

Response to the Culture, Communications, Welsh Language, Sport, and International Relations Committee's 'Culture Shock' report

December 2024

I thank the members of the Culture, Communications, Welsh Language, Sport and International Relations Committee (CCWLSIR) for their comprehensive report examining how the UK's departure from the European Union has affected our culture sector in Wales.

Culture is an integral part of how Wales establishes and develops relationships with the rest of the world. I welcome the opportunity the Committee's work provides in enabling us to consider the obstacles facing our cultural ambassadors.

However, it is important to highlight that several of the recommendations are broader in scope than the confines of the culture sector, as they cover Welsh Government's involvement in, and priorities for, the implementation review of the UK-EU Trade and Cooperation Agreement (TCA). It should be noted that the review is a review of the implementation of the TCA, rather than the agreement in its entirety, and we need to be realistic about the likelihood of significant changes being agreed. I hope the responses provided are informative and helpful.

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Responses to the Committee's Recommendations

Recommendation 1

We call on the Welsh Government to support the recommendation made by the Parliamentary Partnership Assembly in December 2023 (see paragraphs 58 and 59 of this report), and to use all available levers to encourage the UK and EU to progress its actions.

Response: Accept

The Welsh Government fully supports the recommendation made by the Parliamentary Partnership Assembly in December 2023. We are using all available levers to encourage the UK Government and the EU to ease the difficulties being faced by creative sector workers, particularly touring artists. This includes actively engaging with UK Government and the EU, to ensure that the interests of Welsh creative workers are represented and advanced.

Financial Implications: None

Recommendation 2

We call on the Welsh Government to set out what guidance and support it provides to creative workers on cross-border working post-Brexit. The response should include detail on what information is available on its website, the role of its export support and overseas offices, and any funding provided to third parties for advice services.

Response: Accept

Through the Business Wales website, the Welsh Government provides information to businesses on exporting of goods and services from Wales to overseas markets, including the EU. The website contains links directly to UK Government information on exporting procedures, including information about the requirements of the TCA. In addition, our Creative Wales team provides signposting to detailed sector-specific information, including a touring guide commissioned by Arts Council England¹. The guide provides detailed advice for

¹ https://www.artsadmin.co.uk/touring-guide/

touring artists on navigating new regulations, visa requirements, and tax implications.

Our export support programmes, including our overseas trade events programme and alongside our overseas offices, also play a role in assisting businesses to develop their exports, as detailed in the Export Action Plan for Wales. Moreover, Creative Wales offers specialist sector level support to businesses in the creative industries through a range of funding schemes and sector engagement programmes.

Wales Arts International (WAI) is the international arm of the Arts Council of Wales (ACW). It is a strategic partner supporting the Welsh Government to deliver the arts and cultural aspects of the International Strategy. WAI leads on Arts Infopoint UK, which offers free, practical information to support and helps artists, creative professionals, and organisations to understand the rules and administrative requirements for creative visits to the UK. A more detailed explanation of Arts Infopoint was provided in written evidence to the enquiry in February 2024:

Welsh Government written evidence February 2024.pdf

Financial Implications: None

Recommendation 3

We call on the Welsh Government to provide its assessment of Brexit's impact on the culture sector in Wales.

Response: Reject

No specific research has taken place on this. WAI has indicated that, with sufficient investment, future on-going research could be done through Arts Infopoint UK.

Financial Implications: None

Recommendation 4

We call on the Welsh Government to set out what steps it has taken to mitigate the effect of Brexit on the sector, including the financial implications, and what steps it will take in future, in response to this report.

Response: Accept

In response to the adverse effects of Brexit on the culture sector, the Welsh Government has taken several mitigation steps. Financial support schemes have been introduced to help affected organisations and individuals. We have also implemented initiatives aimed at fostering resilience and innovation within the sector.

For example, in 2023, Creative Wales introduced the Young Content Fund, a scheme designed to address the reduction in finance available to the children's animation and TV sectors following the closure of the UK Government's Young Content Fund. Although not a dedicated scheme to address Brexit issues, this fund did help to address the loss of access to EU production funding via Creative Europe.

Creative Wales also provides funding to the PRS Foundation, the UK's leading charitable funder of new music and talent development, to support Welsh artists. Some of this funding is directed at artists for costs such as touring.

The Association of Independent Festivals has received funding from Creative Wales to deliver training for organisers of music festivals in Wales and the freelance workforce.

