



Written submission from the Arts Council of Wales to the National Assembly of Wales' Finance Committee's call for evidence as part of its inquiry into preparations for replacing EU funding streams in Wales, after the UK leaves the EU.

Context:

1. This written evidence is submitted jointly by the Arts Council of Wales and Wales Arts International.
2. The Arts Council of Wales is the official public body responsible for funding and developing the arts in Wales. We are accountable to the National Assembly for Wales and responsible to the Welsh Government for the way the money they provide to fund the arts in Wales is spent. We are also a Lottery distributor for the arts in Wales. Wales Arts International is the international arm of the Arts Council of Wales.
3. We have maintained an active engagement with European programmes and funding over the past ten years. Since 2008, Wales Arts International has hosted a European Desk, set up to increase our engagement, and that of the wider arts sector in Wales, with European networks, opportunities and projects. This has been particularly important for projects and relationships developed through transnational European funding streams.
4. We have worked as a partner in strategic European projects including the pilot mobility network Practics (2008-2011) and the INTERREG IVC project Toolquiz (2010-2012). We have also established an informal network of arts organisations based in Wales who are active in, or seeking to engage with, EU networks and projects. This is called the Wales European Arts Forum. We disseminate information to this group on matters concerning EU cultural policy, networking and potential project opportunities, signposting relevant sources of transnational funding.
5. Since the EU referendum vote and the result in favour of leaving the EU, we have engaged in a number of pieces of work to assess the potential impact this may have. In the summer of 2016 Wales Arts International conducted a survey on behalf of Arts Council of Wales to understand the potential impacts of the EU referendum decision on the creative and cultural sector in Wales.¹

¹ [The Arts in Wales and the potential impact of leaving the EU](#), survey by Arts Council of Wales / Wales Arts International, October 2016

6. As a member of the Creative Industries Federation, we jointly hosted an event in Swansea in September 2016, to understand better the potential impact of Brexit on the arts and creative industries in Wales. The event fed into the Brexit Report published by the Creative Industries Federation which made key recommendations to the UK government.²
7. We have submitted evidence to the National Assembly for Wales' External Affairs and Additional Legislation Committee's work around Brexit and Wales' future relationship with Europe³; we have responded to consultations by the House of Commons⁴ and the House of Lords⁵ inquiries on the potential impact of Brexit on our sector. Eluned Hâf, Head of Wales Arts International, has presented evidence on behalf of the UK arts sector at the European Parliament's Culture and Education Committee⁶. We have also participated in the recent WEFO stakeholder engagement event regarding Regional Investment in Wales after Brexit.⁷
8. The arts and creative sector that we support will have its own comments to offer. However, our work with the sector leads us to believe that our observations will be broadly representative of the sector as a whole.

EU funding and the arts in Wales:

9. The arts sector in Wales has benefitted over the years from a variety of EU funding programmes. In August 2017 we commissioned a report by EUCLID to assess the European Union's contribution to the arts in Wales since 2007 in terms of funding – looking at both structural Funds and transnational funds.⁸ While there is a clear benefit for the arts in terms of transnational programmes such as Creative Europe, Erasmus + and Interreg, there is also a large proportion of investment that has come from the European Structural and Investment Funds.
10. The European Funding delegated to Wales has transformed the arts in Wales. This investment has provided a significant match in funding for projects as diverse as training, apprenticeships, community projects and capital build schemes for arts centres, galleries and theatres.

² [Creative Industries Federation Brexit Report](#), October 2016

³ National Assembly for Wales' External Affairs and Additional Legislation Committee, [Wales' Future Relationship with Europe](#), March 2018

⁴ [The impact of Brexit on the creative industries, tourism and the digital single market](#), Inquiry by the House of Commons Culture Media and Sport Committee, October 2016

⁵ House of Lords, EU Home Affairs Sub-Committee inquiry, [Brexit: movement of people in the fields of sport and culture](#) (report being prepared)

⁶ [Eluned Hâf presentation](#) at the European Parliament's Culture and Education Committee.

⁷ [Regional Investment in Wales After Brexit](#), Welsh Government (ongoing)

⁸ [Assessing the European Union's contribution to the arts in Wales since 2007](#), EUCLID, August 2017

Wales now boasts an enviable infrastructure of architecturally distinctive arts venues that are creating new opportunities for people across Wales to enjoy and take part in cultural activity. And many of these flagship capital projects have kick-started economic regeneration and have been the catalyst for inward investment and increased community engagement.

11. One exemplar recipient of European Regional Development Fund which has paved the way for further investment in the arts is [Galeri](#), an arts and creative enterprise centre in Caernarfon. Opened in 2005, through partnership investment including around £1.7m ERDF funding, Galeri has always had a strong focus on local regeneration, community engagement and support for the creative sector in Gwynedd. Its development on the site of Victoria Dock became a catalyst for the eventual re-development of this area.
12. ERDF, matched through the Arts Council of Wales' Capital Lottery Scheme and other investors, has provided significant funding investment into a network of high profile arts and creative industries centres across Wales. All have had a transformational impact in their communities and include **Aberystwyth Arts Centre**, **Theatr Mwldan** and most recently opened, [Pontio](#) – Bangor University's Arts & Innovation Centre, (which benefited from some £15m through ERDF.)
13. There has also been a significant investment through European Social Fund into the arts and creative economy in Wales. Between 2007- 2013, as a joint sponsor of the Welsh Government's **Reach the Heights Programme** (2007-13), Arts Council of Wales distributed over £10 million to 73 projects involving over 9,000 young people.
14. Many skills development programmes for the Creative Industries have been of benefit to the arts in Wales, from courses at Further and Higher Education establishments to programmes managed by Skillset to train writers for TV and Film.
15. The arts in Wales – like the creative economy as a whole – have benefited from a variety of transnational programmes such as the dedicated Creative Europe and Interreg. For example, in 2015, five Welsh creative organisations benefitted from almost €1m of funding from [Creative Europe](#) (Media and Culture sub-programmes). This includes Literature Across Frontiers, based in Aberystwyth University, leading one of the flagship European "platforms" with their [Literary Europe Live project](#). The [CORACLE project](#), led by the University of Wales Trinity St David, received just over €1.2m of ERDF funding through the Interreg Ireland-Wales 4A programme. The project supported skills development for those working in the creative and cultural sectors, to maximise the economic, social and cultural benefit of these sectors to both regions.

