cymru, exploring how movement can benefit staff working in care settings
- Cardiff & Vale's *People Place Future* Royal Infirmary project
- we launched *Cultural Cwtsh*, a website of creative resources to support NHS and social care staff's well-being throughout the pandemic and beyond. To date, more than 30 artists and film-makers have been commissioned to create engaging video content
- we launched *Celf a'r Meddwl/Arts & Minds*, a new partnership with the Baring Foundation to support and develop work around the arts and mental health on a national scale. The Foundation has committed £100,000 per annum for a 3-year period from 2021/22 to 2023/24 which we will match fund. In this first year, the 7 Health Boards were awarded £28,600 each to develop creative interventions to support people's mental health

We engaged in an extensive programme of international activity – *Bro a Byd* - local wellbeing and global goals:

- we revised and relaunched our International Opportunities Fund that had been suspended because of Covid-19
- we completed the Watch Africa Cymru programme in Wales, exploring within international communities. Discussions are underway for a second project
- the successful partnership with Disability Arts Cymru launched its international campaign *Bring Us Our Creative Rights: Disabled People's Cultural and International Manifesto* on the International Day of Persons with Disabilities
- we worked with the Future Generations Commissioner for Wales to develop international activity, including the support for the Wales Fringe event on the last day of the United Nations Climate Change Conference 2021 (COP26)
- we hosted a digital event with Creative Carbon Scotland and Theatre Forum Ireland where international guest speakers focused on touring and arts distribution and climate emergency. This formed part of Welsh Government's Wales Climate Week programme
- our *#pethaubychain* social media campaign focused on
 - 'A Globally Responsible Wales'
 - climate emergency
 - 'A Wales of vibrant culture and thriving Welsh Language', with a specific focus on the Welsh language and its relationship with other languages
 - Ireland, with guest curator Fearghus Ó Conchúir
- we commissioned the development of an evaluation framework that will measure the impact of international work in the context of the goals of the Wellbeing of Future Generations Act. The framework may then be flexed and applied to other areas of activity across the Arts Council
- we progressed the Welsh Government's International Strategy including activity with Ireland, Germany, Japan and Canada
- we arranged hybrid delivery of Wales at Showcase Scotland 2022. 4 of the 6 artists performed to live audiences in Glasgow but also benefited from the presentation of

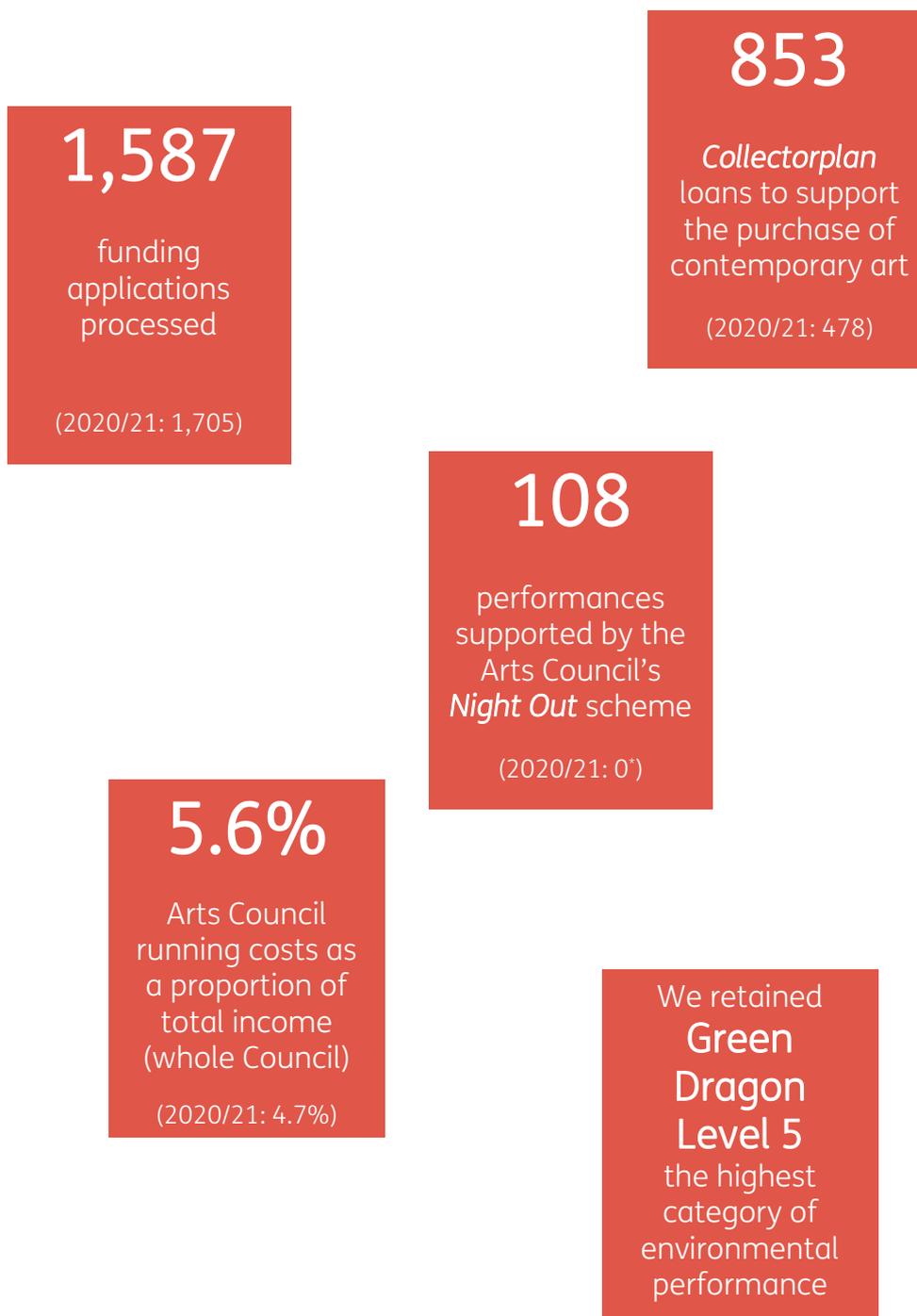
digital assets to global audiences. The media partnership with Welsh and Scottish broadcasters for coverage of Showcase Scotland 2022 resulted in dedicated programmes on S4C, BBC Cymru Wales, BBC Radio Cymru and BBC Alba, as well as BBC iPlayer and S4C Clic

- we developed a new set of aims for Wales in Venice 10, including a Fellowship programme to develop a series of commissioning opportunities for artists as part of the Creative Programme in 2022/23
- we continue to work on the Arts Infopoint UK project in partnership with the four UK Arts Councils, providing support and advice on artists mobility from the UK to the European Union
- we continued to build and strengthen our relationships with key European Networks such as the Informal European Theatre Movement (IETM), On the Move and Culture Action Europe

Working in partnership with those that share our values to create opportunities we couldn't alone. In addition to those partnerships already referenced in the above:

- BBC Cymru - 49 artists of diverse genres and backgrounds have benefited from Launchpad funding. An online learning programme has also been offered to successful artists
- we began early-stage conversations with Nesta regarding future collaborative working and mutual investment in early years creativity
- with Natural Resources Wales we launched the Future Wales Fellowship and developing working approaches, to identify areas of collaboration with a focus on maximising and sharing resources to support the creative sector to move towards net-zero carbon
- Year 2 of *Ffolio*, our partnership with BBC Arts, BBC Wales, BBC Cymru and Ffilm Cymru Wales, is underway, creating opportunities for under-platformed talent. 4 audio and 4 film commissions have all completed production
- our partnership with the Jerwood Foundation has supported 7 Creative Fellows in Wales and is now entering the final months of the programme
- PRS Foundation's *Accelerator* scheme and *Power Up!* supports musicians and, latterly, specifically black musicians
- Wales Arts, Health and Wellbeing Network programme focused on wellbeing-centred peer development and coaching
- S4C and Ffilm Cymru Wales cross-creative sector development programme *Labordy* focused on producers wanting to work in the medium of Welsh. 5 directors were selected to participate
- leading on the development of the Welsh Government's new Cultural Contract included commissioning Wales Cultural Alliance to undertake a series of conversations across the cultural and creative industries sector alongside a survey to explore options for an appropriate framework
- we recruited a new cohort of 191 individuals with differing knowledge, skills and experience who have expressed an interest in working with us as potential Arts

Associates. This will improve the quality of advice that we receive across our work and ensure the most relevant input is available to our funding decision meetings



* The lockdown as a result of the Covid-19 outbreak meant that all Night Out events for 2020/21 were cancelled and no future bookings were accepted. Cancellation fees were paid to performers for the 105 events already booked through the scheme when lockdown began.

Equalities



“ The arts in Wales continued to face huge challenges as a result of Covid-19 during 2021/22 and, as in the previous year, our most marginalised communities have been impacted the hardest. The culmination of the work on Widening Engagement also presented us with significant challenges and called for us to continue our deep

reflection on the work we’ve been doing to advance the equality agenda. The publication of the Widening Engagement Action Plan represents a pivotal moment for us and, as this becomes central to the work of this Committee moving forward, I have confidence that we are truly on a path towards change.”

Devinda De Silva

Chair, Strategic Equality Committee

A major focus for our work in 2021/22 was the completion and publication of the Widening Engagement reports we had commissioned in the previous year in partnership with Amgueddfa Cymru. The three areas of research focused on engagement with those communities we, and the work we supported, had consistently failed to reach. This work involved hearing the voices of people with lived experience sharing stories that were uncomfortable and challenging to hear, but vital to bringing about the change that is needed if we are to deliver the ambitious goals set out in our plan.

The final reports and the development of a joint action plan with Amgueddfa Cymru were at the centre of our work during the year. The reports called for significant actions to develop and improve arts experiences for deaf and disabled people, for people from ethnically and culturally diverse backgrounds and for those experiencing social deprivation and poverty. They call for positive action to tackle anti-racism and anti-ableism.

Our joint action plan was published in February 2022.

As we stepped into 2021/22 we announced the appointment of our Agent for Change, Andrew Ogun. During the year Andrew has been at the heart of conversations, both internal and external, focused on making changes to policies and processes and the removal of barriers that have prevented equity of access to us and our work.

The arts sector and wider society were still impacted by Covid-19 during this year and once again we concentrated on supporting artists and arts organisations as they met the challenges of re-emerging to create and share work with audiences. The Committee was clear in its deliberations that the lessons of the last two years should not be lost when we revisit and re-articulate our equality plan moving forward. The #WeShallNotBeRemoved campaign had articulated with absolute clarity the impact the pandemic had on disabled people.

Activities undertaken by the Strategic Equality Committee during 2021/22 included:

1. reviewing the first year of our [Strategic Equality Plan for 2020-24](#), evaluating the impact of the actions and identifying a new set of actions for the year ahead. A specific focus emerging from these discussions is to address barriers faced by people living with poverty
2. publishing a joint [Widening Engagement Action Plan](#) with Amgueddfa Cymru
3. continuing to monitor where our funding has reached. Data has once again shown an increase in the number of successful funding applications, particularly to our new [Connect and Flourish Scheme](#), from disability-led organisations and those led by artists from culturally and ethnically diverse backgrounds
4. evaluating and reviewing our [funding processes](#) to inform new approaches to reaching artists and arts organisations that have traditionally faced barriers
5. continuing to support organisations on their business development journey through our [Creative Steps](#) scheme and taking forward work on developing a strand for individual artists and creatives
6. working in partnership with the other UK Arts Councils to explore a UK-wide Arts Access Card scheme based on our hugely successful [Hynt](#) scheme

Council appointed Devinda De Silva as Chair of the Strategic Equality Committee from 1 April 2021.

The Committee met 3 times during 2021/22 to discharge its responsibilities. Members in total attended on 12 out of a possible 21 occasions.

Welsh language



“ It is often said that ‘the Welsh language is a treasure’. But it is not something to be locked away and displayed at a distance. The language must also be our favourite toy, something to be held, felt, and carried with us everywhere. Part of the Council's work is therefore to create opportunities for artists from all

backgrounds to be creative through the medium of Welsh and to give people from all over Wales and the world the opportunity to enjoy the creativity of the Welsh language.”

Tudur Hallam

Chair, Welsh Language Committee

As a bilingual organisation, our commitment to the Welsh language is integral to our work. We promote vigorously the right of people to explore their own culture and creativity through the language of their choice, whether as consumer, participant or artist and are committed to investigating future creative possibilities through the lens of the Welsh language.

In its strategy, Cymraeg 2050, the Welsh Government notes its long-term target is to achieve one million Welsh Language speakers by 2050. We believe that in working through the arts, we can support Welsh Government to deliver on its strategic themes within this, particularly around:

- an increase in the number of Welsh speakers
- an increase in the use of Welsh
- creating favourable conditions within the arts sector for the language to thrive.

Activities undertaken by the Welsh Language Committee during 2021/22 included:

1. monitoring **progress against Council's Welsh Language priorities**, identifying for Council where more progress is required
2. ensuring successful implementation and maintenance of the **Welsh Language Standards** and acting when Standards are not met.
3. developing a job description and contributing to the appointment of the **Welsh Language Enabler** and, with the Director of Arts Development, supporting her work to help us to prepare a new Welsh language strategy for the Arts Council

4. providing panel members in relation to the recruitment to the senior posts of Chief Executive, Director of Arts Development, and Portfolio Manager
5. exploring with others, including the Welsh Government, ways of developing appropriate language awareness courses and unconscious bias courses in relation to the Welsh language
6. providing relevant advice in relation to the next Investment Review
7. further developing the partnership with the [National Centre for Learning Welsh](#) to improve or refine the language skills of staff and artists within the arts sector, including partnering with [Theatr Genedlaethol Cymru](#) on a second Iaith Gwaith course
8. making progress in implementing 7 of the 10 recommendations outlined in the [Welsh Language Mapping Report](#) by designing and commissioning research to identify the needs and opportunities for Welsh language development pathways within the arts for creative workers and creating the first Welsh Arts Consortium
9. inviting Welsh language organisations such as Urdd Gobaith Cymru to address the Welsh Language Committee to talk about their work

Council appointed Tudur Hallam as Chair of the Welsh Language Committee from 1 April 2021.

The Committee met 4 times during 2021/22 to discharge its responsibilities. Members in total attended on 7 out of a possible 8 occasions.

Future generations



“Our work in 2021/22 has been to ensure the Council continues towards the vision set out in the Well-being of Future Generations Act of a fair, prosperous and sustainable Wales, improving the quality of life of people in all its communities. It has been essential to ensure we continue to move forward in the aftermath of the pandemic.

Over the last year we have looked to the Future Generations Report to guide our work on a Widening Engagement Action Plan, and to inform our future monitoring and assessment processes as we plan for Council’s next Strategic Plan and Investment Review. We continue to create a movement for change by prioritising involvement and engagement with the widest range of partners and the public in this process. We have also given specific focus to environmental sustainability, following COP26 and the focus on tackling climate injustice and the nature emergency.”

Lhosa Daly

Chair, Future Generations Committee

The Well-being of Future Generation (Wales) Act 2015 is landmark legislation that aims to improve the economic, social, environmental, and cultural well-being of Wales. The Arts Council of Wales is one of the public bodies named in the Act that must comply with the legislation.

The Act has underpinned our mission in recent years. We strive to undertake our work in a sustainable way, considering the impact that our work has for people living, experiencing, and participating in the arts in Wales – now and in the future. We have also embraced the principle of the Act and see it as a vital opportunity to contribute as an arts sector to the 7 Well-being Goals. By taking a holistic approach we can bring creativity and imagination to many aspects of public life for mutual benefit.

Activities undertaken by the Future Generations Committee during 2021/22 included:

1. continuing to embed the Future Generations **Five Ways of Working** (Involve, Collaborate, Prevent, Integrate, Long-term), in our policies, strategies and in the delivery of our work
2. discussing the Future Generations considerations in relation to the upcoming development of the **Strategic Plan and Investment Review**, with specific focus on reviewing the environmental targets for Arts Portfolio Wales organisations
3. learning from the work of other organisations, in particular Creative Carbon Scotland, and their development of the **scaffolding approach to support funded organisations** to become environmentally sustainable
4. monitoring the development of the **evaluation framework** to progress and evaluate the impact of the Arts Council's work against the 7 well-being goals of the Act
5. reviewing and updating reports and action plans including the **Well-being of Future Generations Annual Report 2020-21**, the **Widening Engagement Action Plan**, and the **Future Generations Committee Action Plan 2021-23**
6. ensuring retention of our **Green Dragon Level 5 Accreditation** for environmental sustainability
7. reducing our carbon footprint considerably using our **information technology infrastructure** which enabled us to operate remotely throughout the pandemic lockdown

The Committee met 9 times during 2021/22 to discharge its responsibilities. Members in total attended on 18 out of a possible 27 occasions.

Environmental performance

We promote the minimisation of waste amongst our staff by encouraging reduction, reuse and recycling and waste separation, reducing the amount sent to landfill.

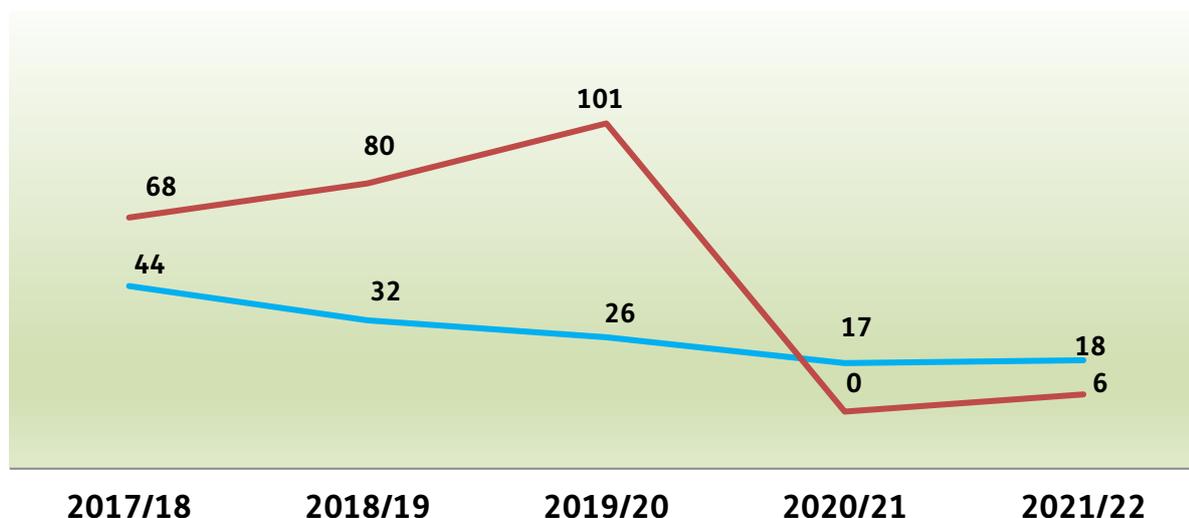
| WASTE | 2021/22 | 2020/21 |
|------------------------|---------|---------|
| Non-financial (tonnes) | | |
| Landfill | 0 | 0.001 |
| Reused/recycled | 0 | 0.009 |

We reuse or recycle our surplus and redundant IT and office equipment. We use licensed and appropriate organisations to dispose of our waste. During 2021/22, when our offices remained closed to the public, collections of waste were suspended.

All our major suppliers of office equipment and supplies have environmental policies and reporting mechanisms in place, and we consider environmental performance and awareness when selecting contractors and suppliers.

Managers and staff are provided with monthly reports analysing printing and copying activity, to encourage lower overall usage. Our internal reporting systems enable us to capture and measure details of our use of consumables, waste, energy, and staff travel, and thus our carbon dioxide equivalent (CO₂e) emissions so that staff can manage their consumption of resources.

CO₂e emissions (tonnes) - 5 year trend
— Energy: Greenhouse gases — Staff travel



| ENERGY ¹ | 2021/22 | 2020/21 |
|---|---------|---------|
| Greenhouse gas emissions (CO₂e tonnes) | | |
| Gross emissions, scope 2&3 (indirect) | 18 | 17 |
| Energy consumption (kWh) | | |
| Electricity (renewable) | 68,809 | 59,193 |
| Gas | 9,068 | 9,247 |
| Financial indicators (£) | | |
| Expenditure – energy | 11,608 | 10,049 |
| Water supply costs (office estate) – currently unable to assess, included in service charge | N/A | N/A |

¹ Offices only. The impact of home working is not captured.

All three of our offices are leased on a shared occupancy basis, with certain costs included within our service charges. This restricts our ability to accurately assess our total environmental impact from energy usage. Our major use of electricity is in our Cardiff office and the landlord has confirmed that 100% of the supply is from verifiable Natural Renewable sources (wind, water and hydro).

We promote the use of environmentally friendly means of transport and encourage staff to make journeys by the most efficient means possible, taking account of both environmental and financial considerations. We have to balance this against the delivery of our strategic priorities to develop the arts in Wales, and to promote Welsh arts and artists internationally. Up to and beyond the pandemic this remains a significant practical challenge. There are inevitable fluctuations in the level of CO₂e emissions attributable to travel when we are actively involved in international projects.

In a post-Brexit world, the international marketplace will be increasingly important but we work actively to lessen the environmental impact and will continue to do so as operations return to more normal levels.

| STAFF TRAVEL | 2021/22 | 2020/21 |
|--|---------|---------|
| Travel emissions (CO₂e tonnes)¹ | | |
| Rail | 1 | 0 |
| Air ² | 1 | 0 |
| Car/vans | 4 | 0 |
| Travel cost (£) | | |
| Rail | 2,919 | 8 |
| Air | 609 | 0 |
| Car/vans | 6,365 | 635 |
| Travel (miles) | | |
| Rail | 10,013 | 24 |
| Air | 3,133 | 0 |
| Car/vans | 14,144 | 1,410 |

¹CO₂e emissions associated with the very limited amount of staff travel during 2020/21 were less than 1 tonne for each mode of transport.

