

## **Communities, Equality and Local Government Committee**

**Date:** 21 January 2016

**Time:** 10:45 -11:45

**Title:** Evidence paper on the Draft Budget:  
Deputy Minister for Culture, Sport and Tourism

### **Introduction**

1. This paper provides background financial information to the Committee regarding my spending plans as the Deputy Minister for Culture, Sport and Tourism – in respect of the **Culture & Sport budgets** within my portfolio, as outlined within the Draft Budget. The Minister for Economy, Science and Transport is addressing tourism at the Enterprise and Business Committee on 14 January 2015.
2. Annex B gives a breakdown of the Draft Budget figures for Culture & Sport, by Action, and by Budget Expenditure Line (BEL) within each Action.
3. The Committee has requested information on specific budgetary matters as set out in the Annex to the letter inviting me to attend the Committee session. Responses are incorporated within this Evidence paper.

### **Background and Summary**

4. An overview of the 2016/17 Draft Budget allocations for Culture & Sport is summarised in the table below:

<b>Spending Programme Area</b>	<b>Baseline Budget 2015-16 £'000</b>	<b>Change £'000</b>	<b>Draft Budget 2016-17 £'000</b>
<b>Revenue:</b>			
Arts	31,835	(1,500)	30,335
Museums, archives and libraries	36,170	(1,782)	34,388
Sports and physical activity	23,891	(1,286)	22,605
Media and Publishing	3,526	(374)	3,152
The historic and natural environment	14,686	(1,453)	13,233
<b>TOTAL REVENUE</b>	<b>110,108</b>	<b>(6,395)</b>	<b>103,713</b>
<b>Capital:</b>			
Arts	355	0	355
Museums, archives and libraries	4,043	(70)	3,973
Sports and physical activity	345	0	345
Media and Publishing	60	0	60
The historic and natural environment	4,901	0	4,901
<b>TOTAL CAPITAL</b>	<b>9,704</b>	<b>(70)</b>	<b>9,634</b>
<b>TOTAL DEL BUDGET</b>	<b>119,812</b>	<b>(6,465)</b>	<b>113,347</b>
<b>Annually Managed Expenditure (Pension provisions)</b>	<b>3,013</b>	<b>0</b>	<b>3,013</b>
<b>TOTAL BUDGET</b>	<b>122,825</b>	<b>(6,465)</b>	<b>116,360</b>

5. The only differences between the Baseline Budget for 2015-16 and the Supplementary Budget for 2015-16 relate to capital. Details are set out in paragraphs 9 to 11 below:

### **Budget Priorities**

6. The Culture and Sport portfolio is at the heart of the Welsh Government's aim to enrich the lives of individuals and communities through our culture, heritage and sport by enabling more people to enjoy them. The portfolio also makes a contribution towards health and health services, growth and jobs, educational attainment, and supporting children, families and deprived communities, including the tackling poverty agenda.
7. Culture and Sport policies have sustainable development at their core, balancing the pressing short term needs and long term interests of the people of Wales. For example, improving participation in sport

and physical activity is an integral and important part of our whole Government approach to raising levels of physical activity in Wales and improving the health and well-being of the nation, thus helping to prevent increased demands on health services in the future.

### Budget changes - Revenue

8. The impact of the near cash budget reductions on both internal and external organisations when comparing the 2015-16 Baseline Budget to the 2016-17 Draft Budget proposals is summarised in the following table:

Organisation	Baseline Budget 2015-16 £'000	Draft Budget 2016-17 £'000	% reduction
<b>Revenue (Near Cash):</b>			
Arts Council of Wales	31,671	30,171	4.7
National Museum Wales (Note 1)	21,886	21,003	4.0
National Library of Wales	9,721	9,261	4.7
Sport Wales	22,373	21,313	4.7
Cadw	8,915	7,712	13.5
Museums, Archives and Libraries Services	2,193	1,754	20.0
The Royal Commission for Ancient and Historic Monuments in Wales	1,712	1,531	10.6
Welsh Books Council	3,526	3,152	10.6
National Botanic Garden	650	581	10.6

Note 1: the reduction to the National Museums budget of 4% reflects additional Invest to Save funding of £0.154m in 2016-17 for investment in energy efficiency. If this is excluded, the reduction to the baseline is 4.7%.

### Budget changes – Capital

9. The total capital budget at £9.634m is £0.070m lower than the baseline capital budget for 2015-16. This is purely due to repayments of Invest to Save funding due from the National Museums and the National Library in respect of energy efficiency investments.
10. In 2015-16, there were one off allocations of £5m for a Capital Loan Scheme for Sport and Leisure Facilities; and £0.2m to the National Library of Wales to create additional storage space, together with additional office space to enable the relocation of the Royal Commission for Ancient and Historic Monuments to the National Library site. These amounts have not been included in the capital baseline figures set out in the table in paragraph 4 above.

