



Funding in culture and sport

Welsh Government response to CCWLSIR Committee report.

21/02/2025

Summary

The CCWLSIR Committee has considered Welsh Government funding for the culture and sports sectors over the last decade and made several recommendations and conclusions for the Welsh Government's consideration.

The Welsh Government response to the 13 recommendations and 3 conclusions is outlined below.

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1. Introduction

The CCWSIR Committee published its report for its inquiry into the Impact of Funding Reductions for Culture and Sport on 9th January 2025. We thank the Committee for the report.

The Welsh Government has considered the Committee's report and responds to its recommendations and conclusions below. For each recommendation we have provided a written response and either decided to 'accept', 'accept in principle' or 'reject' each recommendation. For each conclusion we have provided a written response.

2. Recommendation 1

The Welsh Government should increase funding for culture and sport until they are comparable (in terms of spending per head) with those of similar nations.

Response: Accept in principle

The culture, arts and sporting sectors make a vital contribution to our society, enriching our communities and inspiring future generations. Over recent years, the Welsh Government has had to take difficult decisions to protect frontline services following challenging funding settlements from the UK Government.

The Welsh Government has noted the Committee's comparisons between Wales and other countries. However, it is important to note that the analysis of funding allocations in Wales compared to other European countries is not a direct like-for-like comparison. The report itself includes a caveat that countries report figures in different ways.

On 20 February, the Welsh Government published its Final Budget for 2025-26 which included an additional £4.6 million revenue funding for arts, culture, creative industries, heritage and sport in Wales, bringing the total additional revenue investment for 2025-26 to £9.6 million. As part of our Draft Budget published in December, we had already provided an additional £5m revenue for arts, culture and sport as well as an additional £18.4m capital for the sector. Our additional revenue investment returns our stakeholders to their revenue budget positions in 2023-24 prior to the cuts that were implemented as part of the 2024-25 budget.

Whilst we have an ambition to enhance budgets for these sectors in future years, this will be dependent on many other factors. Some of these factors are outside our control, including the UK Government's Spending Review to be concluded later this year.

Financial implications: No additional financial implications for the MEG

3. Recommendation 2

The Welsh Government should consider introducing, across all its departments, a 'preventative' category of spend in future budgets, moving towards a longer-term budgeting view to help build and protect population health. This would help recognise and properly fund culture and sport for the value they have beyond their intrinsic worth.

Response: Accept in principle

Further embedding a preventative approach will be an important consideration of the ongoing Welsh Spending Review, which will look at the longer-term fiscal planning for the Welsh Government and which will feed into future budgets at the appropriate time.

Financial implications: None

4. Recommendation 3

The Welsh Government should revisit the fees involved in the National Exercise Referral Scheme.

Response: Reject

Public Health Wales funds the scheme as part of its core budget allocation from the Welsh Government, and it is delivered by local authorities and leisure trusts. Each local authority makes decisions on how to use the grant funding based on local needs and priorities. Public Health Wales uplifted the scheme by 3% in 2024-25 and are considering options for 2025-26. While Public Health Wales deliver the scheme as part of its core budget allocation, both Welsh Government and Public Health Wales are conscious of the increased costs borne by Local Authorities, and Public Health Wales are in regular dialogue with providers.

Financial implications: No additional financial implications

5. Recommendation 4

The Welsh Government should develop a collaborative cross-department strategy to funding culture and sport, to ensure that funding decisions are joined up with wider government priorities, especially health and education. This strategy should recognise sport and culture as key vehicles to achieving the goals of the Well-being of Future Generations (Wales) Act 2015

Response: Reject

We consulted on our draft Priorities for Culture during summer 2024. Once published, the Priorities will offer the strategic framework against which future decisions for funding the culture portfolio will be made.

Sport Wales' strategy already sets out how it engages across wider government and how it collaborates with organisations and values the strong and vibrant network of people and partners across Wales already creating innovative approaches to delivering sport.