²Includes the influence of radiative forcing in air travel emissions to capture the maximum climate impact. Radiative forcing is a measure of the environmental impact of emissions of NO_x (nitrous oxides) and water vapour when emitted at high altitude.

Principal risks and uncertainties

Managing our affairs effectively

As stewards of public funds we must operate in an efficient and accountable manner. Our priorities and funding decisions are agreed by Council in accordance with the policies and procedures that apply to our use of public funds. The Audit & Risk Assurance Committee's (ARAC's) role is to ensure that we deliver on these commitments, doing so in ways that are transparent, accountable and that represent value for money. An extensive programme of internal audit assists us in this work.

Protecting the public's money

An important part of ARAC's work is reviewing our defences against **Fraud** and **Cyber-crime**. Attempts to illegally gain access to our funds and ICT systems occur regularly. Council takes these issues very seriously and ARAC has been looking carefully at our policies and processes to ensure that they are robust and secure. There were no successful attacks during the year.

Taking risks: a balanced approach

Unauthorised access to our systems is just one of a range of potential risks that could compromise our performance and reputation. We expect the organisations that we fund to be well-managed and to represent good value for money. Our ongoing monitoring assesses the extent to which this is the case. But we are not so risk averse that we ignore important opportunities for innovation and growth. We aim to take appropriate but informed risks, as circumstances dictate. However, we do not behave recklessly; neither would we wilfully squander public money nor endanger our reputation for prudent and effective delivery.

Our systems of internal control identify and prioritise the risks that could prevent us achieving Council's policies, aims and objectives. They evaluate the likelihood of the risks being realised, consider the impact should they occur, and seek to manage them efficiently, effectively and economically. We continually seek to improve our internal control systems.

ARAC reviews the robustness and suitability of this aspect of Council's work. The **Corporate Assurance Framework** (CAF) and separate **Corporate Risk Register** were scrutinised at regular intervals throughout the year, as was an additional risk register created to capture risks across the organisation that pertained directly to the Covid-19 pandemic. This provided members with greater clarity on the levels of assurance in operation across all of the Council's activities and the corresponding risks identified. ARAC reviewed the Horizon Scanning section of the CAF at each of its meetings.

Financial risk and capital management

The Council holds financial instruments mainly to finance its operations, for example trade debtors and trade creditors, and cash balances arising directly from its

operations. The financial risk management of exposures arising from trading financial instruments, primarily trade debtors and trade creditors, is through a series of policies and procedures.

Risks are managed as follows:

Fraud risk – the Arts Council, in common with most other organisations, is exposed to fraud risk on an increasing and ever more sophisticated scale. We noted a potential for increased fraud risk given current circumstances with Covid-19 and updated our internal anti-fraud controls and checks in response.

Liquidity risk – the Council is satisfied that it has sufficient liquid resources, in the form of cash at bank and agreed funding for 2021/22, to meet all current contracted commitments. The Council does not consider that its activities are exposed to any significant liquidity risk.

Interest rate risk – cash and cash equivalent balances are held in instant access variable rate bank accounts which on average carried an interest rate of 0.02% (2020/21: 0.15%) in the year.

The Council does not consider that its activities are exposed to significant interest rate risks.

Foreign currency risk – the Council is not currently exposed, to any significant degree, to foreign exchange risks.

Cash flow risk - the Council is not exposed to any significant cash flow risks.

Credit risk – The Council is not exposed to any significant credit risk as the majority of debtors relate to Welsh Government income.

The risks to our performance: what they are and how we deal with them

| Principal risks | Key mitigating actions |
|---|--|
| <p>Coronavirus Staff contracting the virus results in the Arts Council/ teams/services becoming inoperable Covid-19 has a significant and long-term detrimental impact on the Sector including:</p> <ul style="list-style-type: none"> - individual artists and freelancers - organisations/Arts Portfolio Wales | <p>Most staff have continued to work from home for a significant part of the year. However, arrangements are now in place for staff to return to the office on a hybrid arrangement following the move to Alert level 0 and the lifting of restrictions. Staff health and well-being and Welsh Government advice continue to be monitored.</p> <p>Delivery of a second and third round of the Cultural Recovery Fund, in partnership with the Welsh Government, has helped sustain organisations until they can resume publicly-accessible activity at pre-pandemic levels. Alongside the Cultural Recovery Fund the Cultural Contract was introduced, designed to encourage organisations to adopt new commitments to ensure public investment is deployed with a social purpose. We are leading on the development of this work on behalf of Welsh Government.</p> <p>We welcomed the uplift in funding for 2022/23 confirmed by Welsh Government in its Budget announcement in December 2021 and also the Term of Government Remit Letter. Council agreed to pass the 1.5% uplift on to our Arts Portfolio Wales (APW) organisations in 2022/23 to help sustain them in the current financial climate.</p> <p>Several new Lottery programmes were developed. ‘Connect and Flourish’ was launched to encourage collaborations between organisations and freelancers and ‘Create’ to fund the development and creation of high-quality arts experiences that help creative individuals and organisations engage and connect with the public.</p> <p>We undertook a Stability Assurance evaluation of each of our APW organisation. We also engaged in discussions with external focus groups and developed a Communication Plan for our rescheduled Investment Review.</p> <p>We revised Creative Learning resources to accommodate Covid-19 restrictions and we explored further collaborations with external partners (e.g. Natural Resources Wales) in the wake of the impact of the pandemic.</p> |

| Principal risks | Key mitigating actions |
|--|--|
| <p>Governance Insufficient resources and/or poor management results in a significant failure to deliver the key objectives in corporate and operational plans</p> | <p>We established interim arrangements following reductions in Senior Leadership Team personnel.</p> <p>All 7 Council members whose first term of office expired were reappointed for a further term.</p> <p>Key objectives are clearly defined. We use project management disciplines to assist Council officers in the delivery of their work. A formal progress report is presented to Council each quarter. This report also forms the basis for Quarterly Monitoring Meetings between Council's Senior Leadership Team and officials of the Welsh Government.</p> |
| <p>Planning, strategy and delivery The quality of Council's decision-making is compromised by poor information, particularly if business and operations are disrupted by the pandemic</p> | <p>We revised our research strategy to consider the impact of Covid-19 on the sector and post-Covid restrictions. Meanwhile, we continually reviewed existing arrangements and considered appropriate contingency plans.</p> <p>We rescheduled our next Investment Review which will include wider engagement with both the public and the sector to address those areas currently under-represented. The objectives of the Review will align with our chartered and charitable objectives and Welsh Government's priorities.</p> <p>We expanded our cohort of Arts Associates to bring additional, wider expertise and experience. This will support us to meet our corporate priorities of equalities and resilience, widening engagement with areas that are currently underrepresented. We engaged with them across many activities, including grant-making, lottery funding development, the Investment Review, equalities and future strategy.</p> |
| <p>Stakeholder and partner engagement Local authority funding cuts and changes in structure have a significant impact on our funding partnerships and relationships</p> <p>We fail to recognise the value of our relationships and the priorities for development</p> | <p>The situation was closely monitored, Reports on potential/likely Local Authority funding cuts and proposed changes were considered on a regular basis.</p> <p>To help deliver against objectives we increased the number of formal partnerships with external stakeholders.</p> <p>We increased engagement with targeted under-represented groups.</p> |

| Principal risks | Key mitigating actions |
|---|--|
| <p>Funding Failure of one or more of our Arts Portfolio Wales (APW) organisations or cuts in public sector funding damages the arts across Wales</p> | <p>Core grants to APW organisations account for most of our grant-in-aid funding from Welsh Government. The Portfolio’s artistic, financial and operational effectiveness was closely monitored by officers. Regular updates on their financial health, governance and stability were provided to Audit & Risk Assurance Committee and to Council. When necessary, we take a pro-active approach to working directly with organisations that experience difficulties, investing time and expertise to help them resolve matters of concern.</p> <p>We continued to maximise efficiencies in our own running costs to help ensure as much funding as possible was available for direct arts expenditure.</p> <p>Key areas of risk are the financial impact of Covid-19 and the continuing reduction in local authority arts funding. We work with Welsh Government, local authority partners and other key stakeholders to explore alternative strategies for protecting support for creative activity.</p> |
| <p>Grants management Poor or fraudulent funding applications mean that public funds are not used for the purposes intended</p> <p>The introduction of a new grants management system compromises Council’s ability to deliver its critical functions</p> | <p>We take a risk-based approach to our assessment of applications and the monitoring of grants awarded. We use information collected from grant recipients as part of our monitoring procedures to ensure that the stated outcomes for which we provided funding were achieved.</p> <p>Council takes fraud, corruption and maladministration very seriously and has policies to prevent, and deal with, both, including whistleblowing and anti-fraud polices. These were reviewed during the year.</p> <p>The project to replace our grants management system was monitored closely. Phase 1 closed in December 2021 followed by an evaluation exercise to inform Phase 2. We successfully delivered Cultural Recovery Fund Round 3 through the new grants portal, alongside our cyclical programme of Lottery grants.</p> |

| Principal risks | Key mitigating actions |
|--|---|
| <p>Brexit Continuing uncertainty over post-Brexit circumstances has a detrimental impact on the operation of our funded organisations and our own data protection and data sharing considerations</p> | <p>We continue to monitor developments closely.</p> <p>We have a Task Group, including representatives from the Welsh Government and other UK Arts Councils to identify potential risks, lobby the UK Government and provide advice to the sector. With the other UK Arts Council's we have launched Arts InfoPoint to provide support and advice on artists' mobility from the UK to member countries of the European Union (EU).</p> <p>We revised our data protection considerations to reflect UK General Data Protection Regulations (GDPR) and conform with the EU/UK Adequacy Agreement.</p> |
| <p>Capital projects Poor management of key Lottery capital projects causes delays that place additional funding burdens on the Arts Council</p> | <p>We operate rigorous processes for project monitoring and the release of payments. Contractual agreements are in place to protect the Council's investment and funding is paid out against certificated claims for work completed. Expert independent assessors provide technical reports that are used to brief Capital Committee and, ultimately, Council.</p> |
| <p>IT Unforeseen or unexpected outages compromise business continuity</p> <p>There is a breach in our IT security.</p> | <p>A full Disaster Recovery Plan is in place and tested annually. If an incident arises, alternative offsite IT facilities are available. Staff are equipped to work remotely and have done so throughout the pandemic with no significant IT issues.</p> <p>Cyber security and IT penetration tests are conducted annually. We comply with IASME security standards.</p> <p>We have robust reporting and investigation arrangements in the event of a security or data breach.</p> |
| <p>Personal Data Personal data is lost, compromised or stolen</p> | <p>The Council has controls and policies in place to ensure data security and integrity. Encrypted IT systems ensure the physical security of data is tightly controlled. Staff undertake regular training and awareness sessions.</p> |
| <p>Staffing Recurrent pressure to cut costs reduces staff capacity to an unacceptable level</p> | <p>Delivering an expanding programme of activity with fewer staff is a continuing concern for Council. Work is underway to deliver projects that support new ways of working. Progress against plans is carefully monitored and reviewed on a quarterly basis, and every effort is made to implement efficient business practices.</p> |

| Principal risks | Key mitigating actions |
|--|---|
| <p>Risk management</p> <p>Our current policies and controls fail to protect us from potentially fraudulent activity, particularly under current circumstances and working practices</p> | <p>Council's suite of risk management policies is reviewed regularly. We share good practice with other Welsh Government Sponsored Bodies.</p> <p>Robust assessment and monitoring procedures are in place across all areas of activity to ensure grant monies are used for the specified purpose.</p> |
| <p>Environment</p> <p>Our published strategy to develop and promote the arts in Wales and internationally has a detrimental impact on the Council's environmental targets</p> <p>Our carbon footprint escalates as lockdown restrictions ease, staff return to our offices and external activity comes back on line</p> | <p>Projects and activity we fund, in response to grant applications and through procurement, must demonstrate an understanding or development of environmental considerations.</p> <p>We hold Green Dragon level 5 accreditation and adopt Future Generations resilience considerations across our offices, including Fair trade, printing/consumables, energy usage and recycling. Our Travel and Subsistence Policy is based on HM Revenue & Customs and other government practices and rates.</p> <p>Hybrid working arrangements are being introduced in the wake of the pandemic. It is unlikely that all staff will return to the office on a permanent basis.</p> <p>We will continue to use virtual meetings, where appropriate, to save on travel and time. Guidance was issued to staff regarding attending external meetings and events.</p> <p>Over the coming year, aligned with the Welsh Government's Programme for Government and carbon reduction targets, there will be increased focus on our own carbon footprint and that of our funded activity.</p> |
| <p>Equalities</p> <p>We make little or no progress regarding our equalities agenda</p> | <p>We continue to drive forward our agenda through the joint action plan with other Welsh public bodies and our own Strategic Equality Plan. Additionally, in partnership with Amgueddfa Cymru, we published research reports on community engagement which included social, economic, disability and ethnicity factors. The resulting was a joint Widening Engagement Action Plan.</p> <p>We appointed an Agent for Change at the beginning of the year and, more recently, through the Kickstart programme, an Assistant to the Agent.</p> <p>Our Strategic Equality Committee assesses our performance against our published commitments and reports to Council.</p> |

Financial and business review

The Council has two principal funding sources: grant-in-aid from the Welsh Government; and, as one of the bodies responsible for the distribution of funds for good causes, a share of the proceeds raised by the National Lottery. The Council is required to account separately for its grant-in-aid and lottery distribution activities.

Grant making policies

The Council invites applications for recurrent and one-off grants from organisations and individuals and monitors the proper and effective use of those grants. As well as meeting the Council's strategic aims, applications must demonstrate benefit to the people of Wales across all regional, cultural and economic sectors. Recurrent grants are funded from grant-in-aid only but one-off grants may be funded from grant-in-aid or Lottery income.

Recurrent, or annual revenue, grants are made to a portfolio of organisations to deliver high quality artistic services – our [Arts Portfolio Wales](#). Consideration of revenue status for any organisation is dependent on the availability of funding, the sustainability of the organisation, and demonstration of strong fit with the Council's strategic priorities. Currently, each revenue-funded organisation enters into a funding agreement for a term of one to three years which sets out the anticipated level of funding, the programme of activity to be delivered, requirements for monitoring and annual review, standard conditions of grant, and any additional conditions.

One-off grants are available to help fund time-limited artistic projects of high quality which best meet the Council's funding priorities. Ongoing monitoring of our grant programmes alerts us to any specific risk issues. Identified risks lead to an escalation of the level of monitoring and, if necessary, can result in the payment of funding being withheld and/or deferred.

Cash reserves

The Council's policy on restricted funds is to record separately grants, donations and other sources of income which are received for a specific purpose or project, or where restrictions are imposed that are narrower than the Council's overall objectives. All of these incoming resources have been utilised in the year for their intended purpose.

Most of the Council's unrestricted funds are committed during the year, in accordance with the conditions of grant-in-aid issued by the Welsh Government. Any surplus funds are carried forward and used in furtherance of the Council's chartered objectives in the following year. There were no designated funds at 31 March 2022.

Our holding of cash reserves is restricted by the Welsh Government's directions on month-end and year-end flexibility. Within those parameters, our policy is to manage cash flow by drawing down funds each month to meet planned expenditure with a modest allowance for unforeseen short-term cash requirements. We review this policy and our reserves position annually.

At 31 March 2022 the unrestricted cash funds were £335,000 (2021: £0.593m).

The accounts have been prepared on a going concern basis and there are no material uncertainties about our ability to continue in operation.

Investment

Investment powers are governed by the Trustee Act 2000 and the Framework Document issued by Welsh Ministers. The Council's policy is to achieve the maximum return within these terms. Interest at a negotiated rate is received on all credit balances in the Council's current accounts. From time to time, higher rates may be available for restricted funds on long term deposit.

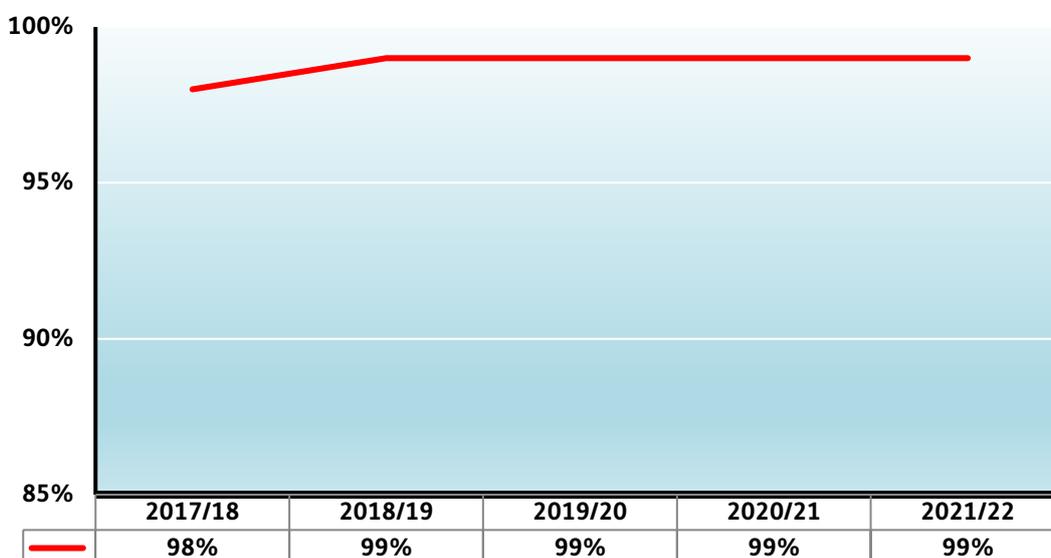
The Council's banking service is provided by [Santander UK plc](#).

All interest and other investment income earned on cash and bank balances which arise as a result of funding from the Welsh Government is surrendered to HM Treasury via the Welsh Consolidated Fund.

Payment of creditors

Council follows the Late Payment of Commercial Debts (Interest) Act 1998, and the UK Government's Better Payment Practice Code. Council is required to pay suppliers' invoices not in dispute within 30 days of receipt of goods or services or valid invoice, whichever is the later.

We aim to pay all invoices, including disputed invoices once the dispute has been settled, in line with these terms. During the year ended 31 March 2022, the Council paid 99% (2020/21: 99%) of all invoices within the terms of its payment policy.



In line with Welsh Government policy, the Council has a further aim to pay invoices within 10 days. For 2021/22, 87% (2020/21: 95%) of invoices have been paid within 10 days.

It is not anticipated that our policy will alter in future years and we will continue to adopt challenging performance targets.

Financial results

| | 2021/22 £'000 | 2020/21 £'000 |
|--|------------------|------------------|
| Headlines from the General Activities accounts: | | |
| • Total income for the year | 48,000 | 55,281 |
| • Excess of expenditure over income | (47) | (374) |
| • Net current assets | 2,382 | 2,432 |
| • Total fund balances at 31 March | 2,419 | 2,466 |
| • Forward commitments of grants for the following year | 27,484 | 27,082 |
| The separate Lottery Distribution accounts show: | | |
| • The Council's share of the proceeds from the National Lottery | 18,078 | 18,138 |
| The combined: | | |
| Total income for both general and Lottery activities was | 66,242 | 73,478 |
| and Total charitable arts expenditure for both general and Lottery activities was | 70,563 | 67,718 |

The Council's income for 2021/22 was £7.3m (13%) less than the previous year. The main reason was the lower amount of restricted Cultural Recovery Funding received from Welsh Government to provide support to arts organisations during another year defined by the Covid-19 pandemic. This year we received £12.7m for rounds 2 and 3 of the Fund compared with £18.3m for the first round in 2020/21.

There was a net reduction in funds of £47,000: unrestricted funds reduced by £629,000 while restricted funds increased by £582,000.

The reduction in unrestricted funds reflects our use of reserves from the previous year.

The increase in restricted funds relates primarily to ongoing, inevitable delays in delivering aspects of our Creative Learning through the Arts programme, given the ongoing disruption to activity in schools. The programme has been extended for a further three years so all funds will roll forward for future developments.

At 31 March 2022 we had unrestricted reserves of £0.7m (2021: £1.3m) and restricted reserves of £1.8m (2021: £1.2m). The level of our unrestricted reserves is directly affected by the Welsh Government's policy on year-end cash balances, as outlined in the [Cash reserves](#) section above. The Council is permitted to carry over from one financial year to the next no more than 2% of its total non-Lottery income. We were within this cap on 31 March 2022 but £300,000 of this year's cash grant-in-aid was undrawn and will be drawn down during 2022/23 to meet liabilities accruing to 2021/22 and included in this year's financial statements.

The year ahead: 2022/23

As we come out of lockdown and into the next financial year we are faced with a society that has fundamentally changed. We have a sector that has seen real crises and is still very much in recovery mode. Our focus is on how a future arts sector in Wales should look. Embarking on our Investment Review in tandem with our new Corporate Plan we have set an ambitious work programme for the coming year.

Our Operation Plan for 2022/23 has been developed under the framework of the Well-being of Future Generations Act (WFGA) and informed by Council's priorities and the requirements of the Programme for Government included in our Remit Letter.

The Plan identifies 9 key programme areas:

- Investment Review
- Recovery and transformation
- Widening engagement and equalities
- Arts, health and wellbeing
- Young people and Creative Learning
- Promoting the use of the Welsh language in and through the arts
- International
- Arts and climate justice
- Future ways of working for the Arts Council

Each programme area identifies which of the 7 goals of the WFGA it contributes to and how the 5 ways of working are applied to its underlying activity. Each programme area also identifies the appropriate requirements of our Term of Government Remit Letter.