11. In addition, compared to the Supplementary Budget for 2015-16, an adjustment of £0.500m has been made in the 2016-17 Draft Budget from the *Museum, Archives and Libraries* Action to the Cadw BEL in the *Historic and Natural Environment* Action. This restores the baseline budgets for these two Actions following a non-recurring transfer made in the 2015-16 Budget in order to provide additional funding for the St Fagan's redevelopment programme.

### **Annually Managed Expenditure**

12. Annually Managed Expenditure budgets support provision for any pension charges which may be necessary in respect of the pension schemes of Amgueddfa Cymru – National Museum Wales and the National Library of Wales. The 2016-17 budget of £3.013m remains unchanged from 2015-16. This is a non cash budget.

### **RESPONSES TO THE SPECIFIC INFORMATION REQUESTED BY THE COMMITTEE**

13. Responses to the specific information requested by the Committee are as follows:

#### **Presentation of the budget**

14. A copy of the 2016-17 Draft Budget broken down by Budget Expenditure Lines is attached at Annex B.

#### **Programme for Government commitments**

15. In preparing for future financial restraints, we have sought to target investment to maintain the focus of our spending plans on our main priorities of: health and health services; growth and jobs; educational attainment; and supporting children, families and deprived communities. This will include investment on the delivery of ongoing Programme for Government commitments.
16. Despite the challenges presented by the late timing of the UK Spending Review, we have used planning for the Draft Budget 2016-17 as an opportunity to look ahead to target investment in sustainable outcomes and adopt the five key ways of working established by the Well-being of Future Generations Act. The Act provides public bodies with a shared purpose through the establishment of seven well-being goals for Wales, and the five key ways of working ensure that public bodies will take a long-term perspective when making decisions; that they consider what actions are required to prevent problems arising in future, or to prevent current problems from getting worse; that they take an integrated and collaborative approach to decision making; and that they involve users in the planning and delivery of services.

17. All remaining Programme for Government commitments are deliverable from within the available budget. While there will be pressures on budgets, it is a question of prioritising the work from within the overall budgets. We will be stressing to our WGSBs the importance of prioritising delivery against our commitments.
18. Delivery of commitments and their associated outcomes is monitored as we progress through the year. This includes the meetings I have with the Chairs and Chief Executives of the sponsored bodies, and the discussions at the Quarterly Monitoring meetings at official level. Evaluations are undertaken periodically and as appropriate in order to ensure that the desired outcomes are being achieved and that the investments are delivering value for money.

## **Key policies**

### Budget allocations

19. Discussions about future budgets and the implications of any budget reductions are part of a regular dialogue which is held with the WGSBs. Discussions are held at official level on a quarterly basis in monitoring meetings, where they are a standard item on the agenda. In addition, I discuss funding and budget issues at my six monthly meetings with the Chairs and Chief Executives of each body. Then, as part of the decision process for setting budgets, I receive through my officials representations from each of the main WGSBs of the issues facing them and what the impact would be of budget reductions.

### Implementation of the Historic Environment Strategy

20. The Historic Environment Strategy for Wales sets out how the historic environment contributes to Welsh Government priorities in terms of jobs and skills, economic well-being and sustainable development; public participation and improving access; improving and supporting educational attainment; tackling poverty and improving life-chances.
21. Many of the “big ticket” actions in the Strategy have already been delivered, including the Community Archaeology Framework, the Pan-Wales Heritage Interpretation Plan, Lifelong Learning improvements, in-house delivery of Open Doors, and the £19m EU-funded Heritage Tourism Project, which is estimated to have created over 1,000 jobs and supported nearly 300 construction jobs, as well as bringing an extra £19m to the economy.
22. Other projects, such as the Battlefields inventory and the Slate Industry World Heritage Site bid, are being delivered in partnership with other organisations in the sector, and will therefore have more modest costs to Cadw associated with them.

23. The budget allocation for Cadw has reduced as follows:

	<b>2015-16 £'000</b>	<b>2016-17 £'000</b>	<b>% change</b>
Revenue budget – near cash	14,215	13,912	(2.1)
Income	(5,300)	(6,200)	17.0
<b>Net near cash revenue budget</b>	<b>8,915</b>	<b>7,712</b>	<b>(13.5)</b>
Capital	4,791	4,791	-
<b>Total budget</b>	<b>13,706</b>	<b>12,503</b>	<b>(8.8)</b>

24. The reduction in the near cash revenue budget of 13.5% will be largely covered by projected increases to Cadw's income figures. The budgeted income figure for this year was set at £5.3m. However, the Cadw operation has since been split into two operating units, with one responsible for the management of the monuments, and the other responsible for Cadw's statutory role. There are separate Deputy Directors responsible for each, and new initiatives to attract additional visitors – including the completion of the Heritage Tourism Project - have resulted in an increase to the forecast income figure for this year to £5.7m. The full year effect of these, accompanied by some planned price increases next year, have resulted in an income target of £6.2m for next year.

