

Arts Portfolio Wales

Handbook



National Companies

January 2018

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The Arts Council of Wales is committed to making information available in large print, Braille, British Sign Language, Easy Read and on audio. We'll endeavour to provide information in languages other than Welsh or English on request.

We implement an [Equal Opportunities Policy](#).

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Introduction

Welcome...

Your Funding Agreement is divided into two sections:

Your targets

The specific targets that you have agreed with us are set out in a separate summary document. We ask that you monitor your progress against these targets and discuss your performance at your regular Board Meetings throughout the year.

This Handbook

The Handbook sets out our broader expectations alongside a number of common targets for all members of the Arts Portfolio Wales. The Handbook also describes how we will work with you throughout the year, how we'll monitor your work, and what services you can expect of us in return.



We want this Funding Agreement to be a working document: a useful tool to help you chart progress and a 'one-stop' note of all the key information that you need to know about our relationship with you.

You'll find information on all of the relevant issues in this Handbook.

Our relationship with you during the year is built around a routine series of transactions. These help us to keep in touch with your progress and help you to provide us with the information that we need from you at different times throughout the year.

You will already be familiar with [Inspire... our strategy for Creativity and the Arts in Wales](#). It sets out our ambitions for the arts in Wales and our Council's priorities.

We also have to demonstrate how work reflects the priorities of the Welsh Government. Some of these priorities have implications for the organisations that we fund. You can see a copy of the Government's [Remit Letter](#) on our website.

Don't panic!

There's quite a lot of information here to digest. But once you've read it through, we believe you'll find this Handbook less daunting than it appears at first sight. Most of the policy-related information will be very familiar – you're either doing it already, or we'll have discussed it with you in our routine meetings.

And finally...

We know that sometimes, even the best laid plans don't always work out as we'd intended. When this happens, the Funding Agreement can be a useful starting point as we discuss with you alternative routes to success.

So, if at any point during the year you think that some targets might not be achievable, contact your Lead Officer so that we can work with you to find the reasons for this.

Sometimes we can offer advice and support and work with you to overcome challenges. And don't forget – our 'bottom line' is that we very much want you to succeed, so we're here to help.

"We want to support the best arts that we can, and to encourage as many people as possible to enjoy and take part in creative activity.

We want to see the people of Wales inspired by arts that are vibrant, compelling and engaging – arts that reach out and touch us; arts that ignite our imagination and creativity; arts that challenge us to search for a better understanding of ourselves and the world around us. Make: reach: sustain."

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Common targets for all

The best organisations are constantly evaluating the effectiveness of what they do, looking for new ways of improving their performance.



We have published [Strive to Excel: A Quality Framework](#). This has been informed by many years of observing and analysing the behaviours of our best organisations. Strive to Excel sets out the attributes and characteristics of success.

You're part of our [Arts Portfolio Wales](#) because we believe that you have the vision, the skill and the capability to play a leading role in the development of the Arts in Wales. In return, we expect you to demonstrate the willingness to meet some basic commitments that we believe are important.

A commitment to Quality...

At the heart of every high-performing organisation is the creative spark – that obsession that drives the artistic vision and the impulse to improve. The successful creation of art depends on artistic leadership and a vision that transcends the ordinary or the commonplace.

In our opinion, a confident and effective arts organisation will:

- embrace the honest and rigorous self assessment of its work
- be brave and take risks
- have a clear vision of what it's trying to achieve
- seek feedback and critical review to test how well it's doing
- use this intelligence to shape and inform future activity
- be a leader amongst its peers, but flexible enough to build creative partnerships where they deliver benefit to the public and to the organisation itself

A commitment to Reach...

We want as many people as possible to experience and enjoy the arts. We want to increase active participation and attendance across the arts as a whole, and also in the organisations we fund. The strength and depth of this engagement – and the benefits that it delivers – will play an important part in the sustainability of an organisation's activities.

“An organisation that has a clear understanding of its ‘community’, and which has strong, well-grounded roots in that community, is more likely to be durable and resilient.”

In our opinion, a confident and effective arts organisation will:

- demonstrate a clear understanding of who its ‘community’ is
- be able to articulate the benefits of the organisation’s activities and their contribution to community well being
- have identified and analysed the barriers to engagement
- set specific targets to drive change

A commitment to Equality...