Two years from the onslaught of the pandemic, the world is now a very different place. The Plan reflects the priorities we are currently facing, which include:

- developing our Investment Review objectives and approach against the backdrop of the significant impact the pandemic has had on arts organisations
- progressing our commitments to our Equalities agenda through our published action plans
- developing commitments to increase support and opportunities for young people and promoting physical and mental health and wellbeing through progression of our flagship Creative Learning and Arts and Health programmes
- evaluating the current health of the sector and seeking ways in which we may offer targeted support to specific areas and artforms where needed
- reviewing our international activity, particularly as travel restrictions ease, to ensure we still maximise opportunities to support and promote Wales and

Welsh artists in the world and contribute to Welsh Government's International Strategy, including potential new waves of the pandemic and the need for commitment to climate justice

- committing to actions, through the sector and our own activity, to help achieve the Welsh Government's goal of Net Carbon 0 by 2030
- reviewing and redefining our own activity and working arrangements in the wake of the pandemic, including development of our next Corporate Plan and simplifying and streamlining our grant-making activities

Investment Review

During this year we'll be recommencing work on our deferred Investment Review – our periodic review of our Arts Portfolio Wales. The aim of the Investment Review is to identify the organisations best able to help us deliver our cultural priorities.

This work must get to the stage where a wider, more diverse group of people and organisations have been given the opportunity to provide their thoughts and for these to be brought together into a new 'vision' document.

The vision document will include consideration of key areas of Arts Council priorities such as those published in our Corporate Plan, *For the benefit of all*, the WFGA, the finalised version of the Cultural Contract and thoughts on emerging from the pandemic contained in *Re-setting the dial*.

Informed by the vision, we will define the terms of reference for the Review and the key outcomes we want to achieve. We will also consider the application process, ensuring it is clear and accessible.

The Review is scheduled to open to applications in March 2023. The assessment and decision-making will take place throughout 2023/24 and funding for the new Portfolio will take effect from April 2024.

Our key actions:

1. developing and publishing our vision for the new Arts Portfolio Wales
2. developing and publishing the terms of reference for the Investment Review
3. developing and publishing the application process for the Investment Review

Recovery and transformation

The world today looks very different from the world before Covid-19. We've seen an unprecedented impact on our economy, our culture and our way of life. Overnight, the global pandemic led to the suspension of all public activities and a collapse in the social, living and working environment for everybody.

For the last two years our default position has been 'emergency response'. Now, as we embark on learning to live with the pandemic and consider 'what next', it can't be based on 'business as usual'. Instead, we must take a fresh look at how we can

achieve a strong and resilient arts sector that properly reflects culture and society in modern-day Wales.

During this year we will take action to evaluate the impact and challenges of the pandemic on the sector - organisations, creative individuals and freelancers, and audiences and participants. We will seek ways to offer support and development opportunities to those who wish to work in the arts and ways to encourage audiences and participants to return to the arts.

Our key actions:

1. understanding and responding to challenges facing organisations following the pandemic
2. understanding and responding to the challenges facing individuals and freelancers following the pandemic
3. creating inclusive career opportunities for the arts workforce
4. contributing to and supporting development of Welsh Government's new Culture Strategy
5. developing a successor to the extended Lottery Capital Programme
6. developing and delivering arts-focused strategic projects
7. progressing Welsh Government's National Contemporary Art Gallery project
8. progressing the capital development of Theatr Clwyd

Widening engagement and equalities

We are committed to developing an approach to arts and culture that actively engages individuals and communities across Wales in deciding what counts as culture, where it happens and who makes and experiences it.

There are significant challenges and barriers faced by individuals and communities in relation to engaging with the arts. Over recent years these have been evidenced through the voices of the Black Lives Matter and "WeShallNotBeRemoved" campaigns which brought into sharp focus the impact of structural racism and ableism that has been prevalent in society as a whole and has prevented engagement with the culture and the arts. So, too, have the voices of those facing socio-economic disadvantage been heard, telling us clearly about the barriers and challenges they face in creating and accessing the arts.

We believe strongly that culture in Wales should reflect the lives of all its citizens.

People and communities facing barriers to engagement, neuro-divergent, deaf and disabled people, and people facing socio-economic disadvantage, not least those in post-industrial communities, are integral and central to our cultural life. And our priorities have been set to provide targeted actions to help make his happen.

We will deliver against our commitments in our published action plans and the Programme for Government. We will listen and understand the barriers faced and take action to address these. We will form new strategies and work in partnership with others, including our Portfolio organisations, to deepen and widen our engagement

with groups and communities across Wales, particularly those currently under-represented, and through the delivery of targeted equality action plans.

Our key action:

1. implementing the recommendations and commitments contained in our published Strategic Equality Plan and, in partnership with Amgueddfa Cymru, our joint Widening Engagement Action Plan

Arts, health and wellbeing

The importance of the arts for health and wellbeing is central to our mission and becoming ever-more widely accepted. The positive impact that creative activities have on our wellbeing has never been more evident than during the pandemic when people, communities and frontline workers have increasingly turned to the arts as a vital source of enjoyment, connection, meaning and comfort.

Wellbeing is a healthy ambition that requires a holistic approach across all aspects of life. The wellbeing agenda underpins our wider strategy and activity – it's not limited to arts and health.

However, our resources are small in relation to the health sector. This is why we align our work with the priorities of government and the Health Boards, supporting Welsh Government initiatives such as Age Friendly Wales, improving mental health provision and sustaining the work of the Health Board Co-ordinator posts. We want to respond to the challenge of making scalable interventions in key areas of wellbeing and health in Wales. This year we will also establish an internal Arts and Health programme team to carry this work forward.

As well as the Health Boards, we will work with existing partners such as the Welsh NHS Confederation and the Baring Foundation and invest in relationships with key strategic bodies. We will continue important work such as the Cartrefi initiative and support social prescribing to tackle isolation and help wellbeing, including mental health.

We will improve opportunities for front-line workers to benefit from arts interventions through the delivery of our online resource [Cultural Cwtsh](#) and seek to identify and source additional funds to support our Arts and Health programme.

Our key action:

1. consolidating and further developing our approach to Arts and Health in Wales

Young people and Creative Learning

Active engagement with the arts can transform the way children and young people learn and explore the world around them. It can change the way they see themselves, their aspirations, as well as helping them to develop the self-respect and worth that will be such an important part of their life skills for the future.

Creative Learning has placed the arts and creativity at the heart of the school curriculum. It has used the power of the arts to reinvigorate the school day and through ambitious professional development to re-ignite the creativity of teachers themselves.

As we embark on the next phase of the Creative Learning through the Arts programme our strategy continues to pioneer new ways in which more schools can draw on practical ways of bringing the excitement and inspiration of the arts into the classroom and develop the creativity of our young people.

Our work in this area will also take us outside of the school setting as we explore options for supporting a 'Summer of Fun' including a school holiday enrichment programme.

We want to contribute to the eradication of child poverty in Wales and support those young people whose life chances are disadvantaged through social and economic influences.

We want as many young people as possible in Wales to believe that the opportunity is there for them to be the best they can – or want – to be, performing with their peers at the highest level, celebrating and demonstrating their creative talents and having a voice in our strategies that will set the course for their future. To facilitate this we will explore options for creating a Young Peoples' Network and a cohort of Young Associates.

We want young people to have the opportunity to produce, enjoy and take part in creative activity that they find relevant, contemporary, and exciting.

Our key actions:

1. delivering year 1 of the 3-year extension to Creative Learning
2. developing and supporting opportunities for children and young people to engage in the arts outside of the school setting
3. embedding the involvement of young people in strategies across the Council's wider work

Promoting the use of the Welsh Language in and through the arts

Nothing makes Wales more distinctive than the Welsh Language. It is part of what defines us as a nation and we have a role towards achieving the Welsh Government's target of one million speakers by 2050. We'll insist on the fair and equal treatment of Welsh. It's not just a matter of compliance with the requirements of Government language legislation. It's about committing to development and seizing the opportunities that Welsh language creativity offers.

Our key actions:

1. developing and launching our Welsh Language Strategy
2. increasing partnership working with the National Centre for Learning Welsh, Mentrau Iaith and Urdd Gobaith Cymru

3. implementing the recommendations in our response to the Welsh Language Mapping report
4. requiring our Arts Portfolio Wales organisations, where appropriate, to adopt ambitious Welsh Language plans

International

In 2021 we set out to re-think our international work in the context of four seismic global challenges which are felt locally in Wales: the pandemic, climate emergency and social justice, equalities, and establishing new international relationships following exit from the European Union (EU).

Covid-19 restrictions and quarantines have affected international travel. But as international working becomes possible again, it will be essential that Wales-based artists and organisations who depend on international work for their livelihoods are able to nurture new opportunities. During this year we will be developing a Framework by which we evaluate the impact of our work against the 7 WFGA goals.

We will deliver *Wales in Venice 10* and review Wales' relationship with the Venice Biennale and other major events in the context of the climate emergency, Brexit and our commitment to equalities and access for the future.

We will continue our investment in *Bro a byd – local and global wellbeing goals*, developing a new approach to diversity.

Following the creation of the UK Arts Infopoint, in partnership with the other UK Arts Councils, we will gather intelligence and information needed to enable organisations to continue employing European artists, present artistic programmes and tour in the EU.

Our key actions:

1. reviewing, resetting and delivering our international activity
2. working with Welsh Government on projects that support the realisation of its International Strategy and action plans

Arts and climate justice

We proactively support the Welsh Government's Net Carbon 0 ten year action plan for all public sector bodies in Wales to meet their Carbon 0 targets by 2030.

We are developing an activity plan with Natural Resources Wales (NRW) to drive forward our Memorandum of Understanding to deliver the Creative Nature Partnership. This includes developing working approaches between us and NRW to identify areas of collaboration with a focus on maximising and sharing resources to support the creative sector to move towards Net Carbon 0. Creative Nature Fellowships for 8 artists across artforms will create new work, in and/or about the environment, to inspire new approaches to practice that strives for innovation and challenges established ways of working.

Cultural Sector Route to Net-Zero will identify areas of collaboration with a focus on maximising and sharing resources across the sector and we will work with the Future Generations Commissioner to establish benchmarks and protocols to monitor the environmental and wellbeing impact of activities.

We will develop our own working practices to drive decarbonisation and support the Green Agenda, including reviewing and improving our own recycling and waste reduction and reviewing our future working models to consider more environmentally and staff wellbeing-friendly approaches such as hybrid working.

Our key action:

1. developing and delivering our own plan for climate justice and the arts

Future ways of working for the Arts Council

A crucial piece of work for us this year will be to produce and publish a new Corporate Plan to guide and support our work over the next 5 years. It will include the objectives of our Investment Review and the yardstick by which the new Portfolio will be evaluated. It will consider how we transform the arts in Wales and those who rely on and engage with it. It will set a clear course of action to help reduce the harm to our environment and support climate justice to safeguard our planet for future generations.

However, we cannot – and should not – do this alone. We will engage with existing partners and forge new relationships to achieve shared goals.

We will develop our own workforce, introducing equality and diversity champions, and encouraging and offering opportunities for staff to develop. We will review our own working arrangements and our offices to ensure they are fit for our future way of working.

Our key actions:

1. developing our new Corporate Plan through which we will embed Future Generations principles
2. revisiting and revitalising our public value partnerships identifying how we can co-invest public funding in shared priority areas, building on current arrangements
3. developing our own workforce and Council in areas to include greater representation
4. returning to office/hybrid working arrangements
5. reviewing our effectiveness in grant making

Michael Elliott
Accounting Officer
8 July 2022

Endorsed on behalf of Council:

Phil George
Chair
8 July 2022

Accountability Report

Corporate Governance

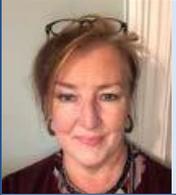
Our Trustees

Council Members who served since 1 April 2021 were:

Attendance of Trustees at meetings during 2021/22

| | | Council | Audit & Risk Assurance Committee | Capital Committee | HR & Remuneration Committee | Strategic Equality Committee | Welsh Language Committee | Future Generations Committee |
|---|---|--------------------------|----------------------------------|-------------------|-----------------------------|------------------------------|--------------------------|------------------------------|
| | | Number of meetings held: | | | | | | |
| | | 10 | 5 | 3 | 3 | 3 | 4 | 9 |
|  | Phil George Chair from 1 April 2016 | 10 | | | | | | |
|  | Kate Eden from 1 April 2017 Vice Chair from 1 April 2021 Chair of Audit & Risk Assurance Committee Member of HR & Remuneration Committee | 10 | 5 | | 2 | | | |
|  | Iwan Bala from 1 November 2016 to 21 July 2021 Member of Wales in Venice Advisory Committee to 21 July 2021 | 2/3 | | | | | | |
|  | Lhosa Daly from 1 April 2019 Chair of Future Generations Committee | 10 | | | | | | 6 |

Attendance of Trustees at meetings during 2021/22

| | | Council | Audit & Risk Assurance Committee | Capital Committee | HR & Remuneration Committee | Strategic Equality Committee | Welsh Language Committee | Future Generations Committee |
|---|--|--------------------------|----------------------------------|-------------------|-----------------------------|------------------------------|--------------------------|------------------------------|
| | | Number of meetings held: | | | | | | |
| | | 10 | 5 | 3 | 3 | 3 | 4 | 9 |
|  | <p>Ceri Ll Davies from 1 April 2021</p> <p>Member of Strategic Equality Committee</p> | 10 | | | | 3 | | |
|  | <p>Devinda De Silva from 1 April 2019</p> <p>Chair of Strategic Equality Committee</p> | 8 | | | | 2 | | |
|  | <p>Andy Eagle from 1 November 2016</p> <p>Chair of Capital Committee</p> | 7 | | 2 | | | | |
|  | <p>Ruth Fabby MBE from 1 April 2021</p> | 10 | | | | | | |
|  | <p>Professor Tudur Hallam from 1 April 2019</p> <p>Chair of Welsh Language Committee</p> | 7 | | | | | 4 | |
|  | <p>Gwennan Mair Jones from 1 April 2019</p> <p>Member of Future Generations Committee</p> | 6 | | | | | | 5 |
|  | <p>Tafsila Khan from 1 April 2021</p> <p>Member of Capital Committee</p> | 8 | | 3 | | | | |

Attendance of Trustees at meetings during 2021/22

| | | Council | Audit & Risk Assurance Committee | Capital Committee | HR & Remuneration Committee | Strategic Equality Committee | Welsh Language Committee | Future Generations Committee |
|---|---|--------------------------|----------------------------------|-------------------|-----------------------------|------------------------------|--------------------------|------------------------------|
| | | Number of meetings held: | | | | | | |
| | | 10 | 5 | 3 | 3 | 3 | 4 | 9 |
|  | Alison Mears Esswood from 1 April 2019 Chair of HR & Remuneration Committee | 8 | | | 3 | | | |
|  | Keith Murrell from 1 April 2021 Member of HR & Remuneration Committee | 10 | | | 2 | | | |
|  | Victoria Provis from 1 April 2019 Member of Capital Committee | 10 | | 3 | | | | |
|  | Dafydd Rhys from 1 April 2017 Member of Audit & Risk Assurance Committee | 9 | 5 | | | | | |
|  | Elen ap Robert from 1 April 2021 Member of Welsh Language Committee | 10 | | | | | 3 | |
|  | Prue Thimbleby from 1 April 2021 Member of Future Generations Committee | 9 | | | | | | 7 |
|  | Dr Sarah Younan from 1 April 2019 Member of Audit & Risk Assurance Committee | 6 | 2 | | | | | |

Attendance of independent Committee members at meetings during 2021/22

| | Audit & Risk Assurance Committee | Capital Committee | HR & Remuneration Committee | Strategic Equality Committee | Welsh Language Committee | Future Generations Committee |
|---------------------------------------|----------------------------------|-------------------|-----------------------------|------------------------------|--------------------------|------------------------------|
| | Number of meetings held: | | | | | |
| | 5 | 3 | 3 | 3 | 4 | 9 |
| Andrew Butler | 5 | | | | | |
| Elid Morris | 3 | | | | | |
| Arwel Thomas | 3 | | | | | |
| Ruth Cayford | | 2 | | | | |
| Mark Davies to 18/06/2021 | | 1/1 | | | | |
| Roland Evans | | 2 | | | | |
| Michael Gwyther-Jones from 01/10/2021 | | 2/2 | | | | |
| Alan Hewson to 18/06/2021 | | 1/1 | | | | |
| Jayne Woods from 01/10/2021 | | 2/2 | | | | |
| Valerie Ellis to 26/01/2022 | | | 1 | | | |
| Philip Westwood | | | 2 | | | |
| Ruth Gould from 01/10/2021 | | | | 1 | | |
| Guto Gwilym-Taylor | | | | 2 | | |
| Ele Hicks | | | | 2 | | |
| Lara Ratnaraja | | | | 2 | | |
| Shereen Williams | | | | 0 | | |

In accordance with the Council's Code of Best Practice, members of Council and independent Committee members make declarations of interest in respect of

directorships, memberships of boards of management (or equivalent) or employment which may conflict with their Arts Council of Wales' responsibilities. The register of interests of Members of Council and of independent Committee Members is available for public inspection, by appointment, at each of the Council's offices during normal working hours.

All financial transactions between members and the Council, other than the remuneration of the Chair, are disclosed in note 22 to the financial statements, *Related party transactions*.

Personal data related incidents

The Council has controls and policies in place to ensure data integrity. ICT systems ensure that the physical security of data is tightly controlled. There were three minor personal data breaches during the year. Each was appropriately assessed and none were categorised as reportable to the Information Commissioner.

Our Interim Chief Executive and Accounting Officer

Michael Elliott

Our Offices

Mid and West Wales:

The Mount
18 Queen Street
Carmarthen
SA31 1JT

North Wales:

Princes Park II
Princes Drive
Colwyn Bay
LL29 8PL

South Wales and national office:

Bute Place
Cardiff
CF10 5AL

Auditor

Auditor General for Wales
Audit Wales
24 Cathedral Road
Cardiff
CF11 9LJ

Internal auditors

to 31 March 2022
Deloitte LLP
5 Callaghan Square
Cardiff
CF10 5BT

Internal auditors

from 1 April 2022
TIAA Ltd
Artillery House
Fort Fareham
Fareham
PO14 1AH

Solicitors

Geldards LLP
Dumfries House
Dumfries Place
Cardiff
CF10 3ZF

Bankers

Santander UK p.l.c.
9 Queen Street
Cardiff
CF10 2UD

Statement of the Accounting Officer's responsibilities

Under Article 11 of the Royal Charter dated 30 March 1994 (as amended) the Council is required to prepare for each financial year a statement of accounts in the form and on the basis determined by Welsh Ministers. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Council and of its income and expenditure, Balance Sheet and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the accounting principles and disclosure requirements of the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 ("the SORP") and, to the extent that it clarifies or builds on the requirements of the SORP, the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by Welsh Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the SORP and the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a going concern basis; and
- confirm that the Report and Financial Statements as a whole is fair, balanced and understandable and take personal responsibility for the Report and Financial Statements and the judgements required for determining that it is fair, balanced and understandable.

The Principal Accounting Officer for the Welsh Government has designated the Chief Executive as the Accounting Officer of the Council. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Council's assets, are set out in *Managing Welsh Public Money* published by the Welsh Government.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Council's auditor is aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Endorsed on behalf of Council:

Michael Elliott
Accounting Officer
8 July 2022

Phil George
Chair
8 July 2022

Governance Statement

This Governance Statement is the personal responsibility of me, Michael Elliott, the Arts Council of Wales' Accounting Officer and Interim Chief Executive. It sets out the governance arrangements of the Arts Council of Wales.

It also describes how I've discharged my responsibilities for ensuring that we conduct our business, in respect of both exchequer and lottery activity, in accordance with the law. This includes providing the necessary assurances that we're adhering to proper standards and establishing the necessary safeguards to protect the use of public money.

I explain how these funds are properly accounted for, and used economically, efficiently and effectively to support the delivery of our plans and priorities.

The legislative framework

We operate within a carefully prescribed and regulated legal environment. The Arts Council of Wales is accountable to the Welsh Government's [Deputy Minister for Arts and Sport](#). Our work is also subject to the scrutiny of Committees of the [Welsh Parliament](#). We work within a framework that sets out the terms and conditions under which Welsh Ministers provide our grant-in-aid funding, and how we're able to use this funding. We manage our funds with probity and in the public interest and, along with other public bodies in Wales, adhere to the principles contained in [Managing Welsh Public Money](#).

As a distributor of Lottery funds under the National Lottery etc. Act 1993 (as amended), we're accountable to the UK's Secretary of State for Digital, Culture, Media & Sport. Our financial directions are issued by the Secretary of State, and our policy directions by the Welsh Ministers. These set out how we must operate in respect of Lottery distribution activities. Revised Lottery financial directions came into effect on 1 April 2022.

We're required to account for Lottery distribution activity separately from the rest of our work, and we have appropriate arrangements in place to ensure that we produce two sets of published accounts. Our Lottery Distribution accounts are audited under contract to National Audit Office by Audit Wales. Audit Wales also audits our General Activities account.

As a charity we have to ensure we comply with the requirements of the Charities Acts 1960, 2006, 2011 and 2016. As such, we follow guidance issued by the Charity Commission, acting solely to further our chartered and charitable objectives.

The activities we carry out in connection with our [Collectorplan](#) scheme are subject to the Consumer Credit Act and guidance issued by the Financial Conduct Authority.

We've designed our systems, processes and controls to take account of these various responsibilities. Within these frameworks we make independent decisions regarding the strategic direction of the organisation, grant funding, and other financial decisions.

Risk assessment and management is fundamental in our operations and this Governance Statement should be read in conjunction with the *Principal risks and uncertainties* section of the Performance Report.

Should the need arise, the [Public Services Ombudsman for Wales](#), the [Parliamentary Commissioner for Administration](#), the [Charity Commission](#), the [Financial Conduct Authority](#), the [Information Commissioner](#), the [National Audit Office](#), and [Audit Wales](#) are all able to investigate the Council's affairs.

Our Governance arrangements

We're governed by a Board of Trustees – Council – consisting of a Chair and up to seventeen other independent members, one of whom is appointed as Vice Chair. Our Trustees are appointed by the Deputy Minister for Arts and Sport through an open selection process. Appointments are usually for a three-year term, renewable for a maximum of two additional terms.