25. The reduction in the revenue expenditure budget will therefore be contained to 2.1%. The budget has been afforded a degree of protection to reflect the fact that there will be additional costs in delivering the Historic Environment (Wales) Bill. The budget for the Royal Commission for Ancient and Historic Monuments has been reduced by 10.6%. However, the balance of the funding within this Action between Cadw and the Royal Commission will be reviewed based on the precise costs of delivering the Bill, and the elements which may be discharged by the Commission.

#### Implementation of the provisions within the Historic Environment (Wales) Bill

26. Additional expenditure required in 2016-17 as a result of the implementation of the Historic Environment (Wales) Bill is estimated at up to £0.230m. The ongoing cost thereafter will be up to £0.197m per annum. The costs will be met from Cadw's budget line. Depending on the requirement of any amendments during Stage 3, there may be additional consequential costs.

27. The overall budget for the historic environment has been set to take account of the increase in projected income and required expenditure reductions as set out above; together with prioritising the above funding for the implementation of the Bill.

## Allocations for the National Museums of Wales and the National Library of Wales

28. The baseline revenue budget for each of the bodies has been reduced by 4.7% for 2016-17. The total reduction for the National Museums is lower at 4.0% as a result of a net allocation of £0.154m Invest to Save funding for energy efficiency investments, which is repayable. Provision of free entry to these institutions remains a Programme for Government commitment.
29. The capital funding for maintenance has been retained at £0.600m and £0.550m respectively for the National Museums and the National Library. In addition, the National Museums will receive £1m for the ongoing project to redevelop St. Fagan's, which is a Programme for Government commitment, and which is also receiving £12m of Heritage Lottery Funding. The bodies are not being allocated capital budgets for specimen purchase grants as part of the Draft Budget. These amounts have been transferred to the strategic leadership for museum, archive and library services action, and decisions will then be taken as to how this capital funding will be allocated in 2016-17.

Information on the level of funding provided to implement the *Libraries Inspire Strategy* the *Museums Strategy for Wales*, and *Archives for the 21<sup>st</sup> Century*, including how this links with the strategies' outcomes to date and future outcomes

How the recommendations of the recent *Expert review of local museum provision* have influenced allocations.

30. These initiatives are funded from the budget allocation for the strategic leadership for Museum, Archive and Library services. The budgets for this Action may be summarised as follows:

	<b>2015-16 £'000</b>	<b>2016-17 £'000</b>
Revenue:		
MALD Grant Programme	1,693	
People's Collection	500	
<b>Total Revenue</b>	<b>2,193</b>	<b>1,754</b>
Capital:		
MALD Grant Programme	1,000	
People's Collection	50	
<b>Total Capital</b>	<b>1,050</b>	<b>1,893</b>

31. Revenue funding has been reduced by 20%, from £2.193m to £1.754m. This funding is used to implement national strategies for the sector, together with continued support for the delivery of Casgliad y

Werin Cymru – People’s Collection Wales digital heritage programme, which is also a Programme for Government commitment. Whilst the total budget has been reduced, there is still £1.754m to be allocated, and the funding will be prioritised to partnership working and sustainable services to maintain and develop these valued public services; together with an allocation for the People’s Collection which has not yet been determined.

32. The total capital budget is £1.893m, increased from £1.050m with the transfer of specimen purchase grant funding totalling £0.843m from the National Library and National Museum. The original baseline of £1.050m includes £1m for the Community Learning Libraries Programme investment in modernisation of public libraries, and to enable the co-location of services; together with £0.050m for the People’s Collection.
33. The *Libraries Inspire* strategy comes to an end in 2016 and is being independently evaluated on its outcomes and achievements. The findings will help inform the creation of a future library strategy, alongside evidence including the Expert Review of Public Libraries. *Libraries Inspire* is a four year strategy (2012-16), supported by a capital and revenue programme of funding, with outcomes focused on sustainable models of service delivery, digital access, modernised library facilities, improving literacy skills and attracting the audience.
34. The level of funding provided over the period of the strategy to implement *Libraries Inspire* has been £3.505m revenue and £4.250m capital.
35. To date, around £0.200m per annum has been allocated for the implementation of *Archives for the 21<sup>st</sup> Century*. This funding has supported collaborative approaches to improve professional standards and to increase access to collections. This work will continue along with work designed to increase the resilience and sustainability of these small and specialised services.
36. The *Museums Strategy for Wales* will be reviewed in 2016 and a new strategy developed. This will take into account the findings of the Expert Review of local museum services. To date, around £0.475m per annum has been allocated to strategy implementation. It is intended that this work will continue, identifying key programmes that will offer opportunities for service improvement and developing partnership approaches to delivery.
37. The precise allocations to support these strategies in the future will be based on advice which I will be receiving from officials on the programme for the strategic leadership of these sectors.