Equality is fundamental to our work.

A fair-minded and tolerant society values and respects the needs, interests and creativity of everybody. It’s a society that’s impatient of disadvantage, which embraces and celebrates difference. We want the arts in Wales to include everyone. We know this will make the arts in Wales more vibrant, exciting and relevant.

So we will consider equalities across all aspects of our work and all of the groups with ‘Protected Characteristics’ as defined in Equalities legislation.

“...our most recent published survey results paint a disappointing picture. Reducing numbers of people with protected characteristics are actively involved in, and engaging with the arts, specifically as artists, employees and board members.”

The Investment Review submissions that we received in 2015, demonstrated that efforts to promote Equalities and Diversity were generally disappointing. Our 2016/17 results show little change. More focussed development work is still clearly needed across the whole of the sector. We are therefore continuing to ask members of the Arts Portfolio Wales to produce and submit updated **Strategic Equality Action Plans**.

These should describe in detail progress against targets to date, set out the work you’ll be undertaking during the year to promote equality of opportunity in the arts. In particular, we’d like to hear about your plans to increase the diversity of the people you engage with as artists, audience members, participants, employees and board members, with a particular focus this year on the last two.

We will expect your Equality Action Plans to include:

- a detailed analysis of progress you have made around equality and diversity
- a description of the areas you have identified which still need strengthening
- specific and measurable targets to address these issues
- specific actions around diversifying the make-up of your board
- specific actions around diversifying your staff
- developing and raising awareness of equality and diversity amongst your staff and board
- plans for increasing the diversity of the work you programme



Don't forget that the Arts Council of Wales has commissioned an [Equalities Guide](#) and a revised version of [Equal Spaces](#) (which offers best practice guidance for arts providers specifically on disability issues).



All members of the Arts Portfolio Wales are expected to let us have a copy of your updated [Strategic Equality Plan](#). This should be agreed by your Board, and be with us at the end of [April](#) each year. The exact date is noted each year in your individual Payment Schedule.

We expect our funded organisations to promote an environment where everyone is treated with dignity and respect and sexual harassment, bullying or any other form of harassment is not tolerated. To safeguard staff and audiences, there should be a clear, formal procedure for raising and addressing concerns that respects confidentiality.

[A commitment to tackling cultural poverty...](#)

We are passionate about the importance of building a more equal Wales. We recognise the negative impact that poverty can have on people's lives and we want to remove the persistent barriers that exclude too many people from accessing the life-enhancing benefits that the arts can offer. At their best, the arts can be transformative - building confidence and skills, developing community cohesion, raising aspiration, bringing enjoyment and meaning to people's lives as well as giving a voice to some of our most challenged communities. Every citizen in Wales deserves opportunities to experience great art and we expect all funded organisations to be proactive in exploring new ways to reach out and connect with our poorest communities and families.

We are not suggesting that the arts can provide a magic, overnight fix but we do believe that, together, we can make a significant difference.

You will want to consider how your organisation can make its own distinct contribution and articulate the benefits of your activities in tackling poverty. This could include:

- experimental programming and strategic audience development initiatives in areas of high deprivation
- targeted programmes for NEETS, families on low incomes and workless households
- taking a lead in a Pioneer Area as part of the Fusion project
- innovative research and development projects
- Families First / Flying Start joint projects
- other adventurous partnership initiatives

A commitment to working with Young People...

We want all children and young people in Wales to have opportunities to access, enjoy and be inspired by high quality arts experiences – as participants, young creators and audience members. We expect you to invest in an imaginative programme of work for children and young people; to nurture young talent and explore innovative ways of extending your reach in this key area. We are especially interested in how you engage young people from low income backgrounds in your work as well as those who currently face barriers to accessing your work. We will expect to see your plans and targets in relation to children and young people embedded in your business plan and will monitor how you deliver against these.