Each Trustee brings specific expertise and knowledge to the oversight and development of our activities. At the year-end our Council comprised of the Chair plus sixteen members.

The Chair of Council is a remunerated position, at a rate set annually by the Welsh Government. All other Trustees provide their time and expertise on a voluntary basis. However, they're reimbursed for out-of-pocket expenses incurred on Council business.

We promote values of good governance

We observe Lord Nolan's seven [Principles for Public Life](#) and strive to ensure that all of our employees, Trustees, Committee members and Arts Associates understand, apply and adhere to these Principles.

To support this, we have a [Code of Best Practice](#) which helps to ensure the roles and responsibilities of members and officers are clearly defined. It also contains the expected standards of propriety that members and staff should adhere to. The Code is reviewed and updated at least every two years.

In accordance with the Code, each member of Council, of each Committee, and all Arts Associates and staff are required to complete an annual [Declaration of Interest](#) statement, and to ensure that changes in circumstances are notified promptly. They make declarations of interest in respect of directorships, memberships of boards of management (or equivalent) or employment which may conflict with their Arts Council of Wales' responsibilities. The register of interests is available for public inspection, by appointment, at each of the Council's offices during normal working hours. All financial transactions between members and the Arts Council are disclosed in the notes to the financial statements under *Related party transactions*.

Council, the Audit & Risk Assurance Committee and HR & Remuneration Committee all carried out a [self-assessment review](#) of their performance during the year. The findings of these evaluations were positive. Areas identified for improvement are captured in action plans. In particular, Council's own annual self-assessment review concluded that the vast majority of its indicators of effectiveness were being met.

Council was content with progress made during the year to address areas identified in last year's review. Council recognised the importance of ensuring an appropriate mix and diversity of arts expertise and skills on the Trustee Board as new members are appointed. Particular areas of focus will include the recovery and development of artistic activity post Covid-19, our periodic review of our Portfolio membership through our Investment Review, driving further commitment to Equalities and the Welsh language amongst funded organisations, and the effective use of information and communication technology.

The *Corporate governance in central government departments: code of good practice*, issued by HM Treasury, does not directly apply to the Arts Council of Wales. However, as Accounting Officer, I'm satisfied that the arrangements we have in place reflect good practice. I also believe that the Arts Council has complied with the principles of accountability, effectiveness and leadership expressed within the Treasury's Code, in so far as they are relevant to Welsh Government Sponsored Bodies and Lottery Distributors. Council endorses this view.

Whistleblowing

The Council has an established whistleblowing policy which is brought to the attention of staff at induction and available within the Council's operational handbook and intranet. The policy is reviewed at least every three years. There were no reported incidents during the year.

Taking informed decisions

Decisions taken by our Council and Committees are informed by advice provided by Arts Council staff. Papers and reports produced by officers are expected to show clearly all relevant information needed to enable informed decisions to be taken. All key papers highlight: financial, HR and the Well-being of Future Generations Act's 5 Ways of Working; risks; and an assurance statement.

Papers are circulated in advance of each Council and Committee meeting; tabled items and verbal reports are only accepted in exceptional circumstances. Council was content during the year with the timeliness and quality of information provided for its use. In the rare instances where the information provided does not meet the required standards, the paper is rejected and a replacement commissioned. There were no instances of this happening in 2021/22.

Where appropriate and relevant, advice from officers is supplemented with specialist, expert advice and legal opinions. Council will continue to ensure that it has sufficient time and information to properly debate policy and consider the future direction of the organisation. Key policy proposals are put out to public consultation. Responses and feedback further inform discussions at Council before policies are finalised.

We provide funding to third parties

One of the Council's most important duties is the distribution of funding to develop and support the arts in Wales. We're a major distributor of funding from the Welsh Government, the National Lottery and other sources.

We've developed robust and accountable systems and procedures to support this key activity. Grant-making and monitoring processes are reviewed annually by our internal auditors. Audit Wales also examines our grant-making activities each year. All recommendations made by our internal and external auditors are monitored by our Audit & Risk Assurance Committee to ensure they're implemented on a timely basis.

Security of data

We hold large amounts of data and treat seriously our obligations under the [Data Protection Act](#) which incorporates the [General Data Protection Regulations \(GDPR\)](#). Our [ICT systems](#) and rules ensure that the security of data is tightly controlled. We regularly assess our security arrangements and have taken steps to make them more robust.

The high-level review over IT controls carried out by our external auditors and our programme of internal audit reviews carried out during the year revealed no serious issues. Similarly, the annual security review on behalf of Welsh Government highlighted no matters of serious concern in this area. There were three minor personal data breaches during the year. Each was appropriately assessed and none were categorised as reportable to the Information Commissioner.

Complaints

Complaints about our work are investigated according to our Complaints Policy. Sometimes our policy requires a complaint to be investigated by an Independent Complaints Reviewer. For reasons of openness and transparency, we publish all final reports from the Reviewer. No complaints were referred to the Independent Reviewer in 2021/22.

Ministerial directions

As a Welsh Government Sponsored Body we're subject to non-statutory instruments, containing appropriate Directions. No Directions were issued to us during the year by the Welsh Government. We received revised Lottery financial directions from the Secretary of State for Digital, Culture, Media and Sport which came into effect on 1 April 2022.

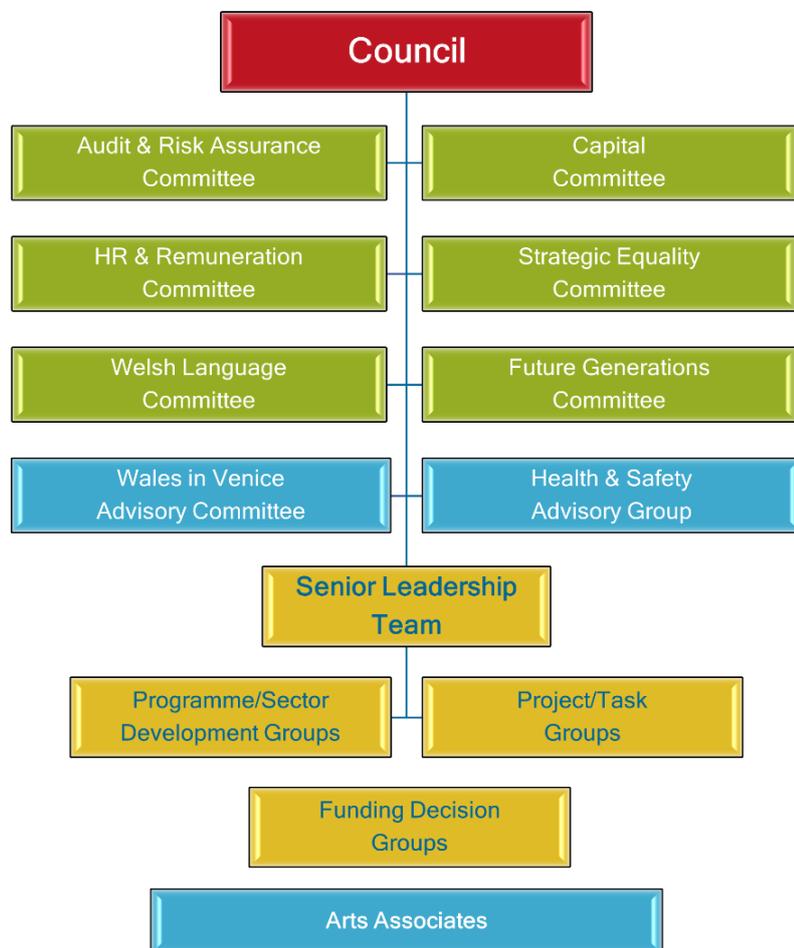
Our Governance Structure

To help support its work, Council has appointed six committees to provide specialist advice. These are: Audit & Risk Assurance Committee; Capital Committee; HR & Remuneration Committee; Strategic Equality Committee; Welsh Language Committee and Future Generations Committee. There is also an advisory committee for Wales’ presence at the international Biennale of Art in Venice and a Health & Safety Advisory Group.

Each Committee includes Council members, one of whom acts as Chair, and has provision for independent committee members appointed through an open selection process for their specialist skills and experience. The minutes of each Committee meeting are provided to Council for discussion and to note. Terms of reference for each committee, which are reviewed annually, can be found on our [website](#).

All new members of Council and of each Committee undergo an induction process appropriate to their role and are encouraged to continue their development during their period of appointment.

During the year we continued to draw on the services and experience of our cohort of [Arts Associates](#). The Associates, who began their work during 2019/20, support executive staff. Their specialist knowledge contributes to policy development, the assessment of grant applications, and advice to officers.



Council

Council is responsible for the strategic direction and management of our organisation. It is also responsible for ensuring, through the Chief Executive, that we operate within the various accountabilities required of us.

Council members are responsible for key decisions on corporate policy: the formulation of our Corporate and Operational Plans, and any major alterations to the terms and conditions of service for staff.

Council sets the annual budget, decides on the annual allocation of grants to organisations in the Arts Portfolio Wales, and approves all grants over £50,000 or, in the case of Lottery funded capital projects, over £250,000 and *Resilience* awards over £100,000. Decisions below these thresholds are delegated to authorised staff and to the Capital Committee.

Members assist with Council Committees. They may also attend arts events across Wales as representatives of Council.

Council activities undertaken during 2021/22 included:

1. as part of its ongoing scrutiny of **Governance**, preparing and monitoring the **Operational Plan** for the year. Council also received and noted the **Committees'** year-end reports to inform its **Governance Statement** as part of this Annual Report and approved the **Annual Financial Statements 2020/21** and **Budget** allocations for 2021/22
2. partaking in a workshop in July 2021 regarding the Investment Review
3. approving our approach for **Cultural Recovery Fund** rounds 2 and 3 delivered in partnership with Welsh Government
4. approving the temporary measures in place at Senior Leadership Team level
5. approving the new **Framework Document**, setting out the operational relationship between the Council and the Welsh Government
6. approving a new **bank mandate** with Santander
7. receiving the findings of the **Widening Engagement Reports**, and holding a joint meeting with the Trustees of Amgueddfa Cymru.

Council meetings are normally held approximately every 6 weeks. However, on occasion, additional meetings were arranged this year to consider responses to the pandemic. Copies of agendas and minutes of our Council meetings can be found on our [website](#).

Council met 10 times during 2021/22 to discharge its responsibilities. Members in total attended on 150 out of a possible 173 occasions.

Our governance response to Covid-19

For the majority of 2021/22 we operated in a very similar way to the previous year, with the majority of staff continuing to work from home. We opened our Colwyn Bay and Cardiff offices to staff who needed to work from them as part of their role or for staff who needed office space for wellbeing reasons.

The majority of our internal processes are electronic and have continued to work well remotely. Physical signatures have been replaced with electronic signatures and email audit trails. Our internal audit plan was conducted remotely with no significant impact on performance or outcomes.

We continue to use a number of virtual meeting rooms to host all our Committee and Council meetings. Duties of each Committee have remained the same and Council's ability to make decisions has not been compromised during the pandemic period. We've updated our Corporate Assurance Framework and Risk Register accordingly.

We delivered the Cultural Recovery Fund in partnership with Welsh Government. We liaised closely with Welsh Government throughout this process to identify any duplicate applications and reduce the risk of double funding. We continued to report weekly to Welsh Government with progress on all grants and payments made.

We also updated our internal anti-fraud procedures to include consideration of any revised or new working arrangements introduced as a result of the pandemic and the requirement to work from home.

It is our view that effective governance has not been compromised by the pandemic.

Audit & Risk Assurance Committee



“The Committee provides robust oversight of our governance arrangements. It scrutinises the adequacy and effectiveness of our systems of internal control and tests our risk management arrangements. Our role is to support the organisation to be as efficient as it can, ensuring that Council’s delivery of activity is effective and represents value for money.”

Kate Eden

Chair, Audit & Risk Assurance Committee

As stewards of public funds we must operate in an efficient and accountable manner. Our priorities and funding decisions are agreed by Council in accordance with the policies and procedures that apply to our use of public funds. The Audit & Risk Assurance Committee’s role is to ensure that we deliver on these commitments, doing so in ways that are transparent, accountable and resilient.

An extensive programme of internal audit assists us in this work, assessing the quality of our delivery against the standards that we have set.

Committee activities undertaken during 2021/22 included:

1. regular scrutiny of our **Corporate Assurance Framework** and **Corporate Risk Register** and consideration and re-approval of the Council’s risk management arrangements. This has given us a clearer view of arrangements to respond to the potential vulnerabilities in our operations
2. reviewing our defences against **Fraud** and **Cyber-crime**, including specific consideration of the National Security Centre’s Cyber Security Toolkit for Boards and how we may utilise this. We’re better able to withstand the increased number and sophistication of external attempts to breach our security, particularly in consideration of the potential increase in external security threats throughout the lockdown period
3. scrutinising the organisational and financial health of Council’s **Arts Portfolio Wales** organisations through enhanced reporting arrangements to assess the scale of impact of the Covid-19 pandemic
4. reporting to Council on the outcome of **internal audit reviews** commissioned by the Committee and monitoring progress in the implementation of the auditor’s recommendations for action
5. understanding key aspects of Council’s operations, such as our continued external and internal response to **Covid-19**, the replacement of our **grant management system**, preparations for our proposed **Investment Review**, scrutiny of our **Annual Report and Financial Statements**, and the procurement of a new provider of

Internal Audit Services to succeed Deloitte, whose contract ended on 31 March 2022.

The Committee's normal schedule of meetings was maintained throughout the year but, in consideration of the pandemic lockdown restrictions, the meetings were held virtually using online functionality.

The Committee met 5 times during 2021/22 to discharge its responsibilities. Members in total attended on 23 out of a possible 30 occasions.

Audit outcomes

The findings of the Audit Wales annual audits are reported to our Audit & Risk Assurance Committee which considers the findings and monitors them to ensure appropriate action is taken on a timely basis. Grant making will continue to be a primary focus of management and the Committee's attention.

Deloitte LLP, our internal auditor to 31 March 2022, gave the following opinion in their annual report:

“Based on the conclusions of our work, we can provide the Arts Council with **substantial assurance** in relation to the organisation's arrangements for risk management, governance and internal control. Our opinion has not been limited by any shortfall in resources, absence of skills, or any significant limitation of scope of internal audit activity which would adversely affect our ability to form an opinion.”

Capital Committee



“This year we welcomed two new independent members onto the Committee who bring with them a wealth of experience and expertise. We have continued to oversee the development of several capital projects that are at different stages in the RIBA Plan of Work. Increasingly, as we reach the later stages of the current National Lottery capital funding programme, these are at a more intense period of construction. This has brought a higher intensity of work but it has also been good to see our funding taking physical shape in the form of projects on site. We continued to make recommendations to Council for significant new major capital grants.”

Andy Eagle
Chair, Capital Committee

For more than two decades Council has been investing funds from the National Lottery into capital projects. Across Wales we're helping organisations to enhance and extend their activities by funding the creation of exemplary buildings, transforming the places in Wales where people enjoy and take part in the arts.

In 2012 Council ring-fenced approximately £22m for a capital programme. Since that time the Committee has overseen a significant number of projects ranging from the purchase of equipment to the creation of new arts facilities. We continue to oversee several projects that have been in development for several years as well as considering new applications for targeted investment to improve access, sustainable energy initiatives and minor adaptations to buildings in response to Covid-19.

As the capital programme reaches the end of its cycle and the ring-fenced budget allocation is invested, the number of applications the Council has been able to receive has reduced. However, the Committee continues to scrutinise ongoing projects and accept applications for those earlier entries into the programme that are progressing to later stages of the Royal Institute of British Architects (RIBA) Plan of Work. These later-stage projects require more intense monitoring and assessment despite being fewer in number. For some organisations this can include a significant amount of support and advice from the Council's staff, particularly for smaller organisations undertaking their first capital project.

Projects currently on site include: Pontypridd YMCA; Cwmni'r Fran Wen, Bangor; Borough Theatre, Abergavenny; and Theatre Brycheiniog, Brecon.

Projects currently in development include: Oriel Myrddin Gallery, Carmarthen; Theatr Bara Caws, Caernarfon; Pontardawe Arts Centre; and Ucheldre Centre, Holyhead.

Committee activities undertaken during 2021/22 included:

- scrutinising **5 applications** with a total request for funding of £739,000. All were successful and funded in full
- continuing to assist the development of the ambitious plans for the refurbishment of **Theatr Clwyd**. The total investment of £27m, including £22m from the Welsh Government, is the largest amount of funding for a single project ever monitored by the Committee. It highlights the strength of the partnership between the two funders and the trust that Welsh Government has in our monitoring processes
- ensuring all capital projects in which Council invests meet **Building Research Establishment Environmental Assessment Method** (BREEAM) sustainability standards. We are also considering if other methods of benchmarking projects may be more suitable for some, particularly in relation to reaching carbon net-zero and the targets of the Well-Being of Future Generations Act

As part of its ongoing responsibilities the Committee has also been charged with monitoring the capital elements of the National Contemporary Art Gallery for Wales programme. The first projects are likely to be awarded funding during 2022/23 but this is likely to be a significant element of the Committee's work over the coming three years.

The Committee met 3 times during 2021/22 to discharge its responsibilities. Members in total attended on 18 out of a possible 21 occasions.

HR & Remuneration Committee



“Advising on the health and well-being of the Council’s staff is the Committee’s principal function. We encourage the development of progressive, forward-looking policies and practice and provide a positive and supportive challenge to the delivery by our staff of HR activities.”

Alison Mears Esswood

Chair, HR & Remuneration Committee

Committee activities undertaken during 2021/22 included:

1. publication of a **Pay Policy Statement**. This includes a detailed breakdown of the make-up of our staff. It also addresses Gender Equality and Equal Pay reporting
2. reviewing the outcome of the recent comprehensive **job evaluation review** and the **restructuring of pay and salary scales**
3. reviewing **HR management information** data and the **Deloitte Well-being Report** to monitor the performance, health and well-being of staff during the Covid-19 pandemic
4. setting levels of **remuneration** and monitoring the performance of the **Chief Executive**
5. promoting staff **learning and development** to deliver corporate objectives, health and safety and general compliance courses

Council appointed Alison Mears Esswood as Chair of the HR & Remuneration Committee from 1 April 2021.

The Committee met 3 times during 2021/22 to discharge its responsibilities. Members in total attended on 10 out of a possible 15 occasions.

Health & Safety

“The Health and Safety Group has continued to focus on ensuring processes and policies are in place to protect our staff from risk and to ensure that the premises, facilities and equipment they use are Covid safe.”

Rebecca Nelson

Chair, Health and Safety Advisory Group

Group activities undertaken during 2021/22 included:

1. monitoring and implementation of [Welsh Government Guidelines on Covid-19](#)
2. managing the implications of [office re-occupation](#), including monitoring staff attending the offices and visiting events
3. reviewing our [Lone Worker policy](#) to consider international travel and hybrid-working
4. reviewing [risk assessments](#) currently in place, in particular the Pregnancy Risk Assessment and Covid Risk Assessment
5. managing [incident reporting](#) and monitoring
6. reviewing our [Maternity Guidance and Policy](#)
7. promoting [staff well-being](#) and having discussions with the Mental Health First Aiders to support them in their role

The Group met 9 times during 2021/22 to discharge its responsibilities.

Overall assessment of governance and internal control

In my opinion, the Arts Council of Wales' systems of governance and internal control are sufficient to enable me to discharge my responsibilities as Accounting Officer.

Michael Elliott
Accounting Officer
8 July 2022

Endorsed on behalf of Council:

Phil George
Chair
8 July 2022

Remuneration and Staff Report

Equal opportunities

The Council is committed to a policy of equality of opportunity in its employment practices. In particular, the Council aims to ensure that no potential or actual employee receives more or less favourable treatment on the grounds of age, disability, ethnic or national origin, gender, marital or parental status, nationality, political belief, race, religion or sexual orientation.

Each year Council publishes a [Pay Policy Statement](#). This includes a detailed breakdown of the make-up of our staff. It also addresses Gender Equality and Equal Pay reporting.

Council ensures that appropriate facilities are available for disabled employees. Public signage also promotes the Council as a bilingual organisation.

Our HR policies

Council's aim is to be a progressive, family-friendly employer. We operate a number of HR policies that reflect our legal obligations as an employer. Policies are reviewed on a regular basis and updated to reflect any relevant changes in legislation. The management of Council's HR policies is monitored by the HR & Remuneration Committee.

Employee communication, consultation and negotiation

Council's recognised trade union is [Unite](#), with which it has established a procedural agreement; representatives of management and union meet regularly to discuss matters of current concern.

We undertake regular surveys of staff to identify any issues or areas for improvement.

Remuneration

The terms of appointment of the Chair and Chief Executive are agreed with the Welsh Government.

The Council remunerates its remaining staff in accordance with an agreed pay and grading system.

With the approval of the Charity Commission the Chair is remunerated at a rate determined by the Welsh Government which reflects a minimum time commitment to Council business. Annual increases of the Chair's salary are also advised by the Welsh Government but he receives no bonus payments and is not a member of the Arts Council's pension scheme.

The Chief Executive's remuneration consists of a basic salary plus eligibility for an annual bonus. Annual bonuses are recommended to Council by the HR & Remuneration Committee in consideration of the performance of the Chief Executive against a set of predetermined objectives.

Council members are appointed by the Welsh Ministers for a period of three years and may be re-appointed for a further period. The current Chair, Phil George, took up the position on 1 April 2016 and is in his third term which expires on 31 March 2023.

The Chief Executive and Directors – the Senior Leadership Team – are all employed on permanent contracts on the Council’s standard terms and conditions. They are entitled to thirteen weeks’ notice of termination of employment. The Interim Chief Executive has been employed on a temporary contract, initially for a period of six months to the end of August 2022.