Culture and sport are already mainstreamed into several Welsh Government policy areas. It is crucial that sectors and organisations within the culture and sport portfolio continue to receive funding from other parts of the Welsh Government and we have provided the Committee with positive examples where this has previously taken place, including from the health and education portfolios. We will, of course, endeavour to make further progress on cross-departmental collaboration in future.

Financial implications: No additional financial implications for the MEG

6. Recommendation 5

The Welsh Government should empower culture and sport organisations by enabling them to spend additional funding provided by the Welsh Government according to their own governance processes, and not requiring undue additional authorisation from the Welsh Government. In doing so, it should consider how it can remove barriers such as business case requirements, and instead provide more funding as additional contributions to their grant-in-aid

Response: Reject

The grant-in-aid provided to culture and sport arm's-length organisations has the specific purpose of supporting their operational costs or is funding they pass on as grants to other organisations. Where separate, additional funding is requested by those organisations for specific projects, for example to support infrastructure improvements, the approach agreed requires additional information to be provided through the development of business cases. The requirement to develop a Five Case Model methodology business case is incumbent on all public bodies, as per the [HM Treasury Green Book](#). The [business case guidance](#) is designed to be used proportionately, in line with the level of spend and risk associated with a particular initiative and with consideration to the route to market i.e., type of procurement. The business case development process is used to clearly define the project and assess its risks, value for money, strategic fit and deliverability, allowing officials to provide robust advice to Ministers about significant investment decisions. Outside of specific competitive grant schemes, this approach is used as standard across the Welsh Government for infrastructure projects.

Financial implications: No additional financial implications for the MEG

7. Recommendation 6

The Welsh Government should conduct a comprehensive review of the state of sport and cultural facilities, including how to make best use of sport facilities at schools. This review should consider the barriers that might prevent greater use of school facilities out of teaching hours and how to overcome those barriers.

Response: Accept in principle

The importance of appropriate spaces for participation and enjoyment of culture was a clear theme in the responses to the consultation on the draft Priorities for Culture. Improving our understanding of the existing physical infrastructure for culture will be an area of focus as we begin to implement the new Priorities - this, in turn, will improve our planning for long-term strategic capital investment across Wales.

Many reviews have already been undertaken to support our work, and these are outlined below.

Sport

Following the Local Government and Housing Committee's report *Local Authority Leisure and Library Services*, in collaboration with CLOW, the Chief Leisure Officers Wales, we have conducted a survey of the leisure estate in Wales's local authorities and are currently assessing that data. To supplement this work, we are also conducting a review of sports facilities with National Governing bodies to assess the priorities for key specialist sports facilities across Wales. This work will be completed in the next few months.

Data collected by Sport Wales on Artificial Grass Pitches will shortly be published on Data Map Wales. Sport Wales also collects some data on the provision and use of school sports facilities through the School Sport Survey.

Museums, libraries and archives

Our Transformation Capital Grant programme provides funding for local museums, libraries and archives. In 2022 we commissioned an evaluation of the programme including some reflections on the future capital needs of our local sectors. Building on this, we recently appointed contractors to provide independent analyses of the local museum sector's capital investment needs. This will provide independent evidence of the nature and scale of infrastructure issues faced by the local sector.

In 2023-24 the Welsh Government commissioned a review of collections management by local authority and independent museums in Wales and our national arm's length cultural organisations. This showed that for museums situated in historic buildings it can be extremely difficult and costly to maintain the environmental standards required to care for collections, some of which could be at risk. In response the Welsh Government launched a grant scheme to improve storage facilities. Eight awards have recently been made.

We also monitor access via our different data collection methods including sector services surveys such as the Museum Spotlight Survey and the Welsh Public Library Standards.

Theatres

The Arts Council of Wales commissioned a review into its *Capital Funding 2010-2023* for internal purposes. The research, led by *Think Philanthropy*, identified a series of recommendations that ACW are now considering in its approach to distributing capital funding to best support arts facilities in Wales.