We have embarked on our ambitious five-year action plan which has within it an offer for all schools in Wales to engage with the arts and cultural sector. We expect you to maximise the education and learning potential of your artistic programme including exploring opportunities to engage with **Creative Learning through the Arts**. Where appropriate you can do this by becoming a Creative Agent or Creative Practitioner in our Lead Creative Schools Scheme, by playing an active role in one or more of the four Arts and Education Networks, by working in partnership with schools or other arts organisations to develop innovative and exciting collaborative projects. We will expect to see your plans in relation to Creative learning through the Arts embedded in your business plan and will monitor how you deliver against these.

A commitment to good Governance...

The public rightly demands that the organisations that they fund are efficient and cost effective. So we expect those who we work with to get the basics right and to ensure that they manage their affairs in a straightforward and business-like way.

Public funding is not an entitlement – it has to be earned.

“Critical to the success and resilience of any organisation is a strong, engaged and diligent Board that includes a range of expertise.”

Artistic and economic growth is unlikely to be achieved in the absence of strong management and good governance. At its best, the Board will set the strategic direction of the company, support and challenge the executive staff in the delivery of the company's goals, and monitor financial and artistic performance.

Good governance is the cornerstone of any well run organisation. In our opinion, a confident and effective arts organisation will:

- have a suitably qualified and experienced Board or management committee that reflects the diversity of the communities or sectors in which it works
- ensure that its governance documents (i.e. Memorandum and Articles of Association/ Constitution) are up to date and reflect current legislation
- ensure that the Board provides leadership, expertise, advocacy, debate, scrutiny and support for executive staff
- ensure that there is a good level of rotation amongst Board members with no individual exceeding the maximum period of office
- implement robust risk management systems, financial controls and reporting mechanisms. (These should include, as a minimum standard, quarterly management accounts that are discussed by your board and acted upon, and sent to us when we request them.)
- adhere to – and exceed where possible – industry standards in relation to the employment of artists, freelance practitioners and the payment of fees to artists
- operate a staff structure and job descriptions that clearly show responsibility for key functions. (This should be supported by an appropriate system of training, continuing professional development and appraisal.)
- identify and implement measures to lessen the environmental impact of your organisation and its work
- cultivate positive relationships with stakeholders and partners, particularly local authorities, educational institutions and community groups

A commitment to working internationally...

The culture of Wales is a world culture and this is the arena it needs to operate in, locally and internationally. The excellence of Wales' arts can significantly contribute to the development of our cultural, creative and economic relations to the rest of the world. International connections provide important routes for sustaining careers, for benchmarking quality, and for enriching artistic practice through collaboration and the sharing of new ideas.

We want organisations in the Arts Wales portfolio to develop and increase meaningful and interesting international connections. We also understand that the level and type of international engagement will vary from one organisation to another.

International activity can take a variety of forms, including:

- Presenting artistic work outside of the UK.
- Inviting international artists to present their work in Wales or to contribute to a project being developed in Wales.
- Collaborating with international artists (in Wales, elsewhere in the UK or outside of the UK).
- Engagement with networks, events, showcases or conferences that have an international dimension. This might not necessarily mean travel outside of Wales & the UK or invitations to international artists or companies.

Engagement may be through, for example, their active contribution to a digital network that shares best practice and information between similar organisations within Europe or worldwide. Or it could mean showcasing their work at a UK event that attracts international delegates.

- Attracting international attention and critical reviews for artistic work created and presented in Wales.

International engagement and its resourcing should feature in your business plan.

A commitment to effective business planning...

A good Business Plan will encapsulate the ethos and ambitions of your organisation. It should provide a route map for your organisation for a set period of time (usually 3 to 5 years).

It is important that your Business Plan is a working, live document. Progress should be reviewed constantly and goals adjusted where necessary. Your Plan should integrate the creative and business aspects of your organisation and show how you will organise your resources to deliver your artistic vision.

In our opinion, a confident and effective arts organisation will:

- demonstrate that you are business orientated
- give staff, Board, Stakeholders and funders confidence that you know what you're doing
- remember that the business plan is written by and for its organisation, not because it's a condition of funding
- show that you are flexible in your ability to meet and address challenges and new opportunities



You will need to submit your most recent **Business Plan** to us during **October** each year. The exact date is noted each year in your individual Payment Schedule

A commitment to paying creative professionals a fair rate of pay...

We're committed to ensuring that Creative Professionals working in Wales are supported appropriately in the work that they do.