The dates of commencement and termination of employment are:

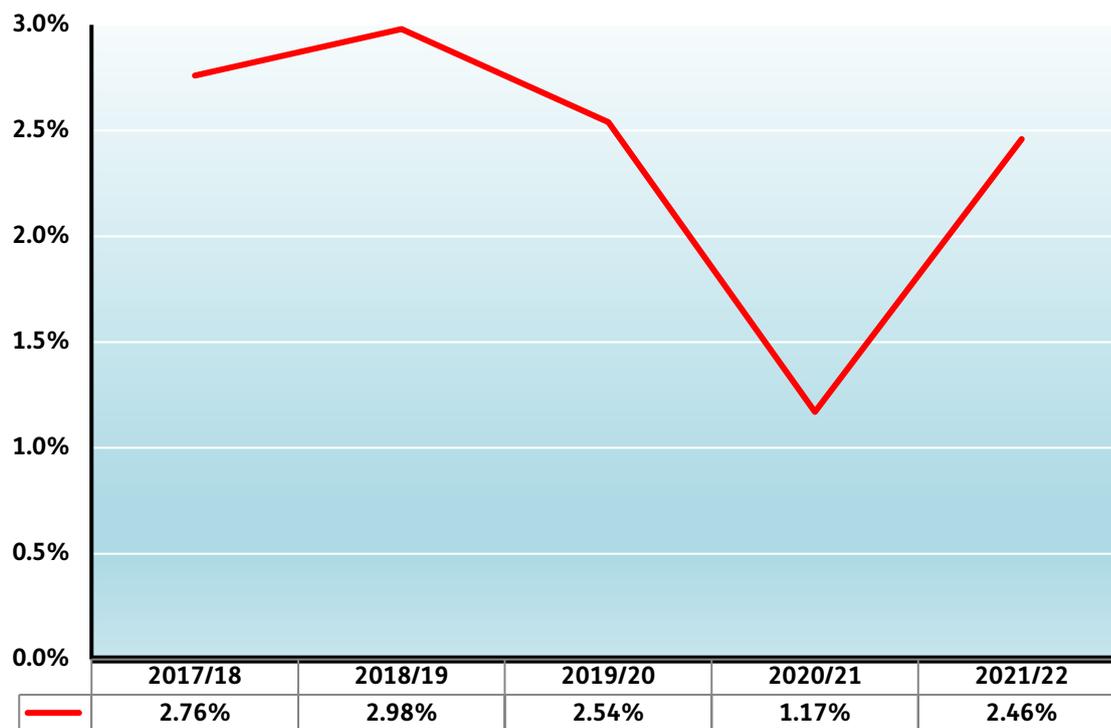
| | | | |
|---|--|--|--|
|  | <p>Phil George Chair</p> <p>1 April 2016</p> |  | <p>Michael Elliott Interim Chief Executive</p> <p>7 March 2022</p> |
|  | <p>Siân Tomos Director of Arts Development from 1 February 2012 to 5 September 2021 Chief Executive from 6 September 2021</p> <p>3 May 1994 to 19 November 2021</p> |  | <p>Nicholas Capaldi Chief Executive</p> <p>15 September 2008 to 30 September 2021</p> |
|  | <p>Richard Nicholls Director of Operations</p> <p>28 September 2020</p> |  | <p>Rebecca Nelson Director of Finance and Business Services</p> <p>17 June 2019</p> |
|  | <p>Diane Hebb Director of Arts Engagement from 1 February 2012</p> <p>13 January 1992</p> | | |

Sickness absence

Across the whole Council:

| | 2021/22 | 2020/21 |
|--|---------|---------|
| Days lost as a result of sickness | 532 | 240.5 |
| Average number of employees (headcount) | 86.25 | 81.75 |
| Average number of days lost per employee | 6.17 | 2.94 |

This represented an absence rate of 2.46% (2020/21: 1.17%) based on 250.5 (2020/21: 250.5) working days. This is a return to more normal levels following the first year of the pandemic where national lockdowns resulted in much lower sickness absence.



Staff turnover

Across the whole Council:

| | 2021/22 | 2020/21 |
|---|---------|---------|
| Average number of employees (headcount) | 86.25 | 81.75 |
| Leavers | 4 | 9 |
| Starters | 11 | 5 |
| Average turnover | 4.64% | 11.01% |

Average turnover is calculated as follows:

$$\frac{\text{total number of leavers over the year}}{\text{average total number employed over the year}} \times 100$$

Consultancy

During 2021/22 the Council paid no consultancy costs (2020/21: £2,000) in relation to expert advice and opinion obtained to assist in strategic decision-making. Nothing (2020/21: £2,000) is charged in these financial statements.

Parliamentary Accountability and Audit Report

(audited)

Remote contingent liabilities

The Council is an admitted employer of the Arts Council Retirement Plan 1994. The Plan is a funded, defined benefit, multi-employer scheme where the participating employers are unable to identify their shares of the underlying assets and liabilities.

In the event of the withdrawal of an employer, the debt triggered under section 75 of the Pensions Act 1995 would be calculated using the solvency shortfall of the entire Plan, not the employer's own asset share and liabilities. Also, in the event of Plan wind up, as the Plan is a "last man standing" arrangement all employers would be jointly and severally liable for the total shortfall in the Plan.

It is not practical to estimate the financial impact.

Losses, special payments and gifts

The Council incurred no losses during the year and made no gifts.

During the year the Council entered into a settlement agreement and made an ex-gratia payment to a former employee.

Fees and charges income

The Council has no material income of this kind.

Michael Elliott
Accounting Officer
8 July 2022

Endorsed on behalf of Council:

Phil George
Chair
8 July 2022

The Certificate and independent auditor's report of the Auditor General for Wales to the Trustees of the Arts Council of Wales

Opinion on financial statements

I certify that I have audited the financial statements of the Arts Council of Wales General Activities Account for the year ended 31 March 2022 under Article 11 of the Arts Council of Wales' Royal Charter. These comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of the Arts Council of Wales' affairs as at 31 March 2022 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with Welsh Ministers' directions issued under Article 11 of the Arts Council of Wales' Royal Charter.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant

doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Statement of Recommended Practice sets out the requirements for other information, however neither it nor legislation, nor the directions issued to the Arts Council of Wales set out the content and form of the Annual Governance Statement or Remuneration Report presented with the financial statements. The Accounting Officer is responsible for the other information in the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

The Statement of Recommended Practice sets out the requirements for other information, however neither it nor legislation, nor the directions issued to the Arts Council of Wales set out the content and form of the Governance Statement or Remuneration Report presented with the financial statements. Therefore, I am not able to confirm that the Governance Statement or Remuneration Report issued with financial statements have been prepared in accordance with guidance.

In my opinion, based on the work undertaken in the course of my audit, the information given in the other information to be issued with financial statements is consistent with the financial statements.

Although there are no legislative requirements for a Remuneration Report, the Arts Council of Wales has prepared such a report and, in my opinion, that part ordinarily required to be audited has been properly prepared in accordance with HM Treasury guidance.

In my opinion, based on the work undertaken in the course of my audit:

- the information given in the Performance Report and Operational Review and the Accountability Report (excluding the Governance Statement and

Remuneration Report) for the financial year for which the financial statements are prepared is consistent with the financial statements and the Performance Report and Operational Review and the Accountability Report have been prepared in accordance with the Charities SORP (FRS102).

Matters on which I report by exception

In the light of the knowledge and understanding of the body and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Operational Review, Accountability Report or the Governance Statement.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- sufficient accounting records have not been kept;
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records and returns;
- information specified by Welsh Ministers regarding remuneration and other transactions is not disclosed; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for preparing the financial statements in accordance with Article 11 of the Arts Council of Wales' Royal Charter and Welsh Ministers' directions made thereunder, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management, the Arts Council of Wales' internal auditor and those charged with governance, including obtaining and reviewing supporting documentation relating to the Arts Council of Wales' policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals, accounting estimates and grant funding; and
- obtaining an understanding of the Arts Council of Wales' framework of authority as well as other legal and regulatory frameworks that the Arts Council of Wales operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Arts Council of Wales.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit and Risk Assurance Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Council; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all of the audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Arts Council of Wales' controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Responsibilities for regularity

The Accounting Officer is responsible for ensuring the regularity of financial transactions.

I obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the Senedd and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

Adrian Crompton
Auditor General for Wales

12 July 2022

24 Cathedral Road
Cardiff
CF11 9LJ

Financial Statements

THE ARTS COUNCIL OF WALES

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2022

| | Note | Unrestricted funds £'000 | Restricted funds £'000 | 2021/22 Total £'000 | 2020/21 Total £'000 |
|--|------|--------------------------------|------------------------------|---------------------------|---------------------------|
| INCOME | | | | | |
| Donations: | | | | | |
| Grant-in-aid from the Welsh Government | | 31,000 | 300 | 31,300 | 32,278 |
| Other grants and donations | 3 | 126 | 16,484 | 16,610 | 22,949 |
| | | <u>31,126</u> | <u>16,784</u> | <u>47,910</u> | <u>55,227</u> |
| Income from charitable activities: | | | | | |
| Services and sponsorship | 4 | 64 | - | 64 | 23 |
| Investment income: | | | | | |
| Bank interest | | 0 | 0 | 0 | 2 |
| Other income | 5 | 26 | - | 26 | 29 |
| | | <u>31,216</u> | <u>16,784</u> | <u>48,000</u> | <u>55,281</u> |
| EXPENDITURE | | | | | |
| Charitable activities | 6 | 31,128 | 16,842 | 47,970 | 55,588 |
| Governance costs | 8 | 77 | - | 77 | 66 |
| Bank interest surrendered to Welsh Consolidated Fund | | - | - | - | 1 |
| | | <u>31,205</u> | <u>16,842</u> | <u>48,047</u> | <u>55,655</u> |
| Net income/(expenditure) | | | | | |
| Gross transfers between funds | 13 | (640) | 640 | 0 | - |
| | | <u>(629)</u> | <u>582</u> | <u>(47)</u> | <u>(374)</u> |
| Reconciliation of funds | | | | | |
| Fund balances brought forward | 13 | 1,295 | 1,171 | 2,466 | 2,840 |
| | | <u>666</u> | <u>1,753</u> | <u>2,419</u> | <u>2,466</u> |

There are no gains or losses other than those shown above

There are no discontinued activities and there have been no acquisitions during the year

The notes on pages 85 to 101 form part of these financial statements

THE ARTS COUNCIL OF WALES

BALANCE SHEET

as at 31 March 2022

| | Note | 31 March 2022 | | 31 March 2021 | |
|--|------|----------------|--------------|----------------|--------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | | | | | |
| Intangible fixed assets | 9a | | - | | 1 |
| Tangible fixed assets | 9b | | 67 | | 66 |
| Total fixed assets | | | <u>67</u> | | <u>67</u> |
| Current assets | | | | | |
| Debtors | 10 | 2,762 | | 6,338 | |
| Cash and cash equivalents | | <u>1,525</u> | | <u>1,416</u> | |
| Total current assets | | <u>4,287</u> | | <u>7,754</u> | |
| Liabilities: falling due within one year | | | | | |
| Creditors | 11a | <u>(1,905)</u> | | <u>(5,322)</u> | |
| | | <u>(1,905)</u> | | <u>(5,322)</u> | |
| Net current assets | | | <u>2,382</u> | | <u>2,432</u> |
| Total assets less current liabilities | | | <u>2,449</u> | | <u>2,499</u> |
| Creditors: falling due after more than one year | | | | | |
| Creditors | 11b | | (30) | | (33) |
| Net assets | | | <u>2,419</u> | | <u>2,466</u> |
| The funds of the charity | | | | | |
| Unrestricted funds | 13 | | 666 | | 1,295 |
| Restricted funds | 13 | | <u>1,753</u> | | <u>1,171</u> |
| | | | <u>2,419</u> | | <u>2,466</u> |

The notes on pages 85 to 101 form part of these financial statements

The financial statements were approved by the Arts Council of Wales and signed on its behalf by

Michael Elliott
Accounting Officer
8 July 2022

Phil George
Chair
8 July 2022

THE ARTS COUNCIL OF WALES

STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

| | Note | 2021/22 £'000 | 2020/21 £'000 |
|--|------|------------------|------------------|
| Net cash outflow from operating activities | 15a | 163 | (852) |
| Net cash inflow from investing activities | 15b | 0 | 1 |
| Net cash outflow associated with capital assets | 15c | (54) | (34) |
| Change in cash and cash equivalents in the year | | 109 | (885) |
| Cash and cash equivalents brought forward | | 1,416 | 2,301 |
| Cash and cash equivalents carried forward | | 1,525 | 1,416 |

The notes on pages 85 to 101 form part of these financial statements

THE ARTS COUNCIL OF WALES

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

1. Accounting policies

a. Basis of preparation

These financial statements are prepared on a going concern basis and under the historical cost convention modified to include certain fixed assets at their value to the Council on a current cost basis. They have been prepared in accordance with the Accounts Direction issued by Welsh Ministers and meet the requirements of the Charities Acts 2006, 2011 and 2016, of the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their account in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued on 16 July 2014 (“the SORP”) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102). In addition to compliance with the SORP regard is given to the requirements of the *Government Financial Reporting Manual* (FReM) issued by HM Treasury to the extent that it clarifies or builds on the requirements of the SORP. A summary of the principal accounting policies which have been applied consistently are set out below.

Impact of standards not yet effective

The application of any new or amended accounting standards is governed by their adoption by the Charity Commission and FReM. The Council applies changes to standards when they become effective. There are no known material impacts from accounting standard changes that have been issued and are not yet effective on the financial statements in the period of initial application.

b. Subsidiary undertakings – Cerdd Cymru:Music Wales Limited

Cerdd Cymru:Music Wales was a private, trading company, limited by guarantee and registered in Wales (number 7759122). It was incorporated on 1 September 2011 as a 50% joint arrangement with the Welsh Music Foundation to develop and improve, both nationally and internationally, the knowledge, understanding, practice and sustainability of the arts and creative industries, and particularly of music in Wales.

Cerdd Cymru:Music Wales became a wholly-owned subsidiary of the Council during 2016/17 following the liquidation of the Welsh Music Foundation.

As Cerdd Cymru:Music Wales had been dormant in recent years, with all overseas activity managed directly through Wales Arts International (the Council’s international unit), in March 2021 Council approved the voluntary winding up of the subsidiary. Cerdd Cymru:Music Wales was dissolved on 26 October 2021.

c. Income

All income is accounted for on an accruals basis, with the exception of legacies, donations and gifts which are recognised only when they are received. Capital grants receivable are treated as income.

No income is recorded net of expenditure in the Statement of Financial Activities.

d. Lottery distribution

These financial statements do not cover the Council’s lottery distribution function for which separate financial statements have been prepared in accordance with directions issued by the Secretary of State for Digital, Culture, Media & Sport.

The Council incurs costs which support both its general activities and lottery distribution functions. In accordance its Financial Directions the Council apportions indirect costs properly between these two areas of activity with reference to the time spent on, or the consumption of the relevant resources by, the respective activities.

The apportionments are usually reviewed every two years and whenever there is a significant change to the staff structure or the programmes of activity.

e. Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

f. Grants awarded

Subsidy expenditure is incurred in the form of grants which are formally offered to organisations funded by the Council. Grants are offered in support of a programme of activities planned for, or to commence in, a particular financial year and in most circumstances are charged to the Statement of Financial Activities in that year.

Forward commitments made in the year relating to next year's activity, as disclosed in note 17, are not charged to the Statement of Financial Activities. The grant-in-aid to meet these commitments cannot be recognised until it is received so, in this respect, we have been unable to apply all principles of paragraph 7 of the SORP. The Trustees do not believe the inclusion of the forward commitments would provide a true and fair view of the application of the Council's resources.

Grants unpaid at the year end are shown as creditors in the Balance Sheet. Any advance payments which have been made in respect of approved grants relating to next year's activities are shown in the Balance Sheet as current assets.

All grants offered are listed in the annex to this Annual Report.

g. Services and sponsorship

Services and sponsorship comprise the direct costs, including staff and depreciation, attributable to charitable activities.

h. Allocation of operating costs

Operating costs have been allocated first between charitable activities and governance. Operating costs relating to charitable activities have been apportioned to reflect the time spent by staff in delivering direct activities and in support of their delivery. The allocation and analysis of these costs is in notes 6 and 7.

i. Governance costs

Governance costs comprise all costs involving the public accountability of the Council as a charity and its compliance with regulation and good practice. These costs are analysed in note 8.

j. Foreign currency

Revenue received and expenditure incurred in foreign currencies is converted at the exchange rate prevailing at the time of the transaction. Balances held in foreign currencies are converted at the rate prevailing at the Balance Sheet date. Transactions and balances covered by forward contracts are converted at the contract rate.

k. Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

l. Fund accounting

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Council for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Unrestricted funds are those which are available for use at the discretion of Council in furtherance of its chartered objectives and which have not been designated for other purposes.

Where support costs are allocated to restricted charitable activities a transfer is made from unrestricted funds to cover these costs.

m. Fixed assets

The Council owns two freehold properties, the Sherman Theatre and the Rubicon Dance Studio, which are let on long leases at peppercorn rents to tenants which are not controlled by the Council and with no provision for repossession by the Council. Based on the advice of external and

independent chartered surveyors, the residual value of these freehold interests is considered to be negligible so these assets are held in the accounts at a nil value.

Website development costs, in accordance with FRS 102, are treated as tangible fixed assets.

Computer software licences are treated as intangible fixed assets if they cover more than one year.

Other than freehold properties all tangible and intangible fixed assets are included at historical cost less an allowance for depreciation and amortisation. The Council considers that there is no significant difference between the book and market values.

n. Amortisation and depreciation

Individual assets costing £1,000 or above are capitalised and a full year's amortisation or depreciation is provided in the year of acquisition. Amortisation of intangible fixed assets and depreciation on tangible fixed assets is provided at rates calculated to write off the cost or valuation of each asset to its residual value on a straight line basis over its expected useful life as follows:

| | |
|----------------------------------|----------------------------|
| Computer software licences | over 3 years |
| Leasehold improvements | over the term of the lease |
| Furniture, fixtures and fittings | over 10 years |
| Equipment | over 4 years |
| Website development costs | over 3 years |
| Computer system | over 3 years |

o. Leases

The costs of operating leases are charged to the Statement of Financial Activities on a straight line basis over the life of the lease.

p. Pensions

The Council is an admitted employer of the Arts Council Retirement Plan 1994 (ACRP) which provides defined benefits to Council employees. The costs of the Council's contributions are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives.

The Plan is a funded, defined benefit, multi-employer scheme where the participating employers are unable to identify their shares of the underlying assets and liabilities. The scheme has therefore been accounted for as if it were a defined contribution scheme, in accordance with FRS 102. The Council has made payments to fund a deficit relating to past service. If further deficit payments are needed, following future revaluations, the Council will recognise a provision for the present value of contributions payable in accordance with the terms of any relevant funding agreement. All contributions towards the deficit are charged to the Statement of Financial Activities.

The Council also has a defined contribution scheme, The People's Pension, as an alternative option to meet the needs of Auto Enrolment legislation. The scheme is accounted for in accordance with FRS 102.

q. Taxation

Non-recoverable Value Added Tax arising from expenditure on non-business activities is charged to the Statement of Financial Activities or capitalised as a fixed asset where applicable.

r. Financial instruments

Financial assets: Trade debtors do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Cash comprises cash in hand and cash at bank and on short term deposit on instant access terms.

Financial liabilities: Trade creditors are not interest bearing and are stated at their nominal value.

2. General activities and Lottery distribution: combined income and charitable arts expenditure

The separate Lottery distribution account shows the Council's 2021/22 share of the proceeds from the National Lottery of £18,078,000 (2020/21: £18,138,000). The combined total income for both general and Lottery activities for 2021/22 was £66,242,000 (2020/21: £73,478,000). The combined total direct charitable arts expenditure for 2021/22 was £70,563,000 (2020/21: £67,718,000).