Erasmus+ is another programme that has invested in creativity and creative skills, for example through the [Network of International Circus exchange](#) project that NoFit State Circus participated as a partner in (2014).

Potential scenarios – EU transnational programmes:

16. We continue to argue the case for continued participation in EU transnational programmes such as Creative Europe or Erasmus+, and consider that participation in these programmes post Brexit should be considered at a regional level (ie Wales) if the UK level is not a viable option.
17. If the UK or Wales participated in these programmes post-Brexit, it would be likely that it would be as a “third country”. This would incur certain costs and also would mean that engaging as a partner in projects under these programmes would require finding an increased percentage of match funding.
18. Participation in these programmes brings a variety of benefits to partners, and not just funding. We consider it to be a crucial part of our connections with the EU, opening the doors to networks, future collaborations and routes to market for our arts and creative companies. Identifying and securing match funding has been a consistent issue in the past. We would therefore encourage the creation of a “success pot” that would enable companies to access match funding, should they be successful in unlocking EU transnational funds.
19. Wales should also retain a Creative Europe desk, even if this is funded by Wales outside of the programme to encourage partnership under a “third country model”. Such a desk would provide invaluable intelligence and advice that would extend beyond funding issues and ensure that Wales remained connected to European markets and networks.
20. However, if the UK Government and/or Welsh Government were unable to reach agreement with the EU on continued participation in such programmes as Creative Europe, we would consider it essential that a replacement funding programme is established in order to enable collaborative projects with EU.
21. As Culture is a devolved area competence, we would argue that a replacement funding programme for Wales should be administered in Wales. This could be administered by the Welsh Government or alternatively through a combination of existing public bodies who are set up to manage and distribute funds. For example, the Arts Council as a grant-in-aid/Lottery distributor awards around £45 million of public funding each year.

We have well-established grants management arrangements, robust governance structures, are accountable to the Welsh Government and scrutinised by the National Assembly.

22. We are part of a peer group of Lottery distributors in Wales (including Sports Wales, Heritage Lottery Fund, BigLottery, Ffilm Cymru Wales) who all operate in a similar manner. As sectoral public bodies we have close links with our various sectors.
23. If the decision were that the replacement programme be administered at a UK level, we would anticipate greater cohesion with, and working alongside, sister organisations. In the case of the arts this would be Creative Scotland, Arts Council England and Arts Council of Northern Ireland. This would ensure that the needs and priorities of the creative sector in each devolved region and nation are being taken into consideration and that Wales' voice is being heard.

Potential scenarios – EU Structural & Investment fund replacement programmes in Wales:

24. There will be a significant impact in terms of funding infrastructural and other developmental projects in Wales if EU funding is not replaced by equivalent substantive UK funding. In the same way that we would expect the UK government to replace the funding lost to Wales from its withdrawal from the EU, so we and the sector would wish to make the case for the government to replace lost investment to the sector from participation in wider EU programmes.
25. We believe that any alternative arrangements in the future for investing in regional development should adopt the same international perspective and vision that we have seen in the current operation of EU structural funds.
26. Whilst we have commissioned research assessing the EU contribution to the arts in Wales in terms of funding, there is still a lack of comprehensive data on the breadth and depth of the impact of EU investment into the arts and the creative economy (and no doubt other sectors) in Wales and the UK. This is due in part to the complexity of EU funding programmes and the fact that all programmes are managed differently. The ways in which Welsh artists and organisations benefit also varies. Some have participated in programmes managed by other partners in Europe as well as being lead partners themselves. Others have simply benefited from key training and networking opportunities, data which is harder to capture. Often a small amount of investment can have a significant impact for the organisations involved.

27. This is particularly significant for our sector, where organisations are generally smaller and so have not led on large structural funds projects. We would support a delivery model for a replacement EU funding stream in Wales that looks at local partnership approaches (that could include creative organisations), as suggested by stakeholders at the WEF0 event referred to earlier in this submission. Our Ideas People Places programme offers a model for working with a variety of local partners for regeneration projects.⁹ We would advocate for a partnership model that involves cultural stakeholders as part of the duty placed on public bodies through the Wellbeing of Future Generations Act.
28. Likewise, the administrative burden that partnering in a large EU ESIF project can place on organisations should be minimised where possible. This could be through simplification and harmonization of processes, from application to delivery and evaluation. There is an opportunity here to play to our strengths and do things differently.

Arts Council of Wales / Wales Arts International
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⁹ [Ideas People Places programme](#), Arts Council of Wales 2013-2017