How the continuing need to tackle barriers to arts participation and to promote access to the arts in schools has impacted on budget allocations for the arts

38. The budget reduction to the Arts Council of Wales grant-in-aid budget for 2016-17 is 4.7%. In addition to this funding from the EST portfolio, the Arts Council will be receiving £1.8m from the Education and Skills portfolio for work to implement the recommendations in Dai Smith's Report on arts in education. This education money is for a *specific programme of work*, so cannot be diverted to offset other reductions to ACW's budget; however it is indicative of the fact that *overall* Welsh Government support for the arts remains at a high level, and should not just be viewed in terms of our grant-in-aid to ACW.
39. The 2016/17 Remit Letter will emphasise that tackling barriers to arts participation and promoting greater access to the arts by all social groups must remain key priorities. To compensate for the budget reduction, we will require ACW to accelerate and extend its work to help revenue funded arts organisations to increase their self-generated income. This will involve the full range of options including different fundraising models, commercial activities, grants from UK trusts and foundations, philanthropy, sponsorship and EU funding.
40. ACW will shortly be launching a new portfolio of revenue funded organisations (RFOs). In the coming weeks it will need to decide how to distribute its grant-in-aid amongst the organisations that it has provisionally agreed to fund. ACW has acknowledged that the bids for RFO status were somewhat lacking in proposals for collaborative and partnership working. In view of this I have asked ACW to look where appropriate to require more collaboration and resource sharing by RFOs as a condition of funding, in order to making its funds go further, e.g. by sharing back office functions, etc.
41. ACW is also a lottery distributor. Under the National Lottery Act 2006, distributors cannot use lottery funds to replace 'lost' government funding. However, they can use lottery funds to supplement government funding. There may be scope therefore, for Lottery funds to alleviate some of the burden of current funding pressures.

Priorities for the media and broadcasting policy in Wales and how these are reflected in budget allocations

42. Welsh Government funding for the publishing and media industry is channelled through the Welsh Books Council. This includes funding for a Welsh-language on-line news service, Golwg 360, which has an average daily visit rate of over 8,500 and support for Welsh-medium news and current affairs publications *Golwg*, *Y Cymro* and *Barn*.
43. The funding to the Books Council also supports English-language magazines which cover several areas including current affairs/culture.
44. The Programme for Government commitments in terms of broadcasting involve staff resource (funded from the Welsh

Government Central Services and Administration MEG) as opposed to programme funding from the EST MEG.

45. Since the Comprehensive Spending Review in 2010 the Welsh Government has consistently expressed concern to the UK Government about the impact any further major funding cuts will have on S4C. It is vital that S4C has sufficient funding, as well as editorial and managerial independence.

#### Impact to date of budget reductions for the Welsh Books Council

46. The revenue budget for the Welsh Books Council has been reduced by £0.200m per annum for each of the last two years, being a reduction from £3.926m in 2013-14 to £3.526m in the current year, 2015-16. This has had the following impacts:

- The number of books being published with the support of the Welsh Government through the WBC has been maintained - but this is largely due to the fact that a number of these publications were commissioned up to three years ago and before a reduction in granting funding.
- The funding available across all commissioning pots and across both languages has been reduced during the 2015-16 financial year by around 3% - which will have some impact on the publishing output in 2017/18 and beyond.
- The decrease in the amount of funding available for marketing projects, alongside the present economic climate, resulted in a decrease in sales of 6.9% through the WBC's Distribution Centre during the financial year 2015/16 compared to the previous year. However, sales were boosted the previous year due to additional funding provided by the Education Department to all Welsh primary schools to purchase reading material in both languages – this issue has therefore contributed to the reduction.

47. Budget provision for the Welsh Books Council is being reduced by £0.374m in 2016-17. The proposed reductions will lead to:

- The need for the WBC to consider, the balance of support for Welsh-writing in English alongside the support for Welsh language publishing. I will be discussing this issue with them; and
- There is likely to be some reduction in the number of books published, although efficiencies will be sought, and additional funding is being provided to the Welsh Books Council in 2015-16 to upgrade their IT systems.

48. Discussions are currently taking place with the Education and Skills Minister about the role which the Welsh Books Council might play in

the production of Welsh and Welsh medium classroom materials for the new curriculum.

49. In addition, the Welsh Books Council is actively seeking funding from other sources, including a Lottery bid for a reader development programme in Swansea, which may cushion the impact of the reduction.

Given the Committee's concerns last year about the reduction in revenue for the sports and physical activity Spending Programme Area, an update on the impact this has had to date on participation levels, and how this has influenced budget allocations for 2016-17.

50. We continue to see an increase in the percentage of children and young people taking part in Sport. From the last School Sport Survey in 2015, we know that 48% take part three or more times a week, an increase of 8% from the previous survey in 2013. However, there remains a gender difference in participation and a gap between levels of participation in deprived areas compared with less deprived areas.