3. Income

Donations: Other grants and donations

| | Unrestricted funds £'000 | Restricted funds £'000 | 2021/22 Total £'000 | 2020/21 Total £'000 |
|--|-----------------------------|---------------------------|---------------------------|---------------------------|
| <i>Creative Learning through the Arts Programme</i> (note 18): | | | | |
| Welsh Government grant | - | 978 | 978 | 750 |
| Arts Council of Wales Lottery grant | - | 750 | 750 | 1,083 |
| Other income | - | - | - | 45 |
| Prior year grants no longer required or repaid | 126 | 12 | 138 | 4 |
| Welsh Government Cultural Recovery Funding (CRF) | - | 12,697 | 12,697 | 18,348 |
| Welsh Government contribution for other activities | - | 1,816 | 1,816 | 2,208 |
| Grants to Wales Arts International | - | 83 | 83 | - |
| Arts Council England (for Hynt) | - | 83 | 83 | - |
| Natural Resources Wales (for Creative Nature programme) | - | 65 | 65 | - |
| Freelands Foundation | - | - | - | 500 |
| Private donations | - | - | - | 11 |
| | 126 | 16,484 | 16,610 | 22,949 |

4. Income from charitable activities - Services and sponsorship

| | Unrestricted funds £'000 | Restricted funds £'000 | 2021/22 Total £'000 | 2020/21 Total £'000 |
|--|-----------------------------|---------------------------|---------------------------|---------------------------|
| <i>Night Out</i> scheme: | | | | |
| - contributions from venues/promoters | 24 | - | 24 | 2 |
| Contributions for Wales Arts International | - | - | - | 2 |
| <i>Collectorplan</i> - gallery fees | 36 | - | 36 | 18 |
| Other income | 4 | - | 4 | 1 |
| | 64 | - | 64 | 23 |

5. Other income

| | Unrestricted Funds £'000 | Restricted Funds £'000 | 2021/22 Total £'000 | 2020/21 Total £'000 |
|--|-----------------------------|---------------------------|---------------------------|---------------------------|
| Contribution from the Lottery Distribution account: for use of fixed assets | 26 | - | 26 | 29 |

6. Expenditure - Charitable activities

| | Direct activities £'000 | Grant ¹ funding £'000 | Support ² costs £'000 | 2021/22 Total £'000 | 2020/21 Total £'000 |
|---|----------------------------|--|--|---------------------------|---------------------------|
| Grant making and arts development | 972 | 42,400 | 1,851 | 45,223 | 53,018 |
| <i>Creative Learning through the Arts Programme</i> (note 18) | 956 | 263 | - | 1,219 | 1,541 |
| Arts strategy | 430 | - | 18 | 448 | 242 |
| International | 582 | - | 25 | 607 | 430 |
| Services: <i>Night Out</i> & <i>Collectorplan</i> | 272 | - | 12 | 284 | 200 |
| Advocacy and research | 181 | - | 8 | 189 | 157 |
| | 3,393 | 42,663 | 1,914 | 47,970 | 55,588 |
| From unrestricted funds | | | | 31,128 | 30,728 |
| From restricted funds | | | | 16,842 | 24,860 |
| | | | | 47,970 | 55,588 |

| 1 Grant funding | To institutions £'000 | To individuals £'000 | 2021/22 Total £'000 | 2020/21 Total £'000 |
|---|--------------------------|-------------------------|---------------------------|---------------------------|
| From unrestricted funds | | | | |
| Arts Portfolio Wales | 26,782 | - | 26,782 | 26,782 |
| Covid-19 support | - | - | - | 880 |
| Strategic awards | 609 | 173 | 782 | 408 |
| From restricted funds | | | | |
| Arts Portfolio Wales | 300 | - | 300 | 300 |
| Covid-19 support | 12,934 | - | 12,934 | 20,014 |
| <i>Creative Learning through the Arts Programme</i> | 263 | - | 263 | 932 |
| Strategic awards | 1,537 | 65 | 1,602 | 2,040 |
| | 42,425 | 238 | 42,663 | 51,356 |

All grants are listed in the annex to this Annual Report.

| 2 Support costs | Gross costs £'000 | Deduct Recharges to Lottery Distribution £'000 | 2021/22 Net charge to General Activities £'000 | 2020/21 Net charge to General Activities £'000 |
|---------------------------------|----------------------|---|--|--|
| Staff and related costs | 2,660 | 1,261 | 1,399 | 1,270 |
| Infrastructure | 601 | 290 | 311 | 337 |
| Office running costs | 17 | 8 | 9 | 8 |
| Professional fees and promotion | 182 | 106 | 76 | 43 |
| Irrecoverable VAT | 132 | 67 | 65 | 68 |
| Amortisation and depreciation | 54 | - | 54 | 60 |
| | 3,646 | 1,732 | 1,914 | 1,786 |

7. Staff costs

a. Total staff costs consist of:

| | Permanently employed £'000 | Other £'000 | Gross costs £'000 | Deduct Recharges to Lottery Distribution £'000 | 2021/22 Net charge to General Activities £'000 | 2020/21 Net charge to General Activities £'000 |
|-----------------------|-------------------------------|----------------|----------------------|---|--|--|
| Wages and salaries | 2,952 | 500 | 3,452 | 943 | 2,509 | 2,286 |
| Social security costs | 310 | 52 | 362 | 99 | 263 | 238 |
| Other pension costs | 553 | 89 | 642 | 177 | 465 | 416 |
| Apprenticeship Levy | 3 | - | 3 | - | 3 | 1 |
| | 3,818 | 641 | 4,459 | 1,219 | 3,240 | 2,941 |

Staff costs are incorporated in the financial statements as follows:

| | | | | |
|---------------------------------------|--------------|--------------|--------------|--------------|
| Charged to Direct activities (note 6) | 1,894 | - | 1,894 | 1,678 |
| Charged to Support costs (note 6) | 2,516 | 1,203 | 1,313 | 1,230 |
| Charged to Governance (note 8) | 49 | 16 | 33 | 33 |
| | 4,459 | 1,219 | 3,240 | 2,941 |

The average number of staff (full time equivalents) employed during the year was:

| | Permanently employed | Other | Across the whole Council | On Lottery Distribution activities | 2021/22 On General activities | 2020/21 On General activities |
|---|----------------------|-----------|--------------------------|------------------------------------|-------------------------------|-------------------------------|
| On charitable activities: | | | | | | |
| directly charged | 9 | 10 | 19 | - | 19 | 17 |
| recharged | 28 | 1 | 29 | - | 29 | 27 |
| In support of our charitable activities | 31 | 1 | 32 | 23 | 9 | 9 |
| | 68 | 12 | 80 | 23 | 57 | 53 |

Staff composition at 31 March

(full time equivalents – whole Council)

| | 2022 | | | 2021 | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|
| | Male | Female | Total | Male | Female | Total |
| Senior Leadership Team | 2 | 2 | 4 | 2 | 3 | 5 |
| Portfolio Managers/Heads of Department | 7 | 8 | 15 | 6 | 8 | 14 |
| Senior Officers | 13 | 20 | 33 | 13 | 18 | 31 |
| Officers | 2 | 9 | 11 | 2 | 9 | 11 |
| Team Co-ordinators/Personal Assistants | 2 | 16 | 18 | 2 | 12 | 14 |
| | 26 | 55 | 81 | 25 | 50 | 75 |
| | 32% | 68% | | 33% | 67% | |

The range of annual remuneration (full time equivalents) at 31 March was (whole Council):

| | 2022 | 2021 |
|--|-------------|-------------|
| | £21,064 | £23,419 |
| | to £101,830 | to £101,830 |

The Chief Executive is the highest paid member of staff.

During the year the Chief Executive's remuneration did not change (2020/21: increase 2.5%). Staff as a whole received a pay award of 2.75% (2020/21: increase 2.5%).

The annual remuneration (full time equivalents) of employees and the ratios between each of those and the pay of the Chief Executive at 31 March were (whole Council):

| | | |
|--------------------------|---------|---------|
| 25th percentile | £30,142 | £33,890 |
| | 1:3.4 | 1:3.0 |
| Median (50th) percentile | £43,829 | £42,656 |
| | 1:2.3 | 1:2.4 |
| 75th percentile | £43,829 | £52,919 |
| | 1:2.3 | 1:1.9 |

Annual remuneration comprises salary only. No benefits were paid.

The differences between the remuneration ratios at 31 March 2022 and 2021 reflect the impact of:

- an increase in the number of staff employed;
- a pay award to all eligible staff which did not apply to the Chief Executive; and
- a job re-evaluation exercise settled in 2020/21.

- The Chief Executive and Directors – the Senior Leadership Team – are responsible for directing the Council's activities. Their actual emoluments and pension benefits were as shown in the following tables.

The amount of pension benefits for the year which contributes to the single total remuneration figures is calculated in a similar way to the method used to derive pension values for tax purposes, and is based on information received from the actuary of the Arts Council Retirement Plan 1994.

The value of pension benefits is calculated as follows:
 (real increase in pension* x 20) + (real increase in any lump sum) – (contributions made by member)
 *excluding increases due to inflation or any increase or decrease due to a transfer of pension rights

This is not an amount which has been paid to an individual by the Council during the year, it is a calculation which uses information from the pension benefit table. These figures can be influenced by many factors, e.g. changes in a person's salary, whether or not they choose to make additional contributions to the pension scheme from their pay, and other valuation factors affecting the pension scheme as a whole.

The single total remuneration figures of the Senior Leadership Team:

| Name Position | 2021/22 | | | 2020/21 | | |
|---|-----------------------------|------------------------------|---------------------------------------|-----------------------------|------------------------------|---------------------------------------|
| | Emoluments band £'000 | Pension benefits £'000 | Single total remuneration £'000 | Emoluments band £'000 | Pension benefits £'000 | Single total remuneration £'000 |
| Michael Elliott ¹ Interim Chief Executive from 7 March 2022 | 5-10 | - | 5-10 | N/A | N/A | N/A |
| Full year equivalent | 100-105 | | | | | |
| Siân Tomos Director of Arts Development to 5 September 2021 Chief Executive from 6 September 2021 to 19 November 2021 | 50-55 | 55 | 105-110 | 75-80 | 32 | 105-110 |
| Full year equivalent | 90-95 | | | | | |
| Nicholas Capaldi Chief Executive to 30 September 2021 | 50-55 | 5 | 55-60 | 100-105 | 30 | 130-135 |
| Full year equivalent | 100-105 | | | | | |
| Richard Nicholls ² Director of Operations from 28 September 2020 | 85-90 | 20 | 105-110 | 35-40 | 1 | 40-45 |
| Full year equivalent | | | | 75-80 | | |
| Diane Hebb ² Director of Arts Engagement | 85-90 | 72 | 155-160 | 75-80 | 26 | 100-105 |
| Rebecca Nelson ² Director of Finance and Business Services | 85-90 | 25 | 110-115 | 70-75 | 18 | 90-95 |

¹ The Interim Chief Executive has elected not to join a pension scheme and there is no requirement to auto-enrol him.

² The emoluments for 2021/22 include an extra responsibility allowance of £5,000-£10,000.

The pension benefits of the Senior Leadership Team:

| Name Position | 2021/22 | | 2021/22 | | 2021/22 | 2020/21 | 2021/22 |
|---|--|---------|--|--------|--|---|---|
| | Real increase in pension and related lump sum at age 65 £'000 | | Total accrued pension at age 65 as at 31/03/22, or date of leaving if earlier, and related lump sum £'000 | | Cash Equivalent ¹ Transfer Value at 31/03/22, or date of leaving if earlier £'000 | Cash Equivalent Transfer Value at 31/03/21 £'000 | Real increase ² in Cash Equivalent Transfer Value £'000 |
| Siân Tomos Director of Arts Development to 5 September 2021 Chief Executive from 6 September 2021 to 19 November 2021 | Pension | 2.5-5 | Pension | 30-35 | 733 | 633 | 52 |
| | Lump sum | 7.5-10 | Lump sum | 95-100 | | | |
| Nicholas Capaldi Chief Executive to 30 September 2021 | Pension | 0-2.5 | Pension | 15-20 | 359 | 338 | 5 |
| | Lump sum | 0-2.5 | Lump sum | 45-50 | | | |
| Richard Nicholls Director of Operations from 28 September 2020 | Pension | 0-2.5 | Pension | 0-5 | 17 | 1 | 11 |
| | Lump sum | 2.5-5 | Lump sum | 0-5 | | | |
| Diane Hebb Director of Arts Engagement | Pension | 2.5-5 | Pension | 20-25 | 469 | 421 | 62 |
| | Lump sum | 10-12.5 | Lump sum | 70-75 | | | |
| Rebecca Nelson Director of Finance and Business Services | Pension | 0-2.5 | Pension | 0-5 | 40 | 27 | 12 |
| | Lump sum | 2.5-5 | Lump sum | 5-10 | | | |

¹ **Cash Equivalent Transfer Values** - A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Arts Council Retirement Plan 1994. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

² **Real increase in CETV** - This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

The Chair, with the approval of the Charity Commission, is remunerated for his services but receives no bonus payments and is not a member of the pension scheme. Other Council and Committee Members receive no payment for their services. Council meeting costs for 2021/22 include an aggregate amount of £185 (2020/21: £16) reimbursed to 1 (2020/21: 1) Council members.

The total actual emoluments of the Chair and Chief Executives were made up of:

| | 2021/22 £ | 2020/21 £ |
|--|---------------|----------------|
| Chair | | |
| Salary | 43,810 | 43,810 |
| Chief Executives | | |
| Former Chief Executive (to 30 September 2021) – Nicholas Capaldi | | |
| Salary | 51,548 | 101,830 |
| Employer's pension contribution | 10,077 | 21,282 |
| | <u>61,625</u> | <u>123,112</u> |

| | 2021/22 £ | 2020/21 £ |
|--|---------------|----------------|
| Former Chief Executive (from 6 September to 19 November 2021) – Siân Tomos | | |
| Salary | 21,751 | - |
| Employer's pension contribution | 4,546 | - |
| | <u>26,297</u> | <u>-</u> |
| Current Interim Chief Executive (from 7 March 2022) – Michael Elliott | | |
| Salary | <u>7,413</u> | <u>-</u> |
| Chief Executives' total | | |
| Salary | 80,712 | 101,830 |
| Employer's pension contribution | 14,623 | 21,282 |
| | <u>95,335</u> | <u>123,112</u> |

66% (2020/21: 67%) of the Chair's and 72% (2020/21: 72%) of the Chief Executives' emoluments are charged in these financial statements and the remainder to lottery distribution activities.

| | 2021/22 £ | 2020/21 £ |
|---|--------------|--------------|
| Travel and subsistence expenses incurred and defrayed whilst on Council business: | | |
| Chair | 185 | 16 |
| Chief Executives | 627 | 41 |

52% (2020/21: 51%) of the Chair's and Chief Executives' expenses are charged in these financial statements and the remainder to lottery distribution activities.

- c. Most employees are members of the Arts Council Retirement Plan 1994 (ACRP). The fund is a defined benefit scheme. It is also a multi-employer scheme so the Council is unable to identify its share of the underlying assets and liabilities. The scheme has therefore been accounted for as if it were a defined contribution scheme, in accordance with FRS 102.

An independent actuarial valuation of the ACRP normally takes place every three years. The most recent valuation, as at 31 March 2019, came into effect on 1 April 2020. The valuation introduced new contribution rates for the Council in respect of accruing benefits. It assumes a continuing requirement that a minimum level of payment be made each year towards the past service deficit, at a rate advised by the scheme actuary, until 31 March 2029.

On the assumption that the recommended amounts would be paid to the Plan, the actuary's opinion was that the resources of the scheme are likely in the normal course of events to meet in full the liabilities of the scheme as they fall due. The key financial assumptions used were:

- Retail Prices Index (RPI) increases - Market Implied RPI Inflation curve with allowance for 0.3% per annum (p.a.) inflation risk premium
- Consumer Prices Index (CPI) increases - RPI curve less 1.0% p.a.
- Pension increases - equal to the relevant inflation assumption
- Salary increases - in line with CPI inflation
- Discount rate (past service) - market implied gilt yield curve plus 1.25% per annum
- Discount rate (future service) - market implied gilt yield curve plus 1.60% per annum

Contributions by the Council and its employees were:

| | Council | | Employees | |
|---------------|---------|---------|-----------|---------|
| | 2021/22 | 2020/21 | 2021/22 | 2020/21 |
| For all staff | 20.9% | 20.9% | 6.0% | 6.0% |

There were no changes to the contribution rates from 1 April 2022.

The Council also pays 0.2% of pensionable salary in respect of each life assurance only member.

Under Auto Enrolment legislation all eligible employees are required to join a qualifying pension scheme, unless they formally opt out. We have a defined contribution scheme, The People's Pension, as an alternative option for employees who are not members of the ACRP. The Council contributed 5% and the employee 3% during the year. These rates may change in the future, in line with the requirements of the legislation.

8. Resources expended

Governance costs

| | Gross costs £'000 | Deduct Recharges to Lottery Distribution £'000 | 2021/22 Net charge to General Activities £'000 | 2020/21 Net charge to General Activities £'000 |
|--|----------------------|---|---|---|
| Chair's remuneration | 49 | 16 | 33 | 33 |
| Auditor's remuneration - Audit | 49 | 23 | 26 | 25 |
| Internal audit | 33 | 16 | 17 | 8 |
| Legal and consultancy fees | 1 | - | 1 | 0 |
| Council meetings, including travel and subsistence | - | - | - | 0 |
| Committee meetings, including travel and subsistence | - | - | - | 0 |
| | 132 | 55 | 77 | 66 |

9. Fixed assets

a. Intangible fixed assets

| | Computer software licences £'000 |
|---------------------------------|-------------------------------------|
| Cost at 1 April 2021 | 297 |
| Additions | - |
| Disposals | - |
| Cost at 31 March 2022 | 297 |
| Amortisation at 1 April 2021 | 296 |
| Charge for the year | 1 |
| Disposals | - |
| Amortisation at 31 March 2022 | 297 |
| Net book value at 31 March 2022 | 0 |
| Net book value at 1 April 2021 | 1 |

b. Tangible fixed assets

| | Alterations to leasehold properties £'000 | Computer system, furniture, etc £'000 | Website £'000 | Total £'000 |
|---------------------------------|--|--|------------------|----------------|
| Cost at 1 April 2021 | 107 | 706 | 95 | 908 |
| Additions | - | 54 | - | 54 |
| Disposals | - | - | - | - |
| Cost at 31 March 2022 | 107 | 760 | 95 | 962 |
| Depreciation at 1 April 2021 | 107 | 640 | 95 | 842 |
| Charge for the year | - | 53 | - | 53 |
| Disposals | - | - | - | - |
| Depreciation at 31 March 2022 | 107 | 693 | 95 | 895 |
| Net book value at 31 March 2022 | - | 67 | - | 67 |
| Net book value at 1 April 2021 | - | 66 | - | 66 |

Amortisation and depreciation charged has been allocated to charitable activities within support costs (note 6).

- c. Net book value at 31 March 2022 represents fixed assets used by the Council in support of its charitable activities.

The Council's freehold properties in Cardiff, the Sherman Theatre and the Rubicon Dance Studio, are let on long leases at peppercorn rents to tenants which are not controlled by the Council and with no provisions either for reviewing the rents or repossession by the Council.

The Sherman Theatre was acquired by the Welsh Arts Council, a division of the Arts Council of Great Britain, in September 1987 at a cost of £897,000 and immediately let for a term of 125 years. At the dissolution of the Arts Council of Great Britain in March 1994 the freehold interest was transferred to the newly formed Arts Council of Wales.

The Rubicon Dance Studio was acquired by the Welsh Arts Council in February 1988 at a cost of £11,315 and subject to an existing lease for a term of 999 years commencing 1 January 1986. The freehold interest was transferred to the Arts Council of Wales in March 1994.

The most recent external and independent valuation of the Council's freehold properties was as at 31 March 2004. It was undertaken by Elizabeth Hill, a Member of the Royal Institute of Chartered Surveyors, for and on behalf of Cooke & Arkwright, Chartered Surveyors. Because of the impact of the leases it was the surveyor's opinion that the freehold interests had a nil or nominal value, so these assets are held in the accounts at nil value.

Council does not consider it necessary to undertake a further valuation until there is a significant reduction in the residual terms of the leases or earlier termination.

| 10. Debtors (falling due within one year) | 2021/22 | 2020/21 |
|---|---------|---------|
| | £'000 | £'000 |
| Welsh Government – grant-in-aid | 300 | 800 |
| Welsh Government – Cultural Recovery Funding | 462 | 3,687 |
| Welsh Government – other funds | 148 | - |
| Collectorplan loans ¹ | 479 | 266 |
| Trade debtors | 135 | 60 |
| Other debtors | 812 | 1,102 |
| | 2,336 | 5,915 |
| Deduct Specific provision for doubtful debts | - | - |
| Sub-total: Debtors | 2,336 | 5,915 |
| Prepayments | 199 | 238 |
| | 2,535 | 6,153 |
| Due from Lottery distribution fund for recharged costs: | | |
| Cost apportionments | 227 | 185 |
| | 2,762 | 6,338 |

¹ Collectorplan is the Council's interest-free loan scheme, available to the general public to support the purchase of contemporary works of art and crafts from participating galleries across Wales. Loans from £50 up to £5,000 are repaid by monthly instalments over a maximum period of 1 year.

| 11. Creditors | 2021/22 | 2020/21 |
|--|---------|---------|
| | £'000 | £'000 |
| a. Creditors: falling due within one year | | |
| Grants payable | 1,280 | 4,911 |
| Taxation and social security | 145 | 94 |
| Trade creditors | 141 | 31 |
| Other creditors | 130 | 76 |
| Accruals and deferred income | 209 | 210 |
| | 1,905 | 5,322 |
| b. Creditors: falling due after more than one year | | |
| Grants payable | 30 | 33 |

12. Contingent liability

The Council is an admitted employer of the Arts Council Retirement Plan 1994. The Plan is a funded, defined benefit, multi-employer scheme where the participating employers are unable to identify their shares of the underlying assets and liabilities.

In the event of the withdrawal of an employer, the debt triggered under section 75 of the Pensions Act 1995 would be calculated using the solvency shortfall of the entire Plan, not the employer's own asset share and liabilities. Also, in the event of Plan wind up, as the Plan is a "last man standing" arrangement all employers would be jointly and severally liable for the total shortfall in the Plan.

13. Statement of funds

| | At 1 April 2021 £'000 | Incoming resources £'000 | Resources expended £'000 | Transfers £'000 | At 31 March 2022 £'000 |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------|---------------------------------|
| Unrestricted income funds | | | | | |
| General fund | 1,295 | 31,216 | (31,205) | (640) | 666 |
| Total unrestricted funds | 1,295 | 31,216 | (31,205) | (640) | 666 |
| Restricted funds | | | | | |
| Income | | | | | |
| Welsh Government Cultural Recovery Funding | - | 12,697 | (13,239) | 542 | 0 |
| Welsh Government for other specific arts activity | 57 | 2,116 | (2,245) | 92 | 20 |
| CLTA Programme | 999 | 1,740 | (1,219) | - | 1,520 |
| Arts Council England (for Hynt) | - | 83 | (13) | 1 | 71 |
| Natural Resources Wales (for Creative Nature) | - | 65 | (68) | 3 | 0 |
| National Centre for Learning Welsh | 8 | - | (8) | 0 | 0 |
| Wales Arts International activity | 14 | 83 | (50) | 2 | 49 |
| | 1,078 | 16,784 | (16,842) | 640 | 1,660 |
| Capital | | | | | |
| Alun Llywelyn Williams Memorial Fund (income to provide bursary for young artist) | 13 | - | - | - | 13 |
| Brian Ross Memorial Fund (income to provide bursary for young visual artist) | 80 | - | - | - | 80 |
| | 93 | - | - | - | 93 |
| Total restricted funds | 1,171 | 16,784 | (16,842) | 640 | 1,753 |
| Total funds | 2,466 | 48,000 | (48,047) | 0 | 2,419 |

The Alun Llywelyn Williams and Brian Ross Memorial Funds are represented by cash at bank and are within the total of £1,525,000 shown on the Balance Sheet.