Please ensure that you have a policy statement in your business plan that details how you plan to support creative professionals that you work with. This should include detail on how you plan to pay artists appropriately for work undertaken as well as how you plan to develop artists through your work.

A commitment to value for money...

Given the significant amount of funding invested in the members of our new Portfolio, it will be important for you to show that your public funding has the greatest possible impact.

We fully support the need to preserve a stable core of public funding for the arts, even in times of economic austerity. Nevertheless, reducing organisations' dependency on public funding (as a percentage of overall income) has to be a sensible and pragmatic response to current public funding pressures. This should be a specific objective in your plans for next year.

In our opinion, a confident and effective arts organisation will:

- demonstrate a convincing approach to fundraising and income generation
- be able to measure and report on the impact of / outcomes arising from their grant aided work
- have plans to work together and share resources with other organisations where this is appropriate
- set three-year income growth targets, to start from April 2016

A commitment to collecting and sharing data...

We expect members of our Arts Portfolio Wales to be data literate. This means you should have an understanding of the value of collecting reliable data, follow good practice in data collection and data management, and use evidence and data to drive business, programme and audience development plans.

As a publicly funded organisation, we expect you to share data between arts organisations (in compliance with the relevant guidelines from the Information Commissioners Office). This is a condition of your funding.



The Arts Council is funding [Clearview Systems](#) to provide box office data analysis and insight services in Wales. The system is available free of charge for all theatres and arts centres in Wales to improve data collection, analysis and benchmarking. (We hope to eventually extend the scheme to touring companies). Participation in this scheme is strongly recommended.

A commitment to the Welsh Language...

Wales is a bi-lingual nation – legally, socially, culturally, and as individuals and communities. And nothing makes Wales more distinctive than the Welsh language. The language provides the means to understand and enjoy an extraordinarily rich literature and culture. The arts thrive on this and are a key component in continuing the Welsh language's vital role at the heart of Welsh life.

We'll promote vigorously the right of people to explore their own culture, their own creativity through the language of their choice, whether as consumer, participant or artist. Our commitments to the Welsh language are set out in our [Welsh Language Scheme](#), with our [Action Plan](#) explaining how we translate those commitments into actual activity. Both documents are available on our website together with our [Bilingual Toolkit](#).

We will expect all members of the portfolio to deliver the following:

- Fully bilingual marketing, communications and website
- Plans to increase the Welsh Language content of your work
- Plans to develop and raise awareness of Welsh Language considerations amongst your staff and board



Don't forget that the Arts Council of Wales has commissioned a Welsh Language Toolkit which offers best practice guidance for arts providers



All members of the Arts Portfolio Wales are expected to let us have a copy of your revised Welsh Language Plan. This should be agreed by your Board, and be with us by **July of each year**. The exact date is noted in your individual payment schedule.

A commitment to Well-being and Sustainability...

The Welsh Government's stated vision for Wales is to be fair, prosperous and confident, improving the quality of life of its people in all of the country's communities. The Government's new Well-being of Future Generations Act enshrines these principles and requires public bodies, such as the Arts Council, to operate within the framework that the Act defines.

The all-encompassing vision of the Act resonates with our belief in the place and function of the arts in contemporary Welsh society. And as one of the organisations covered by the Act we are now legally obliged to make sure that when making our decisions, we take into account the 7 Well-being Goals and 5 Ways of Work enshrined in the Act and consider the impact that our actions could have on people living their lives in Wales in the future.

The Well-being of Future Generations Commissioner is clear that the Act should not be seen as another layer of compliance and bureaucracy. Rather it should be seen as an holistic approach to running our organisations. We agree with this approach and so we will not ask you for a specific plan. We do however want to see our Arts Portfolio Wales organisations working as socially and environmentally responsible businesses and would expect to see this approach reflected in your business plans.



As a matter of good business practice, we expect all members of our Portfolio to ensure that the requirements of the Well-being of Future Generations Act are reflected in their business plans.

Climate change and environmental protection are amongst the most urgent issues of our time. Organisations who understand environmental sustainability accept that they must plan and deliver their programmes of work having first considered the environmental impact of doing so.

