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Councillor Peter Bradbury
Cabinet Member: Community Development, Co-operatives & Social Enterprise
City of Cardiff Council
County Hall
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Dear Councillor Bradbury

ECONOMY AND CULTURE SCRUTINY COMMITTEE – 14 JANUARY 2016

Thank you for attending the January meeting of the Economy and Culture Scrutiny Committee. At the meeting we considered Cardiff's performance in the 2015 Summer Reading Challenge and provided the opportunity for stakeholders to present to the Committee in relation to the Budget Proposals for Consultation 2016/17. I will be grateful if you could also pass on the thanks of the Committee to Sarah McGill, Isabelle Bignall and Nicola Richards for the presentation delivered and for addressing the questions that arose during the meeting. The Committee had a few comments and observations following the meeting, which are set out below.

Summer Reading Challenge

The Members of this Committee were pleased to be informed of another successful year of the Summer Reading Challenge in Cardiff. We note that the target of 70% completion was not achieved, but are aware that this was always going to be a very challenging target, as stated in our letter to you on 15 June 2015. We welcome the fact that this target will be set again for 2016, and recognise the aspiration shown to be the first authority in Wales to achieve it.

During the meeting, discussion took place around the role school governors could be playing in the promotion of the Summer Reading Challenge. The majority of Elected Members in Cardiff serve as governors in schools across the city, and we feel that this presents an opportunity to promote the Summer Reading Challenge within our respective schools in the run up to the summer holidays. We anticipate there being a willingness from all Elected Members to get more involved in the promotion of the 'Challenge' and would hope it could help encourage more young people to participate in and complete it. The Committee recommends that the involvement of Elected Members is formally included within planned promotional activities for future years.

The Committee is pleased to note that the budget for this initiative is not under threat or review as we approach the setting of the 2016/17 Council budget. We understand that a budget for this is provided by the Reading Agency and recognise the efforts that have gone in to securing contributions and involvement from local businesses and community groups, enabling Cardiff to offer a range of prizes as an incentive for participants to complete the Challenge.

Members of the Committee are glad the Council is demonstrating ongoing commitment to this initiative. We recognise the importance of assisting and encouraging young people to continue learning and improving their literacy skills throughout the summer break. We also see that this project is delivering wider benefits to the people of Cardiff, encouraging adults to visit libraries and raising their awareness of the services they offer, enabling parents to gain confidence in story telling and listening to their child read. We understand the success of the Summer Reading Challenge is not directly evaluated against these criteria, but feel they are important to note.

Budget Proposals for Consultation 2016/17 – stakeholder engagement

You will be aware that the Committee considered an item on the *2016/17 Budget Proposals – For Consultation*. This enabled Members to comment on the proposals released for public consultation and provided the opportunity for relevant stakeholders and members of the public to present to the Committee on the proposals, the services and projects they affect, and the impact that may be seen if certain proposals are accepted in the final 2016/17 Council budget.

A selection of individuals who had actively contacted Scrutiny Services were invited to give their views on the proposals, and the Members of the Committee felt it would be helpful to raise a number of points with you following these discussions. I am aware you were present in the public gallery during much of this section of the meeting and welcome your commitment to hearing first-hand the views of those affected by the initial budget proposals.

We have sympathy with the arts community with regard to the way in which the proposals are presented, and understand why there has been significant resultant outcry from the arts community in Cardiff. At first glance, it does appear that the Council is proposing a reduction in arts and culture related budgets of approximately £700,000. Upon digging deeper into the detail of the proposals it is clearer that £430,000 of this is in relation to the Arts Venues procurement exercise – a project aimed at securing a viable future for two important arts venues within the city centre. Even discounting this figure, the city's arts community seems to be facing a significant reduction in local authority funding.

The Committee welcomed your assurances at the meeting that Arts Active will continue to be delivered by a new operator following the Arts Venues procurement exercise. Sadly the wording of the narrative in the budget proposal was not particularly clear on this point. This is exacerbated by the inclusion of a section in the Consultation Questionnaire explaining what Arts Active is, what it delivers and how the Council will no longer be able to contribute to Arts Active funding, culminating in the question 'Do you support the decision to cease funding for Arts Active?'. No mention is made in the narrative of the service continuing via the ADM procurement exercise, but rather "seeking contributions ... to minimise the impact". We can understand therefore why the media has reported that this charity and the valuable work it undertakes are under threat as part of the 2016/17 budget.