51. The budget for Sport Wales for 2016-17 is £21.313m, being a reduction of 4.7% compared to 2015-16. I am discussing with Sport Wales how we can continue to prioritise the programmes they deliver, to achieve our objective of increasing participation, and to achieve the benefits that brings in terms of wellbeing and improved health.

52. As a universal benefit, the budget for Free Swimming has been protected and uplifted by 1% above overall changes to the Wales DEL budget. We continue to invest in free swimming for children and young people to provide informal opportunities to be active but our primary focus is on teaching them to swim. We remain committed to the aspiration that every child will be able to swim by the time they reach 11 years of age, and our drive to offer opportunities for older people to enjoy swimming as a form of physical activity. We will continue to invest in Free Swimming and the swimming infrastructure to deliver those commitments.

Work that has been undertaken to monitor and mitigate the impact of the reduction in local government funding on the delivery of local services within your portfolio area (e.g. library, museum and archive services; local sport and leisure services; smaller and third sector organisations working in the fields of the historic environment and the arts)

53. Local authorities in Wales face budget pressures, in particular on how to maintain services and facilities provided on a non-statutory basis. How local authorities set their budgets in relation to non-statutory services is a matter for those authorities.

54. Whilst I recognise the challenges all local authorities face, I will be working to promote best practice, in terms of approaching decisions in

a way that is joined up and enables organisations to make decisions in the context of the Well-being of Future Generations Act.

55. Where Local Authorities are considering alternative models of delivery, I am advocating co-operative, mutual and other models only as an alternative to ceasing or privatising services as a 'least worst' option. A national framework is being developed to support Local Authorities to make decisions locally on the appropriateness of alternative models in specific service areas, and which sets out the practical support available to public service organisations, their workforce, citizens and communities in making decisions about how those services should be designed and delivered. There are three important pre-conditions for this work which are: accountability to local government; protection of employee terms and conditions; and continuation of trade union recognition. This framework will take account of responses to the consultation which closed on 13 January.
56. I am also reviewing the extent to which budgets across the Welsh Government contribute to spend on the arts and sport, to ensure that we get maximum benefit for the funding provided.
57. I recognise that there are some specific and difficult challenges regarding local authority arts funding. Out of ACW's 69 current revenue funded organisations ('RFOs'), 43 also receive local authority funding. ACW has made it clear to authorities that an arts organisation's inclusion in the new RFO portfolio depends on it being certain that the RFO has a viable and sustainable future. If an authority cannot continue its funding, and by doing so endangers an organisation's financial stability, ACW will have to re-visit its provisional decision; if the RFO is not viable, it will not be included in the portfolio. My message to authorities is to consult and engage with ACW before making firm decisions about future arts funding – there may be help that ACW can give, and at the least it can advise on other potential delivery options, which may enable such services to continue.
58. I have issued guidance on best practice for Community Managed Libraries, which are run by enthusiastic and dedicated volunteers.
59. To monitor the impact of the financial cuts on the statutory public library service, my officials in Museums, Archives and Libraries Division (MALD) work with local authorities to assess performance under the Welsh Public Library Standards. The evidence gathered under the current framework (2014-17) includes outcome measures and case studies for the first time, and these provide excellent examples of the real difference libraries make to people's lives.
60. My officials in MALD also provide advice and support to local authority library services in relation to areas such as community asset transfer, trust status and changes in provision. Advice and support is

offered to archive and museum services in relation to developing joint services, moving to trust, and maintaining statutory standards.

### How equality, sustainability and consideration for the Welsh language have influenced budget allocations

61. This is covered in Annex A – Strategic Integrated Impact Assessment.

### Preventative spending

62. The most obvious example of preventative spend in my portfolio is spending to increase physical fitness. There is a clear evidence base that substantiates the link between physical fitness and healthy life expectancy. We do of course need to continue to improve the effectiveness of our spending in this area, and evaluate how far increases in habits of physical activity among young people are maintained into lifetime habits, if spending is to really deliver the potential of being “preventative” in terms of reducing public spending on health in later life.

63. I would also highlight other respects in which spending in my portfolio has the potential to be preventative:

- Most parts of my portfolio (e.g. sport, the arts, libraries, heritage and access to the historic and natural environment) are likely to make a contribution to mental well-being. The costs of mental illness to the Welsh economy are significant. *The First Incomplete Field Guide to Wellbeing in Libraries* highlights the contribution made to support the health and wellbeing of people across Wales. The research on the health benefits of intensive engagement with creative and cultural activities through art therapy and workshops led by artists is well recognised in the literature on cultural impact, although there is little evidence at present on whether any benefits could also be gained from less intensive engagement, such as attendance at arts events.
- Dai Smith’s 2013 Report on “Arts in Education in the Schools of Wales” flags the international evidence that the arts can contribute to raising educational attainment, particularly of children from lower socio-economic backgrounds. Museums and heritage organisations can contribute similarly. Helping to raise educational attainment is likely to raise people’s life chances and therefore has the potential to be preventative in terms of public spending. That is one of the reasons why I am working to increase the contribution that the arts and heritage can make to raising educational attainment, by:

(i) working with the Education and Skills Minister to implement ‘Creative Learning through the Arts’, our 5-year £20 million action plan to implement the Smith Report, in partnership with ACW;

(ii) working to implement the recommendations from Baroness Kay Andrews' 'Culture and Poverty' report; and

(iii) developing a programme of educational events in or near Communities First areas, including this year:

- Artists in Residence projects at Segontium Roman Fort, Parc le Breos Cwm on the Gower (Swansea cluster) and Tintern Abbey (Cardiff cluster)
- The Bryn Celli Du Public Archaeology project worked with CF school groups from Holyhead
- - Art Project at Caerphilly Castle which worked with pupils from schools within that cluster.
- - The Lord Bute project linking schools in Butetown with Castell Coch and Caerphilly castles
- Ffiliffest – a Welsh language schools event – with children for several schools (some in CF wards in Caerphilly) on a dancing and performance event at Caerphilly Castle every June. 100s of school children get the chance to dance at the castle and enjoy being in an outdoors setting. During the celebration event day, the children explore the castle and get a chance to take part in various art activities in an outdoor setting.

64. "Self-led" learning visits to Cadw monuments have been free for a number of years. From 2016-17, the Historic Environment Service (Cadw) will absorb the cost of extending this provision to the "facilitated learning" visits. Research collated by the Education Endowment Foundation has shown that additional learning in this way can have a high impact, particularly for younger learners, for very low outlay – not only developing literacy and numeracy but also developing skills, confidence and self-esteem:

- Cadw has begun a pilot scheme with the Community Payback Service (Probation Service) to undertake work at its monuments. The pilot recently started at Dinefwr with a small number of offenders, and is aimed at giving something to local communities and forcing offenders to repay the community for the wrong they have done.
- Previous work with HM Parc Prison and YOI and pupil referral units has contributed to Welsh Government education and employment objectives. Education and the attainment of skills and qualifications are widely recognised as major factors in preventing children becoming offenders, and reducing the longer-term risks of reoffending.

#### Provision for legislation

65. Details of the costs associated with the implementation of the Historic Environment (Wales) Bill are set out above.

66. There are no known significant impacts on the budget of any UK legislation in the portfolio area.

## Strategic Integrated Impact Assessment

### How equality, sustainability and consideration for the Welsh language have influenced budget allocations

The outlook for public finances, as a result of the UK Government Spending Review, continues to be challenging. As a result of pressures across the Welsh Government, budget decisions for the culture & sport part of the portfolio have been difficult. The decisions have taken into account a large number of factors, including the need to protect jobs as far as possible, both within our WGSBs and across the wider sectors in which they operate; the need to protect investment in the arts and sport, particularly in view of the community benefits they provide; together with related equality, sustainability and Welsh language considerations.

The nature of my portfolio is that much of the work is discharged by the delivery organisations which I fund. I will be asking these bodies again this year, in their Remit Letters and Funding Letters, to ensure that they fully take into account equality, sustainability and Welsh language considerations in the detailed decisions they will be taking on budget allocations, to ensure that impacts on those groups with protected characteristics are minimised or mitigated.

National Museums, Archives, Libraries, Arts, Culture and Sports contribute to tackling inequality, provide education of our culture to young people, while at the same time supporting tourism and improving our international reputation. We will continue to work collaboratively with our partners to minimise the impact on protected groups.

We know that tough decisions will need to be made about local services that benefit the people of Wales. To provide sustainable local services such as libraries and leisure centres will require a collaborative approach which seeks alternate delivery models. In 2015-16, I have made it a condition that my capital budget which was used historically for modernisation of public libraries is used to enable co-location of services. I intend to continue with this approach.

We have protected the Free Swimming programme, which encourages the people of Wales to take up exercise and healthy lifestyles. While it is identified that take up for those aged over 60 is increasing, that for those aged under 16 is reducing. Additionally, there is evidence that children in socio-economically deprived areas are more likely to fail to learn to swim by the age of 11. The scheme has therefore been refocused so that local authorities receive funding in direct relationship to the number of children in socio-economically deprived areas within their catchment.

We are discussing with Sport Wales the priority programmes, to achieve our objectives of increasing participation to achieve the benefits that brings in terms of wellbeing and improved health; and to ensure that key programmes aimed at addressing the equality agenda are protected, including programmes aimed at

increasing participation by females, and by people from black and minority ethnic backgrounds.

Some 80% of the grant-in-aid funding for the National Museums of Wales and the National Library of Wales is used to fund staff costs. As a result of the budget reductions, and the consequent need to reduce staff, there are likely to be some impacts particularly older staff.