3

Your role as a national company

Valuing our national companies

We want strong, visionary national companies that reflect well on the creative reputation of Wales – national companies of which the people of Wales can feel proud. National organisations occupy a pre-eminent role in the cultural life of Wales. They play a leading role in helping to deliver our arts strategy, *Inspire...*

Make

- creating and presenting work of national and international significance
- benchmarking against the best, in the creation of work considered integrally with public engagement.
- showing leadership, nurturing and developing talent across Wales
- providing opportunities to develop the country's artistic and technical capacity
- demonstrating a generous approach to collaboration, sharing resources and building partnerships across the arts
- engaging, in a meaningful way, with the artistic community in Wales, having a policy setting out the way the company supports Wales-based artists

Reach

- demonstrating the highest professional standards, excellence and best practice in its public engagement
- embedding a commitment to diversity and equality throughout its governance, organisation and work
- developing the ways and means through which the company fulfil its national remit across Wales through touring, residencies, workshops, digital connection, and other patterns of engagement and involvement
- engaging in a committed and imaginative way to ensure the development of the widest possible audiences and participants for and in the arts across Wales, further afield in the UK and internationally
- having a creative, dynamic and practical Welsh Language policy
- finding opportunities to support the national plan for *Creative Learning through the Arts*

Sustain

- building the networks, partnerships, and communities of interest that will contribute to the future sustainability of the company
- working individually, and collectively with the other national companies and other partners, to develop artistic and operational opportunities for collaboration that maximise value for money
- promoting and upholding freedom of artistic expression

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Performance monitoring: the basics

Financial Monitoring

Your **unique** payment schedule is attached as an appendix to your Funding Agreement and shows all the pieces of information that we need from you in order to:

- satisfy ourselves that you are managing this part of your business effectively
- satisfy our funders that the portfolio is working – this helps us advocate for continued funding for the arts in Wales
- release your payments



What we expect is detailed in the [Business Monitoring of Arts Portfolio Wales](#) document.

It's important that we receive timely information from you. Deadlines for submission are outlined in your unique payment schedule.

Providing information when it's due is vital if we're to be able to provide timely information to Welsh Government and other stakeholders. We need to receive everyone's data before we can collate it, analyse and advocate on your behalf. Our officers also need time to check it before releasing your payment.



If you feel that you can provide what we need in a slightly different format, then please speak to us to discuss this. We don't want you to do extra work on formatting when it's not necessary.



If you'd benefit from other assistance, or your organisation has particular training needs, then please let us know. We might be able to include it in a future session of our Arts Portfolio Wales Development Programme.

Quality Appraisal

We use Quality Appraisal to provide feedback from peers on the performance of members of the Arts Portfolio Wales. Each year we'll commission two pieces of Quality Appraisal on your work from our National Advisers. We'll tell you which adviser has been allocated to you so please put them on your mailing lists and keep them informed of developments. (We might also from time to time use one of our wider pooled advisers should we not be able to ensure the attendance of an attached adviser for a specific event.)

These reports will be fed back to you on completion, generally within two weeks of the event, exhibition or workshop. The focus of our Quality Appraisal work will be agreed in dialogue with your Lead Officer.

Context is all. So we'll want to look at creative intent, at delivery and at audience and to suggest (or capture) any learning points. Quality Appraisal may focus on a single event, exhibition or performance, strands of programming, particular initiatives within a programme, or on participatory and workshop processes. In the course of the year your Lead Officer will have access to the views of other Arts Council colleagues who might have seen your work around the country. You might provide us with other media coverage, critical writing and other feedback (for example, from audience surveys). We'd be pleased to receive it.

These along with the Quality Appraisals of Advisers are brought together in a [Quality Appraisal Overview](#) undertaken by the Lead Officer annually.

'Radar' Report

Reviewing performance and assessing potential risk is at the heart of our monitoring of Arts Portfolio Wales. 'Radar Report' is the name given to our internal document that looks at every individual member of the Arts Portfolio Wales and assigns a 'risk rating' to each.

These ratings enable us to agree the level of monitoring, support and guidance that is appropriate. The ratings are usually reviewed quarterly and are shared with our Council and Audit and Risk Assurance Committee.