The Welsh Government's *Invest in Theatres* programme via ACW has provided vital investment to 26 theatres and venues across Wales over two years.

School facilities

Through our Sustainable Communities for Learning Rolling Programme, the new 9-year wave of capital investment in education infrastructure throughout Wales, and our Community Focused Schools capital grant, we will continue to support investment in and embed the importance of making our schools more community focused so that facilities, including their sports amenities, can be accessible for all. We will monitor investment and work with our stakeholders to ensure they are making best use of their facilities and share management systems employed to support this through our stakeholder engagement sessions

Financial implications: No additional financial implications for the MEG

8. Recommendation 7

The Welsh Government should provide the Committee with a breakdown of how the additional in-year funding of £5 million has been spent.

Response: Accept

The £5m revenue funding announced in September 2024 was allocated as follows:

- £1m to Sport Wales, who in turn decided to pass on the additional funding to National Governing Bodies of sports and their partners, with the key aim of mitigating previous spending cuts as part of the 2024-25 budget.
- £1.5m to the Arts Council of Wales to be used to provide support to arts organisations, focusing on organisational resilience.
- £745k to Cadw to maintain financial sustainability and fulfil statutory obligations during the current financial year as well as helping it to invest in commercial activities to generate income.
- £940k to Amgueddfa Cymru to develop its visitor experience, for commercial development and to improve governance.
- £725k to the National Library of Wales to support its pension fund and for digital infrastructure.
- £90k to the Royal Commission on the Ancient and Historical Monuments of Wales to employ graduates on fixed-term contracts to support its library and enquiries service, to increase the amount of self-service access to records available to users of Coflein and to update and improve the historic environment records available online.

In addition to the £5m announced in September 2024, the Welsh Government allocated a further £1 million of additional in-year revenue funding in December 2024 to increase support for organisational resilience in the arts sector, through the Arts Council of Wales.

Financial implications: As above. No additional financial implications for the MEG

9. Recommendation 8

The Welsh Government should provide greater strategic direction to enable the culture and sport sectors to thrive and deliver the Welsh Government's objectives and priorities. To this end, the Welsh Government's forthcoming Culture Priorities should contain clear and measurable commitments towards this aim.

Response: Accept in principle

We already provide a very clear strategic direction to the national culture and sport bodies through our term of Government remit letters and through the development of annual operational plans.

The draft Priorities for Culture have been developed in a way which ensures they deliver on several of the Welsh Government's wider objectives and priorities. For example, our net-zero ambitions, digital strategy, our focus on young people, our work on equalities and many other areas are reflected in the draft priorities and supporting ambitions. The purpose of the draft priorities and ambitions is to provide high level, strategic direction - they are not intended to prescribe in detail on matters of implementation.

Financial implications: No additional financial implications for the MEG

10. Recommendation 9

The Welsh Government should develop a school swimming strategy to ensure that children leaving primary school have the ability to swim. This strategy should recognise the importance of providing adequate facilities and transport

Response: Accept in principle

The Welsh Government agrees with the intention of the recommendation to ensure that children leaving primary school have the ability to swim. However, we need to be mindful of the financial pressure the recommendation would imply for schools in the current difficult financial circumstances.

The statutory guidance within the Curriculum for Wales, which all schools must consider, includes learners engaging in a range of physical activity, including within water. This provides for swimming, which is likely to be the appropriate activity for most learners. We aim to help make this expectation clear for schools and raise awareness of the profile of swimming and water safety within the curriculum.

We are committed to encouraging schools to support learners to swim and make use of swimming pools in the course of this. Officials are working with Swim Wales to explore further ways of supporting schools and local authorities with their swimming offer. The cost of swimming, including transport can be a significant pressure for schools. In the context of a cost-of-living crisis, it is important that schools are able to commit funding to activities that support their learners' needs and at times, schools may have no option but to pass some of this cost on.

We recognise the significant pressures schools and local authorities are under and appreciate the great efforts of the school workforce as they continue to operate in such challenging circumstances.