14. Analysis of net assets between funds

| | Unrestricted funds £'000 | Restricted funds £'000 | Total £'000 |
|---|--------------------------------|------------------------------|----------------|
| Fund balances at 31 March 2022 are represented by: | | | |
| Fixed assets | 67 | - | 67 |
| Current assets | 1,844 | 2,443 | 4,287 |
| Creditors: falling due within one year | (1,215) | (690) | (1,905) |
| Creditors: falling due after more than one year | (30) | - | (30) |
| Total net assets | 666 | 1,753 | 2,419 |

15. Cash flow information

| | 2021/22 £'000 | 2020/21 £'000 |
|---|------------------|------------------|
| a. Cash flows from operating activities | | |
| Net incoming/(outgoing) resources | (47) | (374) |
| Bank interest received (net of surrender) | 0 | (1) |
| Amortisation and depreciation (note 9) | 54 | 60 |
| (Increase)/Decrease in grants paid in advance | 0 | 140 |
| (Increase)/Decrease in debtors | 3,576 | (4,259) |
| Increase/(Decrease) in creditors falling due within one year | (3,417) | 3,578 |
| Increase/(Decrease) in creditors falling due after more than one year | (3) | 4 |
| Net cash inflow/(outflow) from operating activities | (163) | (852) |
| b. Cash flows from investing activities | | |
| Bank interest received | 0 | 2 |
| Bank interest surrendered to Welsh Consolidated Fund | 0 | (1) |
| Net cash inflow from operating activities | 0 | 1 |
| c. Cash flows associated with capital assets | | |
| Payments to acquire intangible fixed assets (note 9a) | 0 | - |
| Payments to acquire tangible fixed assets (note 9b) | (54) | (34) |
| Net cash outflow associated with capital assets | (54) | (34) |

16. Commitments on operating leases

At 31 March 2022 the Council had the following commitments for future payments under non-cancellable operating leases:

| | Land and buildings | | Equipment | |
|---|--------------------|---------------|---------------|---------------|
| | 2022 £'000 | 2021 £'000 | 2022 £'000 | 2021 £'000 |
| Total due | | | | |
| within one year | 123 | 132 | 0 | 2 |
| later than one year and not later than five years | 499 | 494 | 0 | - |
| later than five years | 233 | 360 | 0 | - |
| | 855 | 986 | 0 | 2 |

Lease payments of £154,000 have been recognised as an expense during the year (2020/21: £108,000). 52% (2020/21: 51%) of the costs are charged in these financial statements and the remainder to lottery distribution activities.

17. Forward commitments

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Grants | | |
| Forward funding - grants formally offered | 27,484 | 27,082 |

Forward funding at 31 March 2022 represents allocations to Arts Portfolio Wales organisations for 2022/23.

18. Creative Learning through the Arts Programme

The *Creative Learning through the Arts* Programme is designed to:

- improve educational attainment
- build an education system that will directly contribute to a stronger economy, greater innovation, greater creativity, and to the cultural capital of the nation
- bring about a step change in the range and quality of opportunities given to children and young people to engage with and learn about the arts and culture

The first phase, from 2015 to 2020, was funded by a joint investment of £20 million pounds from the Welsh Government in partnership with the Arts Council of Wales, working with the regional education consortia, schools, local authorities and the wider arts and cultural sector. The Programme requires the active involvement of artists, creative professionals and arts, culture and heritage organisations working in partnership with teachers and schools.

The programme was extended for two years from 2020 to 2022 and the Welsh Government has announced a further extension for another three years to 2025.

The Council's investment comes from Lottery funds. This, together with the Welsh Government's contribution and all Programme expenditure, is accounted for in these financial statements. This approach has been agreed with the Council's external auditors and the Department for Digital, Culture, Media & Sport.

| | 2021/22 £'000 | 2020/21 £'000 |
|--|------------------|------------------|
| Income | | |
| Welsh Government grant | 978 | 750 |
| Arts Council of Wales Lottery grant | 750 | 1,083 |
| Prior year grants repaid | 12 | 4 |
| Partnership income | - | 45 |
| Bank interest | 0 | 1 |
| | <u>1,740</u> | <u>1,883</u> |
| Expenditure | | |
| Lead Creative Schools | 718 | 1,073 |
| Arts and education programme | 20 | 10 |
| Arts and creative learning cross-programme | 37 | 48 |
| Central management costs | 445 | 410 |
| Support costs (from unrestricted funds) | - | - |
| | <u>1,220</u> | <u>1,541</u> |

19. Financial instruments

Financial Reporting Standard 102 requires disclosure of the role which financial instruments have had during the period in creating or changing the risks the Council faces in undertaking its functions.

Liquidity risks – In 2021/22 £46,791,000 or 97% of the Council's income was derived from the Welsh Government (2020/21: £53,584,000 or 97%). Of the remaining income £750,000 or 2% was derived from the Arts Council of Wales' Lottery Distribution account for the *Creative Learning through the Arts* Programme (2020/21: £1,083,000 or 2%) and £459,000 or 1% was derived from investment income and sundry income (2020/21: £614,000 or 1%). The Council does not consider that its general activities are exposed to any significant liquidity risk and is satisfied that future income is sufficient to meet its commitments.

Interest rate risks – Cash balances which are drawn down from the Welsh Government to pay grant commitments and operating costs are held in an instant access, variable rate bank account which on average carried an interest rate of 0.02% in the year (2020/21: 0.15%). The effective unrestricted cash balance at the year end was £335,000 (2021: £593,000). The Council does not consider that its general activities are exposed to significant interest rate risks.

Foreign currency risk – The general activities of the Council are not exposed to any significant foreign exchange risks.

Cash flow risk – The Council is not exposed to any significant cash flow risks.

Credit risk – The Council is not exposed to any significant credit risk as the majority of debtors relate to Welsh Government income.

20. Corporation Tax

The Council is a charitable Welsh Government sponsored body and as such is exempt from Corporation Tax under Section 505 ICTA 1988.

21. Events after the reporting period

Authorisation of these financial statements for issue

The financial statements were authorised for issue by the Accounting Officer on the same date as the Auditor General for Wales certified them.

22. Related party transactions

Public bodies

The Council is a Welsh Government sponsored body.

The Welsh Parliament/Welsh Government is regarded as a related party. During the year the Council had no material transactions with the Welsh Parliament/Welsh Government apart from the grant-in-aid disclosed in the Statement of Financial Activities and the restricted grants disclosed in note 3.

Individuals

Members of Council, Committees, staff or other related parties (being close family members) undertook financial transactions (listed below) with the Council during the year.

Where the individuals and/or their close family were members of the Boards of Management (or equivalent) or were senior employees of organisations offered grants or other payments by the Council in 2021/22 in all such cases, in accordance with the Council's Code of Best Practice, the individual concerned withdrew from any meeting where there was a discussion or decision regarding funding.

Under the Council's Code of Best Practice an interest is deemed to persist for a minimum period of one year after the individual has left the position which created the interest. This policy is reflected in the disclosures which follow.

Transactions with the Council as a Lottery distributor are recorded in the equivalent note to the separate Lottery Distribution Account.

| Member Role | Organisation | Transaction 2021/22 (number) | Total Value 2021/22 £ | Total balance outstanding at 31 March 2022 ¹ £ |
|-----------------------------------|-------------------------|------------------------------------|--------------------------------|---|
| <u>Council members</u> | | | | |
| Elen ap Robert Director | Welsh National Opera | Grant (1) | 4,583,851 | Nil |
| Chair | Eisteddfod Genedlaethol | Grant (0) | Nil | 300 |
| Lhosa Daly Employment | National Trust | Grant (1) | 25,000 | 2,500 |

| Member Role | Organisation | Transaction 2021/22 (number) | Total Value 2021/22 £ | Total balance outstanding at 31 March 2022 ¹ £ |
|---|---|------------------------------------|--------------------------------|---|
| Devinda De Silva Employment | National Theatre Wales | Grant (1) Invoice (1) | 1,624,075 960 | Nil Nil |
| Board member | Dirty Protest | Grant (2) Invoice (1) | 135,372 8,863 | 11,144 Nil |
| Board member | Disability Arts Cymru | Grant (4) | 244,367 | 72,630 |
| Advisor | Migrations | Grant (1) | 20,200 | Nil |
| Andy Eagle Employment | Chapter | Grant (4) | 1,706,331 | 59,700 |
| Kate Eden Council member | Aberystwyth University | Grant (3) Invoice (1) | 1,385,833 47 | 23,792 Nil |
| Ruth Fabby Employment | Disability Arts Cymru | Grant (4) | 244,367 | 72,630 |
| Professor Tudur Hallam Employment | Swansea University | Grant (1) Invoice (1) | 126,770 9,000 | Nil Nil |
| Tafsila Khan Employment | Wales Millennium Centre | Grant (4) | 5,872,226 | 49,605 |
| Board member | FIO | Grant (0) | Nil | 500 |
| Board member | Taking Flight | Grant (2) | 75,456 | 14,803 |
| Panel Member | National Theatre Wales | Grant (1) Invoice (1) | 1,624,075 960 | Nil Nil |
| Gwennan Mair Employment | Theatr Clwyd | Grant (1) | 1,200,000 | 800 |
| Drama board member | Eisteddfod Genedlaethol | Grant (0) | Nil | 300 |
| Victoria Provis Council | University of Wales Trinity Saint David | Grant (0) | Nil | 6,631 |
| Dafydd Rhys Employment | Aberystwyth University | Grant (3) Invoice (1) | 1,385,833 47 | 23,792 Nil |
| Dr Sarah Younan Volunteer | Watch Africa Cymru | Grant (1) | 9,850 | 9,850 |
| <u>Committee members</u> | | | | |
| Andrew Butler Employment (Family member) | Audit Wales | Invoice (1) | 24,959 | Nil |
| Jayne Woods Council | University of Wales Trinity Saint David | Grant (0) | Nil | 6,631 |

| Member Role | Organisation | Transaction 2021/22 (number) | Total value 2021/22 £ | Total balance outstanding at 31 March 2022 ¹ £ |
|--|--------------------------------|------------------------------------|--------------------------------|---|
| <u>Members of staff</u> | | | | |
| Karine Décorne Board member | Migrations | Grant (1) | 20,200 | Nil |
| Board member (Family member) | Datrys | Grant (1) | 5,112 | Nil |
| Gillian Hughes Employment (Family member) | Awen Cultural Trust | Grant (2) | 209,770 | Nil |
| Rhian Hâf Jones Member | Eisteddfod Genedlaethol Cymru | Grant (0) | Nil | 300 |
| Duncan Lackie Governor | Ysgol Pen-y-Groes | Grant (0) | Nil | 1,000 |
| Sally Lewis Employment (Family member) | National Dance Company Wales | Grant (2) Invoice (3) | 853,362 2,700 | 10,000 Nil |
| Employment (Family member) | Ballet Cymru | Grant (2) | 287,152 | Nil |
| Judith Musker Turner Employment (Family member) | Calan | Invoice (1) | 396 | Nil |
| Sian Parry-Jones Governor | Ysgol Hamadryad | Grant (1) | 1,000 | Nil |
| Daniel Trivedy Board member | Elysium Gallery | Grant (2) | 75,844 | 3,849 |
| Eluned Hâf Williams Employment (Family member) | Canolfan Gerdd William Mathias | Grant (2) | 98,769 | Nil |

¹ The total balance outstanding at the year-end may include amounts in respect of grants awarded in previous years but not yet paid.

Annex

not forming part of the financial statements

GENERAL ACTIVITIES - GRANTS 2021/22

Core funding to Arts Portfolio Wales organisations

| | |
|---------------------------------|------------|
| Aberystwyth Arts Centre | £542,548 |
| Arad Goch | £350,703 |
| Artes Mundi Prize | £149,590 |
| Artis Community Cymuned | £202,160 |
| Arts Care | £134,377 |
| Arts Connection | £65,921 |
| Ballet Cymru | £255,152 |
| BBC National Orchestra of Wales | £813,989 |
| Blackwood Miners' Institute | £130,798 |
| Canolfan Gerdd William Mathias | £81,134 |
| Canolfan Ucheldre Centre | £76,063 |
| Chapter | £664,622 |
| Community Music Wales | £106,488 |
| Cwmni'r Frân Wen | £235,576 |
| Dawns i Bawb | £86,204 |
| Disability Arts Cymru | £167,237 |
| Ffotogallery | £201,666 |
| g39 | £70,992 |
| Galeri | £319,716 |
| Glynn Vivian Art Gallery | £126,770 |
| Hafren | £108,191 |
| Head4Arts | £152,125 |
| Hijinx Theatre | £157,400 |
| Impelo | £113,841 |
| Jukebox Collective | £169,514 |
| Literature Wales | £750,429 |
| Live Music Now Wales | £45,637 |
| Llantarnam Grange Arts Centre | £86,204 |
| Mid Wales Opera | £105,474 |
| Mission Gallery | £96,346 |
| Mostyn | £393,496 |
| Music Theatre Wales | £221,342 |
| National Dance Company Wales | £843,362 |
| National Theatre Wales | £1,624,075 |
| NEW Dance | £76,354 |
| NoFit State Community Circus | £196,749 |
| Oriel Davies Gallery | £226,260 |
| Oriel Myrddin Trust | £47,666 |
| Peak | £78,479 |
| Pontardawe Arts Centre | £63,892 |
| Pontio Arts | £283,199 |
| Rhondda Cynon Tâf Theatres | £152,480 |
| Riverfront | £126,770 |
| Rubicon Dance | £196,749 |

| | |
|--|------------|
| Ruthin Craft Centre | £393,496 |
| Sherman Theatre | £1,138,383 |
| Sinfonia Cymru | £220,221 |
| Taliesin Arts Centre | £222,325 |
| Tanio (Valley and Vale Community Arts) | £177,074 |
| Theatr Bara Caws | £282,881 |
| Theatr Brycheiniog | £196,749 |
| Theatr Clwyd | £1,822,802 |
| Theatr Felinfach | £60,850 |
| Theatr Genedlaethol Cymru | £1,040,892 |
| Theatr Iolo | £259,573 |
| Theatr Mwldan | £270,827 |
| Theatr na n'Óg | £319,569 |
| Torch Theatre | £452,522 |
| trac - Music Traditions Wales | £81,134 |
| Tŷ Cerdd | £206,775 |
| Valleys Kids | £123,729 |
| Volcano Theatre Company | £211,505 |
| Wales Millennium Centre | £3,876,834 |
| Welsh National Opera | £4,583,851 |
| Ystradgynlais Miners' Welfare | £42,067 |

Total Arts Portfolio Wales grants

£27,081,799

Creative Learning through the Arts Programme

Arts and education networks

| | |
|-------------------|----------------|
| Arts Active Trust | £10,000 |
| | <hr/> |
| | £10,000 |
| | <hr/> |

Lead Creative Schools

| | |
|--|---------|
| Aberdare Park Primary School | £1,000 |
| Abersychan School | £1,000 |
| Adamsdown Primary School | £3,000 |
| Alaw Primary School | £1,000 |
| Albany Primary School | £1,000 |
| All Saints' Church in Wales Primary School | £1,000 |
| All Saints' School, Gresford | £1,000 |
| Alltwn Primary School | £1,000 |
| Bedwas High School | £1,000 |
| Birchgrove Primary School | £595 |
| Bishop Gore School | £1,000 |
| Black Lane County Primary | £900 |
| Blackwood Miners' Institute | £20,000 |
| Blaenavon Heritage VC Primary School | £1,000 |
| Blaenycwm Primary School | £3,720 |
| Brecon High School | £1,000 |
| Bryn Primary School | £2,000 |
| Brynteg School | £1,000 |
| Bwlchgwyn CP School | £1,000 |
| Cadoxton Primary School | £2,800 |
| Caradog Primary School | £1,000 |
| Carreghofa County Primary School | £1,000 |
| Castle Park Primary | £1,000 |
| Catwg Primary School | £1,000 |
| Cefn Hengoed Community School | £1,000 |
| Christchurch Primary Church in Wales VA Primary school | £2,000 |
| Clyro Church in Wales Primary School | £1,000 |
| Coedpenmaen Primary School | £1,000 |
| Cogan Primary School | £2,000 |
| Crickhowell High School | £1,000 |
| Cross Ash Primary School | £2,000 |
| Cwmbran High School | £5,000 |
| Cwmffrwdoer Primary School | £3,000 |
| Darran Park Primary School | £1,000 |
| Deri Primary School | £2,000 |
| Deri View Primary School | £4,000 |
| Elfed High School | £960 |
| Franksbridge Primary School | £3,000 |
| Gaer Primary School | £2,000 |
| Glyn Gaer Primary School | £1,860 |
| Gowerton Primary School | £1,000 |

| | |
|---|--------|
| Graig-Y-Rhacca Primary and Nursery Community School | £3,000 |
| Gwaunmeisgyn Primary School | £2,000 |
| Hawthorn High School | £1,000 |
| Hay Primary School | £1,000 |
| Hendrefoilan Primary School | £1,000 |
| Henllys Church in Wales School | £2,000 |
| Héronsbridge Special School | £3,000 |
| Howardian Primary School | £1,000 |
| Kitchener Primary School | £2,000 |
| Knelston Primary School | £720 |
| Knighton Church in Wales Primary School | £1,000 |
| Llanbedr Church in Wales Primary School | £2,000 |
| Llanbister Community Primary School | £1,000 |
| Llancaeach Junior School | £2,000 |
| Llandaff Church in Wales Primary School | £1,000 |
| Llandough Primary School | £1,000 |
| Llandrindod Wells Church in Wales Primary School | £2,000 |
| Llanedeyrn Primary School | £1,000 |
| Llanfaes Community Primary School | £1,000 |
| Llanfair Primary | £1,000 |
| Llangattock Church in Wales School | £2,000 |
| Llangatwg Community School | £300 |
| Llangynidr Community Primary School | £1,000 |
| Llanilltud Faerdref Primary School | £1,000 |
| Llanishen High School | £465 |
| Llansannor and Llanharry Church in Wales Primary School | £2,000 |
| Llantilio Pertholey Primary School | £2,000 |
| Llanwern High School | £2,000 |
| Lliswerry Primary School | £450 |
| Llwynypia Primary School | £1,000 |
| Machen Primary School | £1,000 |
| Madras VA Primary School | £2,840 |
| Maesglas Primary School | £1,000 |
| Maesgwyn Special School | £1,000 |
| Milford Haven School | £1,000 |
| Monnow Primary School | £2,000 |
| Montgomery Church in Wales School | £1,000 |
| Moorland Primary School | £1,000 |
| Morrison Comprehensive School | £2,000 |
| Morrison Primary School | £1,000 |
| Mount Stuart Primary School | £2,000 |
| Nannerch VC School | £1,000 |
| Nant Celyn Primary School | £1,000 |
| Nant y Parc Primary School | £2,000 |
| Nercwys Village Primary School | £1,000 |
| Oak Field Primary School | £1,000 |
| Ogmore Vale Primary School | £1,000 |
| Our Lady and St Michael's Roman Catholic Primary School | £1,000 |

| | |
|---|--------|
| Pentrehafod School | £2,000 |
| Penybont Primary School | £1,000 |
| Pen-y-fai primary school | £1,000 |
| Penyrheol Comprehensive School | £1,000 |
| Pillgwenlly Primary School | £2,000 |
| Priory Church in Wales School | £1,000 |
| Queen Elizabeth High School | £1,000 |
| Radnor Primary School | £2,000 |
| Rhayader Church in Wales Primary School | £2,000 |
| Rhos Primary School | £1,000 |
| Rhws Primary School | £2,000 |
| Rhydypenau Primary School | £1,000 |
| Richmond Park School | £1,000 |
| Ringland Primary | £2,000 |
| Risca Community Comprehensive School | £1,000 |
| Rumney Primary School | £765 |
| Severn Primary School | £3,843 |
| Shirenewton Primary School | £3,000 |
| Sketty Primary | £900 |
| St Brigid's School | £1,000 |
| St Gwladys Bargoed | £3,000 |
| St Illtyd's Catholic High School | £1,000 |
| St Joseph's Roman Catholic Primary School | £1,000 |
| St Margaret's Catholic Primary School | £1,000 |
| St Mark's VA School | £1,945 |
| St Mary's and St Patrick's Catholic Primary | £1,000 |
| St Mellons Church Wales Primary School | £2,000 |
| St Monica's Church in Wales Primary School | £2,000 |
| St Nicholas Church in Wales Primary School | £1,000 |
| St. David's Church in Wales Primary School | £1,000 |
| St. David's Roman Catholic Primary School | £1,000 |
| St. Gabriel's and Raphael's Roman Catholic Primary School | £1,000 |
| St. Illtyd Primary School | £1,000 |
| St. Joseph's Roman Catholic Cathedral School | £1,760 |
| St. Mary the Virgin Church in Wales Primary School | £3,000 |
| St. Mary's Brymbo | £1,000 |
| St. Mary's Catholic Primary School | £1,000 |
| St. Peter's Primary School | £2,000 |
| St. Alban's Catholic Primary School | £1,000 |
| The Maelor School | £1,000 |
| The River Centre | £1,000 |
| Thornhill Primary School | £2,000 |
| Ton-yr-Ywen Primary School | £1,000 |
| Torfaen Pupil Referral Unit | £2,000 |
| Townhill Community Primary School | £1,000 |
| Trealaw Primary School | £1,000 |
| Tredeggar Park Primary School | £1,558 |
| Treorchy Comprehensive School | £1,000 |

| | |
|---|--------|
| Treorchy Primary School | £1,000 |
| Treowen Community Primary School | £1,000 |
| Tŷ'n y Wern Primary School | £800 |
| Tynewydd Primary School | £1,000 |
| Usk Church in Wales Primary School | £2,000 |
| Victoria Community Primary School | £3,000 |
| Victoria Primary School | £2,000 |
| Windsor Clive Primary School | £2,000 |
| Y Bont Faen Primary | £1,000 |
| Ynysfach Primary School | £2,000 |
| Ysgol Aberconwy | £1,000 |
| Ysgol Acrefair | £2,000 |
| Ysgol Bod Alaw | £900 |
| Ysgol Bro Idris | £2,000 |
| Ysgol Bro Pedr | £1,000 |
| Ysgol Bro Tawe | £1,000 |
| Ysgol Bryn Teg | £1,000 |
| Ysgol Clywedog | £2,000 |
| Ysgol Cwm Banwy, Ysgol yr Eglwys yng Nghymru. | £1,000 |
| Ysgol Cynwyd Sant | £1,000 |
| Ysgol Cystennin | £1,000 |
| Ysgol Deganwy | £1,000 |
| Ysgol Dyffryn Nantlle | £1,000 |
| Ysgol Dyffryn Taf | £3,900 |
| Ysgol Esgob Morgan | £2,000 |
| Ysgol Feithrin Rhydaman | £1,000 |
| Ysgol Ffridd y Llyn | £2,000 |
| Ysgol Friars | £1,000 |
| Ysgol Glan Aber | £3,000 |
| Ysgol Glan Clwyd | £1,000 |
| Ysgol Glan Morfa | £1,000 |
| Ysgol Gogarth, Llandudno | £1,000 |
| Ysgol Gyfun Cwm Rhymini | £720 |
| Ysgol Gyfun Gwynllyw | £5,000 |
| Ysgol Gyfun Gymraeg Bro Myrddin | £700 |
| Ysgol Gymraeg Bro Morgannwg | £1,000 |
| Ysgol Gymraeg Coed y Gof | £2,000 |
| Ysgol Gymraeg Cwmbran | £1,000 |
| Ysgol Gymraeg Gwaun y Nant | £800 |
| Ysgol Gymraeg Pwll Coch | £1,000 |
| Ysgol Gymraeg Sant Curig | £1,000 |
| Ysgol Gymraeg Y Fenni | £1,000 |
| Ysgol Gymraeg Ystalyfera Bro Dur | £315 |
| Ysgol Gymuned Llannerch-y-medd | £1,000 |
| Ysgol Gynradd Abererch | £1,000 |
| Ysgol Gynradd Bodedern | £1,000 |
| Ysgol Gynradd Cenarth | £1,000 |
| Ysgol Gynradd Gymraeg Castell-nedd | £1,000 |