They are informed by:

- our review of financial information provided as part of our standard Business Monitoring
- Funding Agreement Meetings
- our review of your Business Plan
- regular officer contact
- our attendance at your Board meetings
- capital and Lottery project monitoring (if applicable)
- Quality Appraisal
- information contained in our Survey work

Do bear in mind that being high risk doesn't necessarily mean that we feel you're performing badly or failing to react to circumstances. Sometimes it's important to take a risk, to innovate or to move beyond your comfort zone. Provided such moves are well-judged and not reckless, you'll find us supportive.

Portfolio Survey

Every 6 months (in line with the financial year) the Arts Council Research Team conducts a survey of Arts Portfolio Wales organisations. The survey collects information on organisations' activity, including the events they run, attendances to these events, and information on employment.

Completion of the Survey is a condition of the funding that Arts Portfolio Wales organisations receive. The information drawn from the survey provides us with key evidence that helps us to present the case for funding to the Welsh Government. It's equally important that we're able to account for the use of our funds, and our records in this area are closely audited. Non-completion of the survey, or the submission of incorrect data, compromises our ability to advocate and campaign for the arts in Wales and could also affect organisations' eligibility for future Arts Council of Wales funding.

There are two deadlines within your unique payment schedule for each 6 month reporting period.

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We need to talk...

On rare occasions we sometimes find ourselves having to withdraw funding from an organisation. Obviously we try to avoid this without good reason, but it can be triggered by a range of circumstances, most likely one of the following:

1. We have concerns about the standard of performance in relation to one or more of the following:
 - Artistic activity
 - Governance and Administration
 - Finance and Budgeting

In these circumstances, the decision to withdraw funding will usually be the final stage of our ongoing monitoring and review.

2. You are being funded to deliver work that fulfils our priorities but have changed the nature of your work so that you are delivering work that would not be considered a priority.
3. You are unable to deliver your agreed programme of activity as described in your Funding Agreement in an effective manner at present resource levels.
4. Changes in our strategy or strategic priorities dictate that withdrawal, reduction and/or reallocation of funding is necessary. Such decisions will usually be the final stage of a strategic review.
5. Where fraud or serious misconduct has been established.
6. Where you have decided to cease trading, or are in administration or liquidation;
7. External factors dictate that withdrawal is necessary. The decision to withdraw funding may be due to factors that are not within our control, such as a reduction in or constraint on the available funding that we have at our disposal.

The action taken will be different for each scenario. We're committed to working with organisations to manage these processes and we'll normally try to give 12 months' notice of our intention to withdraw funding. This period may be shortened or lengthened, taking into account the nature of the decision for withdrawal.

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What you can expect from us...

- The artistic freedom to exercise your programming ambitions within the overall strategic priorities and policies that we have agreed.
- Prompt, efficient and courteous service from all Arts Council staff.
- Your lead officer's attendance at a minimum of two Board or management committee meetings per year. (They won't act as a shadow director, but will offer best practice advice or Arts Council policy guidance as appropriate. Where appropriate they will bring colleagues with them.)
- Treatment of your confidential business information with respect and due care whilst adhering to the requirements of the Freedom of Information Act. We will also process any personal data you provide in compliance with the Data Protection Act. We won't disclose such confidential information to third parties without your consent, provided that the withholding of information is consistent with our obligations under the Freedom of Information Act.
- Access to our Development Programme, other training and briefing sessions, and publications on relevant issues.
- Timely payment of your grant instalments, provided we've received the requested information from you and we have received the money from the Welsh Government.
- National advocacy for your work, your sector and the arts at large in Wales. This will include publication of statistics and trends from the six-monthly Portfolio Survey.
- An honest and informed opinion of your artistic work and your organisation. Our staff will work with named advisers to appraise the quality of your work. We will ensure that we see and formally report on at least 2 exhibitions/productions/events each financial year. We will provide other advice, comments and feedback as appropriate and we will listen to your feedback as well. We will provide our written opinion of your artistic programme based on the formal reports and other officer advice.
- If at any time during the period covered by our grant we feel that an aspect of your work does not meet the terms of this Funding Agreement, or the Standard Conditions of Grant that were enclosed with your Grant Offer Letter, we will inform you in writing. Our 'Policy for Managing Funded Organisations' document outlines the process that will be followed in such cases. It is available on our website.