Decisions on the level of funding available to schools and to other services are made by each authority as part of their overall budget and council tax setting. This is in line with the Welsh Government's policy that local authorities are best placed to judge local needs and circumstances and to fund schools accordingly.

Financial implications: No additional financial implications

11. Recommendation 10

The Welsh Government must respond to the concerns of the publishing sector and consider increasing its funding of the sector.

Response: Accept

The Welsh Government's Final 2025-26 Budget, published on 20 February 2025, provided a further allocation of £272,000 to the Books Council of Wales, which builds on the £120,000 allocated at Draft Budget and increases their budget in 2025-26 by £392,000 when compared to the 2024-25 grant.

Financial implications: No additional financial implications for the MEG

12. Recommendation 11

The Welsh Government should review the remit letters of its funded organisations in light of their reduced real-terms funding. Requirements in remit letters should be clear and tangible, and proportionate to the level of funding.

Response: Accept

We will take forward this recommendation as we prepare new Term of Government Remit Letters from 2026-2027 onwards.

In light of reduced funding in recent years, we have already reviewed the expectations set out in the existing remit letters. Following engagement with the arm's-length bodies, we concluded their remit letters contain sufficient flexibility for the organisations to continue to deliver to it within their respective operational plans. The remit letters continue to aptly set out our broad expectations for this term of government and provides strategic context. However, we fully appreciate that more realistic objectives need to be set to reflect the contexts in which they are now working, and this will be monitored on an ongoing basis. We are working with each organisation as they prepare operational plans for 2025-26, demonstrating how they will deliver against the objectives of their respective remit letters.

Financial implications: No additional financial implications.

13. Recommendation 12

The Welsh Government should analyse the most suitable model for funding national arts companies: whether this be from the Arts Council of Wales (as currently), the Welsh Government, or a combination of the two.

Response: Accept in principle

Through both multi-year and project funding, the Arts Council of Wales supports organisations of varying sizes, reflective of the range of organisations that contribute to the arts landscape in Wales.

The Welsh Government continues to believe that working under the strategic framework we set, the Arts Council of Wales is best placed to distribute the Welsh Government's arts funding across Wales.

Following its Investment Review process in 2023, the Arts Council of Wales announced multi-year funding support for 81 organisations of a range of sizes from 2024-25. Applications were assessed in line with the published guidance, which was subject to a consultation process. The guidance focused on six principles: *Creativity, Widening Engagement, Welsh Language, Climate Justice, Nurturing Talent, and Transformation*. The Arts Council of Wales also applied five balancing factors to take a wider view: *a wide range of artforms and creative opportunities; serving communities across Wales; underfunded and unheard voices; public value; and the size and shape of applicant organisations*.

The Welsh Government recognises that the Arts Council of Wales followed a robust process through its Investment Review and considers this process to be the most suitable funding model.

Further information on the Investment Review process is available publicly on the Arts Council of Wales' website.

Financial implications: No additional financial implications

14. Recommendation 13

The Welsh Government should set out how it intends to take forward the National Contemporary Art Gallery project, including how it will be funded.

Response: Accept in principle

We have recently received, and are considering, a revised proposal from the project partners which includes a proposed funding model. The model draws on funding from several sources and aims to reduce reliance on funding from the Welsh Government alone.

The partners have agreed that following the completion of the capital investment in the nine galleries participating in the dispersed model for Celf, the administrative lead for the partnership will transfer from the Arts Council of Wales to Amgueddfa Cymru.

Future governance arrangements are currently being developed, with initial proposals having been discussed at the Project Board. A workshop with members of the Project Board is being planned to make further progress on the proposals.

Financial implications: No additional financial implications. Funding of the National Contemporary Art Gallery will be managed within existing budgets.

15. Conclusion 1

The Welsh Government should provide an update on implementing recommendation 6 in the Local Government and Housing Committee report on local authority library and leisure services.