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|---------------------------------------|--------|
| Ysgol Gynradd Gymraeg Evan James | £1,000 |
| Ysgol Gynradd Gymraeg Llwynceilyn | £2,800 |
| Ysgol Gynradd Gymraeg Llwynderw | £1,000 |
| Ysgol Gynradd Gymraeg Pontardawe | £369 |
| Ysgol Gynradd Gymraeg Trebannws | £1,000 |
| Ysgol Gynradd Gymraeg Tyler Ynn | £1,000 |
| Ysgol Gynradd Gymunedol Eglwyswrw | £1,000 |
| Ysgol Gynradd Rhosgadfan | £1,000 |
| Ysgol Hamadryad | £1,000 |
| Ysgol Llanddulas | £2,000 |
| Ysgol Llandrillo yn Rhos | £1,000 |
| Ysgol Llanfechell | £2,000 |
| Ysgol Llanychllwydog | £1,000 |
| Ysgol Maes Garmon | £1,000 |
| Ysgol Maes y Felin | £1,000 |
| Ysgol Maes y Mynydd | £1,000 |
| Ysgol Maesincla | £960 |
| Ysgol Maesydderwen | £1,000 |
| Ysgol Min Y Ddol | £1,000 |
| Ysgol Morgan Llwyd | £1,000 |
| Ysgol Mynydd y Garreg | £1,000 |
| Ysgol Penllwyn | £1,000 |
| Ysgol Penrhyncoch | £1,000 |
| Ysgol Plas Brondyffryn | £1,000 |
| Ysgol Reoledig Llanfair Dyffryn Clwyd | £1,000 |
| Ysgol Sant Elfod | £2,000 |
| Ysgol Santes Tudful | £1,000 |
| Ysgol Saron | £1,000 |
| Ysgol Sychdyn Community School | £1,000 |
| Ysgol Tal-y-bont | £1,000 |
| Ysgol Terrig | £1,600 |
| Ysgol Treganna | £1,000 |
| Ysgol Trelawnyd VA School | £1,000 |
| Ysgol Tudno | £1,000 |
| Ysgol Twm o'r Nant | £2,000 |
| Ysgol Tynrheol | £1,000 |
| Ysgol Wat's Dyke | £2,000 |
| Ysgol y Creuddyn | £1,000 |
| Ysgol y Dderwen | £1,000 |
| Ysgol Y Ddraig | £630 |
| Ysgol y Ddwylan | £1,000 |
| Ysgol y Foryd | £662 |
| Ysgol y Llan | £1,000 |
| Ysgol Y Mynydd Du | £3,000 |
| Ysgol y Preseli | £252 |
| Ysgol-y-Graig Primary School | £1,000 |

Ystrad Mynach Primary School

£1,000

£340,789

Total Creative Learning through the Arts grants

£350,789

Strategic awards

Cultural Recovery Fund 2 (Covid-19 support for organisations)

| | |
|--|----------|
| 4Pi Productions | £97,062 |
| Aberystwyth Arts Centre | £605,365 |
| Addo | £41,942 |
| Afan Arts | £23,742 |
| Andrew Logan Museum of Sculpture | £9,747 |
| Arcade Campfa | £11,838 |
| Artes Mundi Prize | £90,000 |
| Articulture | £44,818 |
| Arts Migrations | £20,200 |
| Aubergine Cafe and Events | £29,871 |
| Avant Cymru | £33,579 |
| Awen Cultural Trust | £163,306 |
| AZ Elite | £7,962 |
| Ballet Cymru | £32,000 |
| Canolfan a Menter Gymraeg Merthyr Tudful | £43,245 |
| Canolfan Gerdd William Mathias | £17,635 |
| Canolfan Ucheldre Centre | £25,000 |
| Cardiff M.A.D.E. | £22,060 |
| CARN | £20,668 |
| CAVMS | £23,000 |
| Celf Able | £11,282 |
| CellB | £42,007 |
| Chapter | £624,709 |
| Cimera | £7,500 |
| Citrus Arts | £41,184 |
| Common Wealth | £43,516 |
| Company of Sirens | £14,500 |
| Congress Theatre Company | £29,000 |
| Culture Colony | £27,860 |
| Cwmni'r Frân Wen | £87,693 |
| Dance Blast | £11,809 |
| Datrys | £5,112 |
| Denbighshire Music Cooperative | £82,226 |
| Dirty Protest Theatre | £85,687 |
| Elysium Gallery | £37,363 |
| Engage Cymru | £10,470 |
| Ensemble Cymru | £20,202 |
| Familia de la Noche | £11,629 |
| FFIN Dance | £15,374 |
| Ffiwsar | £8,050 |
| Ffotogallery | £60,000 |
| g39 | £79,147 |
| Galeri Caernarfon | £676,000 |
| Galerie Simpson Artists | £14,500 |
| good cop bad cop productions | £12,736 |

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| Goodwick Brass Band | £5,724 |
| Green Man Trust | £45,111 |
| Gwyn Hall - Celtic Leisure | £110,379 |
| Hafren | £139,000 |
| Haul - arts in health | £13,970 |
| Jones the Dance | £27,383 |
| Jony Easterby Productions | £52,500 |
| Jukebox Collective | £52,343 |
| Leeway Productions | £35,575 |
| Lewis Merthyr Band | £13,680 |
| Light Ladd and Emberton | £33,867 |
| Lighthouse Theatre | £9,080 |
| Live Music Now Wales | £55,340 |
| Llantarnam Grange Arts Centre | £52,694 |
| Made in Roath | £10,440 |
| Majical Youth | £44,651 |
| Makers Guild in Wales | £74,384 |
| Melville Centre for the Arts | £18,340 |
| Memorial Hall and Theatre | £85,956 |
| Menai Bridge Band | £8,562 |
| Mentrau Creadigol Cymru | £65,062 |
| Mercury Theatre Wales | £7,600 |
| Mid Wales Arts | £1,997 |
| Mission Gallery | £31,589 |
| Mostyn | £29,413 |
| Motion Control Dance (MCD) | £14,333 |
| Music in Hospitals and Care Cymru | £33,333 |
| National Youth Arts Wales | £74,963 |
| Neath Little Theatre | £7,350 |
| Newbridge Memo | £23,607 |
| Newport Playgoers / Dolman Theatre | £37,455 |
| NoFit State Community Circus | £47,263 |
| Operasonic | £13,413 |
| OPRA Cymru | £17,915 |
| Organised Kaos Youth Circus | £19,052 |
| Oriel Plas Glyn-y-Weddw | £74,000 |
| Papertrail Llwybr Papur | £9,030 |
| Peak Cymru | £45,428 |
| Pontio Arts | £250,000 |
| PuppetSoup | £25,277 |
| Radiate Arts | £27,600 |
| RecRock | £11,350 |
| Rhiwbina Amateur Theatrical Society | £3,724 |
| Royal Cambrian Academy | £20,564 |
| Royal Welsh College of Music and Drama | £253,436 |
| Shakespeare LINK | £4,242 |
| Sherman Theatre | £102,898 |
| Small World Theatre | £34,736 |

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|---|-------------------|
| Sound Progression | £42,540 |
| Sounds Like Radio | £3,468 |
| Span Arts | £24,881 |
| Spectacle Theatre | £23,265 |
| Steps4Change | £23,466 |
| Stiwt Arts Trust | £28,000 |
| Swansea City Opera | £14,270 |
| Tabernacl (Bethesda) | £53,834 |
| tactileBOSCH Projects | £10,000 |
| Taking Flight Theatre Company | £48,541 |
| Taliesin Arts Centre | £126,113 |
| The Albert Hall Theatre | £12,212 |
| The Aloud Charity | £55,000 |
| The City of Cardiff (Melingriffith) Brass Band | £5,133 |
| The Cory Band | £40,000 |
| The Other Room | £19,495 |
| The Riverfront Theatre and Arts Centre - Newport Live | £250,000 |
| The Sustainable Studio | £28,490 |
| The Welsh Chamber Orchestra | £6,900 |
| Theatr Brycheiniog | £113,747 |
| Theatr Mwldan | £184,000 |
| Tickledom Theatrical Productions | £21,200 |
| Torch Theatre Company | £226,802 |
| Tredegar Town Band Society | £20,953 |
| UPROAR | £12,885 |
| Valleys Kids | £49,673 |
| Vic Studios | £28,743 |
| Vision Fountain | £14,594 |
| Wales Arts Review | £7,260 |
| Wales Millennium Centre | £1,499,333 |
| Wonderbrass | £7,905 |
| Wyeside Arts Centre | £49,000 |
| Y Tŷ Celf - The Art House | £17,000 |
| Ysgol Glanaethwy | £28,800 |
| | <hr/> |
| | £8,695,708 |

Cultural Recovery Fund 3 (Covid-19 support for organisations)

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|---------------------------|----------|
| 4Pi Productions | £79,694 |
| Aberystwyth Arts Centre | £237,920 |
| Addo | £10,721 |
| Afan Arts | £19,622 |
| Aubergine Cafe and Events | £34,130 |
| Avant Cymru | £23,730 |
| Awen Cultural Trust | £46,464 |
| Canolfan Ucheldre Centre | £25,000 |
| Celf O Gwmpas | £16,000 |
| CellB | £31,596 |

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|---|----------|
| Chapter | £397,000 |
| Cimera | £5,009 |
| Citrus Arts | £32,207 |
| Common Wealth | £32,259 |
| Company of Sirens | £9,780 |
| Côr Meibion Maelgwn | £1,919 |
| Creu Cymru | £11,500 |
| Culture Colony | £21,762 |
| Cwmni'r Frân Wen | £20,411 |
| Dawns i Bawb | £5,867 |
| Denbighshire Music Cooperative | £51,500 |
| Dirty Protest Theatre | £49,685 |
| Elysium Gallery | £38,481 |
| Ffotogallery | £10,000 |
| Galeri Caernarfon | £315,000 |
| Gwyn Hall - Celtic Leisure | £84,176 |
| Hafren | £92,548 |
| Ifton Colliery Band | £9,690 |
| Jones the Dance | £9,800 |
| Jony Easterby Productions | £37,100 |
| Light Ladd and Emberton | £15,724 |
| Memorial Hall and Theatre | £72,827 |
| Mentrau Creadigol Cymru | £26,047 |
| Mercury Theatre Wales | £4,100 |
| Mid Wales Arts | £25,318 |
| Mission Gallery | £19,172 |
| New Theatre | £96,461 |
| Newbridge Memo | £32,571 |
| NoFit State Community Circus | £48,063 |
| NONaffArt | £6,081 |
| OPRA Cymru | £7,500 |
| Organised Kaos Youth Circus | £19,719 |
| Oriel Plas Glyn-y-Weddw | £57,051 |
| Peak Cymru | £12,680 |
| Pontio Arts | £100,000 |
| Radiate Arts | £13,481 |
| Rhiwbina Amateur Theatrical Society | £1,600 |
| Royal Welsh College of Music and Drama | £79,050 |
| Sherman Theatre | £30,598 |
| Span Arts | £19,287 |
| Stiwt Arts Trust | £42,110 |
| Tabernacl (Bethesda) | £36,033 |
| Taking Flight Theatre Company | £26,915 |
| Taliesin Arts Centre | £28,857 |
| The Albert Hall Theatre | £4,024 |
| The Cory Band | £9,000 |
| The Other Room | £18,500 |
| The Riverfront Theatre and Arts Centre - Newport Live | £98,000 |

| | |
|----------------------------------|-------------------|
| The Sustainable Studio | £32,663 |
| The Welsh Chamber Orchestra | £5,200 |
| Theatr Brycheiniog | £135,000 |
| Theatr Clwyd Trust | £383,667 |
| Theatr Mwldan | £99,420 |
| Tickledom Theatrical Productions | £25,980 |
| Torch Theatre | £161,476 |
| Touch Trust | £28,587 |
| Tredegar Town Band Society | £19,209 |
| Valleys Kids | £31,299 |
| Wales Arts Review | £6,248 |
| Wales Millennium Centre | £496,059 |
| Wyeside Arts Centre | £57,335 |
| | £4,193,483 |

Strategic grants – Venice Biennale of Arts

| | |
|-----------------------|-----------------|
| Artes Mundi Prize | £70,000 |
| Disability Arts Cymru | £69,630 |
| | £139,630 |

Strategic grants – Creative Nature

| | |
|------------------|-----------------|
| Kathryn Ashill | £26,500 |
| Angela Davies | £25,000 |
| Kirsti Davies | £25,000 |
| Dylan Huw | £25,000 |
| Durre Mughal | £25,000 |
| Rhys Slade-Jones | £25,000 |
| Fern Thomas | £27,080 |
| Heledd Wyn | £25,000 |
| | £203,580 |

Welsh Government Capital awards

| | |
|--|-------------------|
| Flintshire County Council (for Theatr Clwyd) | £1,200,000 |
| Oriel Davies Gallery | £40,000 |
| | £1,240,000 |

Strategic grants – Arts Development

| | |
|---|-----------------|
| Arts & Business Cymru | £50,000 |
| BBC Wales Commissioning Department | £20,000 |
| Dawns i Bawb | £20,000 |
| Hay Festival of Literature and the Arts | £35,000 |
| Oriel Davies Gallery (2 awards) | £24,500 |
| The National Trust | £25,000 |
| | £174,000 |

Strategic grants – Arts Engagement

| | |
|-------------------|--------|
| Arts Active Trust | £2,000 |
|-------------------|--------|

| | |
|--|-----------------|
| Arts Marketing Association | £2,000 |
| Association of Independent Promoters | £1,250 |
| Aubergine Cafe and Events | £1,987 |
| Tom [Christopher Thomas] Cheesman | £2,000 |
| Creu Cymru | £57,330 |
| Disability Arts Cymru | £5,000 |
| Dominika Rau | £2,000 |
| Engage Cymru | £36,825 |
| g39 | £22,000 |
| Gentle Radical | £69,500 |
| Jukebox Collective | £2,000 |
| Larynx Entertainment | £2,000 |
| National Youth Arts Wales | £4,009 |
| National Youth Arts Wales (from Welsh Government for music support activities) | £100,000 |
| Off Ya Trolley Productions | £5,000 |
| Andrea Perez Nieto | £2,000 |
| Jack Philp | £2,000 |
| Queens Hall | £1,980 |
| Steps4Change | £2,000 |
| The Romani Cultural Arts Company | £15,000 |
| The Wallich | £2,000 |
| | £339,881 |

Strategic grants – Arts & Health

| | |
|--|-----------------|
| Cardiff and Vale University Health Board | £25,000 |
| Cwm Taf University Health Board | £25,000 |
| Engage Cymru | £35,000 |
| Mental Health Foundation | £15,000 |
| Powys Teaching Health Board | £25,000 |
| Re-Live | £30,000 |
| | £155,000 |

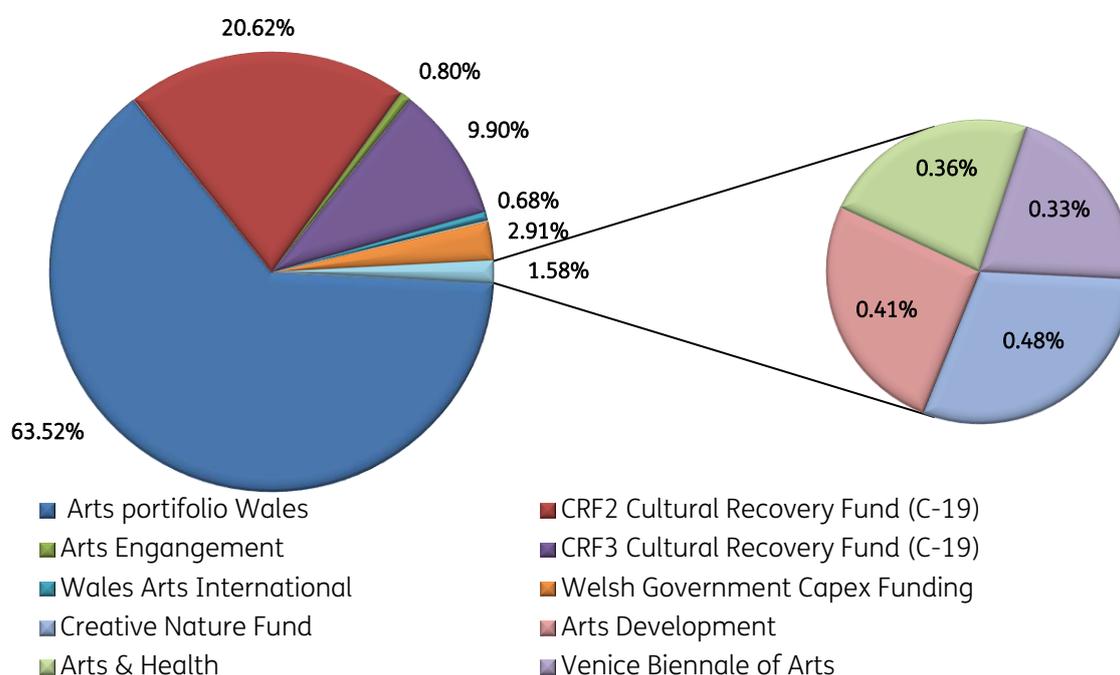
Strategic grants – Wales Arts International

| | |
|--|---------|
| Amgueddfa Cymru - National Museum Wales | £1,300 |
| Manon Awst | £3,765 |
| BBC National Orchestra of Wales (2 awards) | £10,000 |
| Chris Bird-Jones | £4,839 |
| Tom Burmeister | £4,990 |
| Chapter | £20,000 |
| Gareth Clark | £2,728 |
| Creative Carbon Scotland | £10,000 |
| Disability Arts Cymru | £2,500 |
| Focus Wales | £22,000 |
| Green Man Trust | £7,406 |
| Michal Iwanowski | £4,000 |
| Literature Wales | £1,000 |
| National Dance Company Wales | £10,000 |

| | |
|-------------------------------|---------------------------|
| Bethan Roberts | £6,259 |
| The Aloud Charity | £33,000 |
| Tabernacl (Bethesda) | £107,600 |
| Tŷ Cerdd | £17,302 |
| Valleys Kids | £10,625 |
| Watch Africa Cymru | £9,850 |
| | <u>£289,164</u> |
| Total Strategic awards | <u>£15,430,446</u> |
| TOTAL GRANTS OFFERED | <u>£42,863,034</u> |

GRANTS BY TYPE

GRANTS BY TYPE



WHAT DID OUR GRANTS SUPPORT?

| | Value of grants | | No of grants |
|--|--------------------|--------------|--------------|
| Grants to support Arts Portfolio Wales: | | | |
| Theatres & arts centres | £7,077,081 | 16.51% | 16 |
| Theatre production & presentation | £6,730,460 | 15.70% | 8 |
| Opera | £4,910,667 | 11.46% | 3 |
| Visual & applied arts | £1,792,486 | 4.18% | 10 |
| Dance | £1,741,176 | 4.06% | 7 |
| Music | £1,448,890 | 3.38% | 6 |
| Arts & young people | £1,165,421 | 2.72% | 4 |
| Community arts | £1,101,203 | 2.57% | 9 |
| Literature | £750,429 | 1.75% | 1 |
| Circus & carnivals | £196,749 | 0.46% | 1 |
| Disability arts | £167,237 | 0.39% | 1 |
| <i>Creative Learning through the Arts</i> | £350,789 | 0.82% | 281 |
| Other grants: | | | |
| Strategic awards | £15,430,446 | 36.00% | 270 |
| | £42,863,034 | | 617 |