Creative Wales also delivers an annual music trade mission to the SXSW festival in Austin, Texas, in conjunction with FOCUS Wales, the international showcase festival in North Wales.

Looking ahead, we will continue to monitor the situation closely and adapt our strategies to ensure sustained support for the cultural sector in Wales.

Financial Implications:

Creative Wales – The intention at present is to adapt current programmes taking into account the requirements of the recommendations and in the context of European trade. Where new programmes are identified in due course, additional financial requests may be made on the development of individual business cases.

Recommendation 5

We urge the UK and EU to prioritise new arrangements for creative workers in the upcoming implementation review of the Trade and Cooperation Agreement with a view to progressing the Parliamentary Partnership Assembly's recommendation on touring artists.

Response: Accept

The Welsh Government has a number of priorities for the upcoming implementation review of the Trade and Cooperation Agreement. Whilst we cannot publicly disclose technical details, I can provide reassurance that our high-level priorities include the mobility issues being experienced by a wide range of businesses and individuals. We are currently engaging with UK Government on these priorities.

It is important to note that our ongoing priorities, and those for any discussions with the EU on the TCA or other agreements outside of the TCA, will be determined by the context of relations between the UK Government and the EU. In turn, this will be dependent in part on the approach of the new European Parliament after the recent elections and a new European Commission, and on the approach of the new UK Government. Both parties need to be willing to negotiate to effect change.

Financial Implications: None

Recommendation 6

We call on the Welsh Government to include cross-border creative work as a priority in a clear, coherent strategy setting out its ambition for UK-EU and Wales-EU relations.

Response: Reject

We have previously outlined to this committee, and to the Legislation, Justice and Constitution Committee, that we do not agree that a separate Wales-EU strategy is needed. Our focus is on delivering the International Strategy, which includes our relationship with Europe. The retention of our office in Brussels, and the creation of a dedicated representative for the EU, affirms our commitment that Wales places a high value on our relations with Europe and the European Union.

The economic relationship between Wales and the EU is vital to us and should be enhanced by the relationship between the UK and the EU. The UK Government's emphasis on resetting the relationship between UK and EU is welcome, and we

are working with the UK Government to ensure that Welsh interests and detailed positions are reflected in more detailed discussions of the future UK-EU relationship.

Financial Implications: None

Recommendation 7

We call on the Welsh Government to provide its current views on how Wales is represented in UK-EU governance structures in response to this report.

Response: Accept

The Welsh Government acknowledges the importance of Wales's representation in UK-EU governance structures. We actively engage with UK Government on the existing UK-EU governance structure. This includes engaging on the EU trade specialised committees and attending the committees we have an interest in, as an observer.

In 2024, Welsh Government officials attended approximately 18 specialised committees as an observer, with 12 of these relating to trade matters and 6 relating to non-trade matters. For many of these meetings, pre- and post-meetings were held between UK Government and Devolved Government officials to discuss the planned agenda items, with Devolved Governments invited to comment on those items pre-meeting and reflect on discussions post-meeting.

Engagement on the committees has increased recently and we hope that this will enable Devolved Governments to shape agenda items to a greater extent than has been possible previously.

Financial Implications: None

Recommendation 8

We call on the Welsh Government to champion these issues at intergovernmental meetings. It should take practical steps, such as suggesting the following as standing agenda items until the situation improves:

i. improving post-Brexit arrangements for creative workers, including via the upcoming TCA implementation review; and

ii. UK association to Erasmus+ and Creative Europe.

The Welsh Government should report to this Committee at least once a term on relevant intergovernmental discussions on these specific matters for the remainder of the Sixth Senedd.

Response: Accept in part

The Welsh Government will champion the issues highlighted in this report at intergovernmental meetings. We will take practical steps, such as suggesting the improvement of post-Brexit arrangements for creative workers as a standing agenda item until significant progress is made. This will include continuous advocacy during the upcoming TCA implementation review to ensure that our creative workers have the necessary support and freedom to thrive in the post-Brexit landscape.

Our Ministers have been clear on the ambition for Wales to have the possibility to participate in a much broader range of EU programmes including ERASMUS, Territorial Co-operation, and Creative Europe.

We will report back to the Committee when we have updates to provide. We may need to report to the Committee more or less often than once a term depending on the timings of intergovernmental meetings which is why we have not accepted this part of the recommendation.

Financial Implications: None

Recommendation 9

We call on the Welsh Government to confirm what data and evidence it is using to inform decisions in this area, including to include touring artists as a priority for the implementation review of the Trade and Cooperation Agreement.