The reduction in the budget of Cadw will be largely offset by increased income generation, which will enable the protection of key programmes.

We have taken the lead in articulating the powerful role that arts and culture can play in tackling poverty. This is reflected in the two reports commissioned by Welsh Government on *Arts in Education in the Schools of Wales* and *Culture and Poverty: Harnessing the power of the arts, culture and heritage to promote social justice in Wales*. These reports set out the important role that culture, heritage and the arts play in inspiring people to learn and gain skills, and emphasises the importance of cultural activities to improving the aspirations, ambitions and prospects of children and young people.

This work is being taken forward by means of the *Fusion* programme, which focuses on helping individuals, families and communities living in one or more Communities First areas to have more lasting engagement with culture and heritage. This will help provide a solid evidence base for the most effective cultural interventions on educational attainment, skills, health, and families and deprived communities; and ensure that culture is mainstreamed within the planning and evaluation of the Communities First Programme. I am working with the Minister for Communities and Tackling Poverty to take this programme forward in a co-ordinated manner.

The Arts and Creative Learning Plan (*Creative Learning through the Arts: an action plan for Wales, March 2015*) will implement the recommendations of the *Arts in Education* report. The aim of the Plan is to increase and improve arts experiences and opportunities in schools, and to improve attainment through creativity. It supports the Welsh Government's three education priorities of improved literacy and numeracy, and of reducing the impact of poverty on educational attainment.

The Arts Council of Wales and the arts sector are playing a key role in helping the Welsh Government to address child poverty and are taking forward a number of actions to ensure children and young people, particularly those from disadvantaged areas, are able to benefit from and participate in arts activities. This includes looking at ways to provide free and subsidised access to cultural activities for low income families, and activities targeted at young offenders. Again, we are in discussions with the Arts Council about protecting key programmes.



CULTURE AND SPORT - BUDGET BEL TABLE 2016-17 in £'000s						
REVENUE BUDGET - Departmental Expenditure Limit						
SPA	Actions	BEL	BEL Number	Baseline Budget 2015-16 £'000	Change £'000	Draft Budget 2016-17 £'000
Support and sustain a strong arts sector via the Arts Council and others	Support and sustain a strong arts sector via the Arts Council and others	Arts Council of Wales	5800	31,671	-1,500	30,171
		Arts Council of Wales - Depreciation	5800	119	0	119
		Support for the Arts	5812	45	0	45
<b>Total Support and sustain a strong arts sector via the Arts Council and others</b>				<b>31,835</b>	<b>-1,500</b>	<b>30,335</b>
Museums, Archives and Libraries	Foster Usage and Lifelong Learning through Museum Services	Amgueddfa Cymru - National Museum of Wales	5540	21,886	-1,037	20,849
		Amgueddfa Cymru - National Museum of Wales - Depreciation	5540	1,120	0	1,120
		Amgueddfa Cymru - National Museum of Wales - Invest to Save Funding	5540	0	154	154
		<b>Foster Usage and Lifelong Learning through Museum Services</b>		<b>23,006</b>	<b>-883</b>	<b>22,123</b>
	Foster Usage and Lifelong Learning through Library Services	National Library of Wales	5660	9,721	-460	9,261
		National Library of Wales - Depreciation	5660	1,250	0	1,250
		<b>Foster Usage and Lifelong Learning through Library Services</b>		<b>10,971</b>	<b>-460</b>	<b>10,511</b>
	Strategic Leadership for museum, archive & library services	Museums, Archives and Libraries	6170	2,193	-439	1,754
		<b>Strategic Leadership for museum, archive &amp; library services</b>		<b>2,193</b>	<b>-439</b>	<b>1,754</b>
	<b>Total Museums, Archives and Libraries</b>				<b>36,170</b>	<b>-1,782</b>
Delivery of effective sports & physical activity programmes	Delivery of effective sports & physical activity programmes	Sports Wales	5900	22,373	-1,060	21,313
		Sport Wales - Depreciation	5900	779	0	779
		Support for Culture & Sports	6012	739	-226	513
<b>Total Delivery of effective sports &amp; physical activity programmes</b>				<b>23,891</b>	<b>-1,286</b>	<b>22,605</b>
Media and Publishing	Media and Publishing	Welsh Books Council	6150	3,526	-374	3,152
<b>Total Media and Publishing</b>				<b>3,526</b>	<b>-374</b>	<b>3,152</b>
Conserve, protect, sustain and promote access to the historic and natural environment	Conserve, protect, sustain and promote access to the historic and natural environment	Cadw	2700	8,915	-1,203	7,712
		Cadw - Depreciation	2700	275	0	275
		Cadw - Other non cash	2700	3,000	0	3,000
		RCAHM - Running Costs/Current Expenditure	6200	1,712	-181	1,531
		RCAHM - Depreciation	6200	134	0	134
		National Botanic Garden of Wales	2710	650	-69	581
<b>Total Conserve, protect, sustain and promote access to the historic environment</b>				<b>14,686</b>	<b>-1,453</b>	<b>13,233</b>
				<b>110,108</b>	<b>-6,395</b>	<b>103,713</b>
<b>Less Depreciation &amp; other non-cash</b>				<b>-6,677</b>	<b>0</b>	<b>-6,677</b>
<b>Near Cash</b>				<b>103,431</b>	<b>-6,395</b>	<b>97,036</b>