The Committee received representations from three separate groups, the first focussed on the Cultural Projects scheme, the second on Artes Mundi and the third an overarching view on the arts in Cardiff from representative of What Next? Cardiff. The representations given during the meeting clearly laid out the benefits delivered to Cardiff – from both small community arts projects funded through the Cultural Projects scheme, and larger international arts initiatives such as Artes Mundi.

Members heard that the Cultural Projects Scheme's £62,000 budget supported 14 arts projects across Communities First areas in the city in 2015/16. These projects are designed to involve individuals with protected characteristics in the arts, and encourage integration across the community. Statistics suggest that approximately 9,000 individuals participated in these projects, and over 29,000 individuals have viewed the arts produced.

The Committee believes that the Scheme delivers substantial benefit for Cardiff from the Council's initial investment. The money is effectively doubled through projects securing match funding, employment can be created for local community members, invaluable links between schools, charities, artists and the community are established, and individuals are empowered to participate in activities or spend time with individuals from another background that they would otherwise never consider. Clearly much of this is impossible to quantify in financial terms, however this evidence must be given consideration when finalising the Cabinet's final 2016/17 budget proposals.

At the other end of the scale, Members heard that Artes Mundi has enabled the city of Cardiff to develop its international profile, and is valued at approximately £2.46m to the local economy (Event Impacts Calculator & the Audience Agency estimation). Statistics show that c90,000 visitors were attracted to Cardiff to visit Artes Mundi 6 in 2014, and it is estimated that 12% of these visitors stayed at least one night in the city. Again, it is clear that this project delivers a substantial boost to the economy for a relatively small £40,500 contribution from the City of Cardiff Council. Members recognise that Artes Mundi is not dependant on the finance provided by the Council, and understand this may be an influential factor in deciding on the future of this grant,

but we are fearful that Artes Mundi does not have a fixed location and in the long term could be attracted by other destinations should the Council cease in its commitment to the exhibition. We explored this risk during the meeting, with Members informed that there were no plans for Artes Mundi to leave Cardiff, but that other business and delivery models would have to be explored should the funding sources change.

The final presentation Members received was from representatives of What Next? Cardiff, a group aimed at advocating the role of arts and culture in society and enabling those involved in the arts to actively advocate the value of the work they do. This presentation emphasised to Members that the arts and cultural scene delivers so much more than just items of work to observe and exhibitions to visit – the cultural offer of Cardiff will contribute to top businesses, visitors and students choosing the city as their destination of choice; it can help drive regeneration and sustainability and has a positive effect on the health, wellbeing and quality of life for residents and visitors alike.

The cultural offer also helps connect Cardiff to the wider world, through high profile events, festivals and exhibitions. As such, the proposed cuts pose a threat not just to the livelihood of artists but also to the connections and reputation Cardiff has with the wider world. It was suggested to Members that, at a time when cities like Bristol and Manchester are making big commitments to the future of the arts, our Council does not seem to recognise the same potential value that a vibrant arts scene can provide.

This item also gave Members the opportunity to consider and comment on some of the proposals not covered in the representations made by stakeholders. One comment we wish to make in this respect is with regard to the BBC Cardiff Singer of the World competition, an event that we believe truly enhances the city of Cardiff's global reputation. We fear that events such as this are mobile, and could be held in any number of major cities across the UK, should the ties to Cardiff be lost through a cessation of Local Authority funding. With this in mind we would urge you and Cabinet colleagues to assess the full impact of all the cuts being proposed when piecing together the final draft budget 2016/17.

The Committee recognises that this year, as in many previous years, there are hard decisions to be made as to where the required savings will be found across the Council. We are conscious that the Council has received a more favourable settlement than was anticipated when setting the *Budget Proposals 2016/17 – for Consultation*, and that this provides the Cabinet with some flexibility over the savings proposals put forward in the Draft Budget 2016/17. With this in mind, Members of the Committee do not feel we can demand that all proposed cuts to the arts are removed from the final draft budget. We would, however, be disappointed if the full level of proposed savings from the arts was accepted and urge you to seriously consider the impact that each proposal will have individually, and combined as a collective contribution to the Arts in Cardiff.