Response: Accept

The majority of data and evidence we have been considering comes from WAI, as our strategic partner in delivering arts and cultural aspects of the International Strategy. A more detailed explanation was provided in written evidence to the enquiry in February 2024:

Welsh Government written evidence February 2024.pdf

Financial Implications: None

Recommendation 10

We call on the Welsh Government to provide its assessment of how its priorities for the implementation review of the Trade and Cooperation Agreement will address all of the elements that need to work together to facilitate cross-border creative work.

Response: Reject

The Welsh Government has a number of priorities for the forthcoming implementation review of the EU-UK Trade and Cooperation Agreement (TCA). However, as we have said, the implementation review is only a review of how the agreement is operating and is unlikely to provide opportunities to change the agreement text.

The UK Government is responsible for delivering on its commitment to reset UK-EU relations, including exploring how to alleviate the problems being faced by businesses and individuals due to Brexit. Therefore, the Welsh Government is making representations to the UK Government at every level to highlight and emphasise areas where problems are being faced by Welsh businesses and individuals engaging in cross-border trade, including those in creative sectors. Whilst we have previously outlined our priorities in more detail, we are not able to expand further at this time due to live, ongoing discussions we are having with the UK Government.

Financial Implications: None

Recommendation 11

We support the Legislation, Justice and Constitution Committee's call for the establishment of a new Welsh Government advisory group on UK-EU relations. This should include representative bodies from the culture sector.

Response: Reject

The Welsh Government already has a Trade Policy Advisory Group (TPAG), which provides advice to Cabinet Secretaries on trade policy matters. Although TPAG has historically focused on the UK's Free Trade Agreement programme, the EU has recently become part of its focus. We are actively considering updating the Terms of Reference and membership of the group to reflect this shift in focus, which includes inviting a representative from the culture and/or creative sector to become a TPAG member to provide specialist sectoral advice.

Financial Implications: None

Recommendation 12

We call on the Welsh Government to set out how it has engaged with stakeholders on the matters covered by this inquiry since January 2021, including key findings and steps taken in response.

Response: Accept

The Welsh Government recognises the need to engage with stakeholders on the ongoing challenges faced by the creative sector in the EU post-Brexit. Our Creative Wales Music team has regular stakeholder meetings with specific groups, but touring has not been raised as a priority issue at any of these meetings. Creative Wales also has stakeholder meetings with the film and TV and games industries, where these matters can be discussed. No significant matters have been raised through these forums on the screen and games side.

From a Trade Policy perspective, the focus of our TPAG has historically been on the UK Government's Free Trade Agreement programme, with the EU only recently becoming part of its focus. We will consider updating the Terms of Reference and membership of our existing TPAG, as detailed in the response to Recommendation 11, which will strengthen our engagement with cultural and creative sector stakeholders.

Financial Implications: None

Recommendation 13

We call on the Welsh Government to incorporate the Committee's findings into its future culture and international relations strategies.

Response: Accept

The Committee's findings will be considered during the development of any future strategies. Our draft Priorities for Culture recognise the importance of culture in how Wales establishes and develops international relationships, and in how we promote Wales to the rest of the world.

Where findings align with our delivery priorities, they will be incorporated to enable effective delivery of our future international relationships.

Where findings align with our economic development priorities for the Creative Industries, we will consider the findings alongside the development of current guidelines, new programmes and activities.

We will continue to engage and work positively with the UK Government to develop the EU relationship.

Financial Implications: None

Recommendation 14

We call on the Welsh Government to maintain a dialogue with the Irish Government on this issue as part of their ongoing and future cooperation, and to scope, where possible, what additional support could be jointly provided while awaiting a UK-EU-led solution.

Response: Accept

The Welsh Government, through our Dublin office and Wales-based teams, have a strong working relationship with Irish Government through the Irish Consulate in Cardiff, the Department of Foreign Affairs and other relevant departments in Ireland. Culture has been a key element of joint delivery within the 2021-2025 Ireland Wales Statement through activities in both Wales and Ireland. The recent Other Voices Festival in Aberteifi is clear example of how we celebrate the cultural ties between both countries. Both governments are committed to working on the development of a future shared statement, where Culture will again be a key theme for engagement. We will continue to work with the Irish Government moving forward to explore ways we can jointly work to support the sector. The First Minister, during her recent visit to Ireland, provisionally agreed future priorities for a new Shared Statement with the outgoing Taoiseach, and these will form the basis of discussions once a new government in Ireland has been established.

Financial Implications: None