CAPITAL BUDGET - Departmental Expenditure Limit						
SPA	Actions	BEL	BEL Number	Baseline Budget 2015-16 £'000	Change £'000	Draft Budget 2016-17 £'000
Support and sustain a strong arts sector via the Arts Council and others	Support and sustain a strong arts sector via the Arts Council and others	Arts Council of Wales - Capital Investment (inc WMC)	5800	355	0	355
		Support for the Arts - Capital Investment (inc NGBW)	5812	0	0	0
<b>Total Support and sustain a strong arts sector via the Arts Council and others</b>				<b>355</b>	<b>0</b>	<b>355</b>
Museums, Archives and Libraries	Foster Usage and Lifelong Learning through Museum Services	Amgueddfa Cymru - NMW - Capital Maintenance Grant	5540	600	0	600
		Amgueddfa Cymru - NMW - Specimen Purchase Grant	5540	538	-538	0
		Amgueddfa Cymru - NMW - St. Fagans	5540	1,000	0	1,000
		Amgueddfa Cymru - NMW - Invest to Save Repayment	5540	0	-45	-45
		<b>Total Foster Usage and Lifelong Learning through Museum Services</b>		<b>2,138</b>	<b>-583</b>	<b>1,555</b>
	Foster Usage and Lifelong Learning through Library Services	National Library of Wales - Capital Maintenance Grant	5660	550	0	550
		National Library of Wales - Specimen Purchase Grant	5660	305	-305	0
		National Library of Wales - Invest to Save Repayment	5660	0	-25	-25
		<b>Total Foster Usage and Lifelong Learning through Library Services</b>		<b>855</b>	<b>-330</b>	<b>525</b>
	Strategic Leadership for museum, archive & library services	Museums, Archives and Libraries	6170	1,050	843	1,893
<b>Total Strategic Leadership for museum, archive &amp; library services</b>			<b>1,050</b>	<b>843</b>	<b>1,893</b>	
<b>Total Museums, Archives and Libraries</b>				<b>4,043</b>	<b>-70</b>	<b>3,973</b>
Delivery of effective sports & physical activity programmes	Delivery of effective sports & physical activity programmes	Sport Wales	6010	345	0	345
<b>Total Delivery of effective sports &amp; physical activity programmes</b>				<b>345</b>	<b>0</b>	<b>345</b>
Media and Publishing	Media and Publishing	Welsh Books Council - Capital		60	0	60
<b>Total Media and Publishing</b>				<b>60</b>	<b>0</b>	<b>60</b>
Conserve, protect, sustain and promote access to the historic and natural environment	Conserve, protect, sustain and promote access to the historic and natural environment	Cadw - Capital Expenditure	2700	4,791	0	4,791
		RCAHM	6200	15	0	15
		National Botanic Garden of Wales	2710	95	0	95
<b>Total Conserve, protect, sustain and promote access to the historic environment</b>				<b>4,901</b>	<b>0</b>	<b>4,901</b>
<b>Total Capital - Culture and Sport</b>				<b>9,704</b>	<b>-70</b>	<b>9,634</b>

REVENUE BUDGET - Annually Managed Expenditure						
SPA	Actions	BEL	BEL Number	Baseline Budget 2015-16 £'000	Change £'000	Draft Budget 2016-17 £'000
Museums, Archives and Libraries	Museums	Museums Pensions	5641	2,391	0	2,391
	Libraries	Libraries Pensions	5781	622	0	622
<b>Total Museums, Archives and Libraries</b>				<b>3,013</b>	<b>0</b>	<b>3,013</b>
<b>Total AME - Culture and Sport</b>				<b>3,013</b>	<b>0</b>	<b>3,013</b>

SPA	Actions	BEL	BEL Number	Baseline Budget 2015-16 £'000	Change £'000	Draft Budget 2016- 17 £'000
	<b>Culture and Sport - Summary</b>					
	Revenue DEL			110,108	-6,395	103,713
	Capital DEL			9,704	-70	9,634
	<b>Total DEL</b>			<b>119,812</b>	<b>-6,465</b>	<b>113,347</b>
	<b>Annually Managed Expenditure</b>			<b>3,013</b>	<b>0</b>	<b>3,013</b>
	<b>Total - Culture and Sport</b>			<b>122,825</b>	<b>-6,465</b>	<b>116,360</b>