Members of the Committee seek reassurance that arts funding decisions are underpinned with an assessment of the impact these proposals would have on the organisations involved, and the groups accessing their services. It was clear to Members from the submissions received that some larger and more established operations could feasibly continue without the support that the Council provides, while other smaller community projects are fully reliant on Council grants and would cease to be run. Some organisations rely on Council funding to secure the match funding that makes projects viable, while others use the money provided by the Council as leverage to attract additional funding and use the local authority commitment to the project as a signal of its reliability and importance to the city. Consideration also needs to be given to the plausibility of other sources of funding being secured – projects with a global reputation that already have the involvement of private corporations are far more likely to plug their funding gaps than a small arts project focussed in more deprived areas of the city.

Further Observations

The Committee also wished to make some more general points in relation to the *2016/17 Budget Proposals – for Consultation* following our consideration of this item, and discussion with members of the public and friends' groups.

It is apparent that affected stakeholders feel there is no strategic approach in place to guide the Council's working with the Arts community, or indeed a clear vision for Arts and Culture in the city. The Committee recognises the need for an ongoing dialogue with the arts community in Cardiff, exploring where the Council can work with artists on projects across the city, whether they be in schools and education, community development or urban regeneration, and that a long term strategy is developed to underpin this work. We understand from correspondence with the Leader that the Cultural Conversation was launched to address these very matters, and we hope you can confirm that this forum has been used to discuss the impact of the savings proposals within the 2016/17 budget.

Members of the public commented that they found it hard to understand from the *Budget Proposals – for Consultation* the extent of the cuts being proposed, because it isn't clear what proportion of the total budget (or of a Directorate's budget) that a saving represents. Similarly it is hard for Members to evaluate or comment on proposed cuts, without knowing what services are being maintained and what levels of money are allocated to these services. During the meeting you mentioned that the Arts & Theatres Manager would be able to provide us with this breakdown of budget allocation, and we wish to accept this offer of information.

During the meeting the Committee also raised questions about the manner in which savings proposals are presented, with savings proposals taken from the same Directorate budget listed separately, and not in a consecutive order. For example, budget lines 80, 81, 83 and 85 all relate to the same Arts budget. Although they may not individually represent a large proportion of the budget, when added together they

are a reduction of approximately 40% of the associated budget. We feel this is misleading and seek assurances that savings proposals are not only evaluated on an individual basis, but also give regard to the collective impact on the respective budget they are taken from.

You mentioned briefly during the meeting that you have written to Ken Skates AM, Deputy Minister for Culture, Sport and Tourism, to outline the unique role Cardiff plays as Capital City of Wales in terms of the arts, the expectation for events to be held here, and the additional finances that this role requires. This Committee is currently making the same case as part of our task and finish inquiry 'Cardiff Allocation of National Non Domestic Rates', and we recognise the additional burden placed on this city in fulfilling its role as the Capital. We wish accept your offer of a copy of this letter, and also request that you share the Deputy Minister's response with us, when it arrives.

To re-cap for ease, the Committee asks that the following points are addressed:

- The Committee recommends that the involvement of Elected Members serving as school governors is formally included within planned promotional activities for the Summer Reading Challenge.
- The Committee seeks assurances that savings proposals are not only evaluated on an individual basis, but also give regard to the collective impact on the respective budget they are taken from, and the collective contribution made to the Arts and Culture offer of Cardiff.
- The Committee seeks confirmation that decisions will be reached with reference to an impact assessment of these proposals on the organisations involved and the groups accessing their services.
- The Committee seeks confirmation that the Cultural Conversation forum has been used to discuss and establish the impact of the 2016/17 savings proposals with the arts community.
- The Arts & Theatres Manager provides the full budget allocation for the arts, demonstrating what is being kept and what services and included within the 2016/17 savings proposals.
- The Committee requests a copy of the letter written to Ken Skates AM and subsequent responses received.

I would be grateful if you would consider the above comments, observations and recommendations, and look forward to receiving your feedback.

Regards,



Councillor Rod McKerlich
Chairperson, Economy and Culture Scrutiny Committee

cc Sarah McGill, Director: Communities, Housing and Customer Services
Neil Hanratty, Director: Economic Development
Cabinet Support Office
Members of the Economy and Culture Scrutiny Committee