Recommendation 6 in the Local Government and Housing Committee report on local authority library and leisure services: The Welsh Government should take all reasonable steps to develop stronger links between public leisure and health services. This should include developing a new policy framework for public leisure, which closely links with health and wellbeing services. As part of the process, the role of Public Services Boards and Regional Partnership Boards in improving joint working between health and public leisure services should also be reviewed.

Response:

We already make connections between health and leisure, through activity such as the National Exercise Referral Scheme and the 60 plus Active Leisure Scheme, which are in turn part of our Healthy Weight Healthy Wales Strategy and Delivery plans.

The Welsh Government published its report into partnership working in January 2024. The recommendations confirmed the role of local leaders to streamline and strengthen work between strategic partnerships, such as Public Services Boards (PSB) and Regional Partnership Boards.

Officials continue to develop the [National Framework for Social Prescribing](#) which aims to develop a common understanding of the language used and the approach taken to social prescribing in Wales; support social prescribing practitioners and drive-up skills; set out the outcomes expected from a user, organisation, commissioner and referrer perspective; and ensure a quality of provision by community assets, including those in public leisure. It will also monitor and evaluate the development of social prescribing as it continues to grow across Wales. Furthermore, through development of the National Framework each Regional Partnership Board has identified a social prescribing champion to lead developments within their respective region, and report accordingly how social prescribing is progressing.

16. Conclusion 2

The Welsh Government should provide an update on progress in implementing recommendation 3 in our report on participation in sport and physical activity in disadvantaged areas.

Recommendation 3 in the participation in sport and physical activity in disadvantaged areas report: We recommend that the Welsh Government fund the opening up of school facilities in disadvantaged areas to increase opportunities to participate in sport and physical activity in those areas. This should be done as follows:

- i. The Welsh Government should review the findings of the different pilots that are taking place with regards to opening schools for wider community use and report and publish a response to this work by no later than July 2023.
- ii. Work with local authorities to undertake a Wales-wide audit of school sport, leisure and physical activity facilities to identify what exists what is the state of these facilities. This should include considering how accessible these facilities are in terms of travel method, including pay special attention to the location of Welsh-medium schools in relation to the community they serve.
- iii. Following completion of this audit, the Welsh Government should identify the areas that require the most urgent support to ensure equity of access to sport and physical activity opportunities and provide the appropriate funding levels to make it happen.

Response:

We continue to work with Local Authorities, through the Chief Leisure Officers of Wales Group, to help us better understand provision of leisure facilities across Wales and understand where there may be gaps. This work has been complemented by data on the provision and use of school sports facilities, collected by Sport Wales through the School Sport Survey.

Ensuring our educational facilities support the health and wellbeing of our children and also that of the local community, has always been a key aim underpinning investment through the Sustainable Communities for Learning Programme. Local authorities and other delivery partners are actively encouraged to think innovatively about the provision of physical education facilities in their investment proposals.

Our Term of Government remit letter to Sport Wales sets out our expectation that Sport Wales will deliver on our Programme for Government commitments to promote equal access to sports for everyone, to support young and talented athletes, and to support local sports clubs and community organisations.

The funding we have provided to Sport Wales, both capital and revenue, is targeted at deprivation and wider inequalities. This has been proven to promote equal access to sport, and has demonstrably delivered against this agenda.

The Be Active Wales Fund has had a positive impact. It directly supports grassroots sports, offering grants from £300 to £50,000 to sports clubs and community organisations to support projects that promote equality, sustainability and innovation in sport. This helps clubs and organisation access support for equipment, coach education, training, pitch maintenance and a wide range of other interventions that directly help sport in Wales take place. In addition to upskilling volunteers and helping with equipment costs, the fund also supports outreach aimed at people who are currently under-represented in sport and physical activity.

17. Conclusion 3

The Minister for Skills, Culture and Social Partnership should hold discussions with the Cabinet Secretary for Education and the Cabinet Secretary for Finance and Welsh Language about how the publishing sector can support improving the literacy of the people of Wales and the Welsh Government's ambition of a million Welsh speakers.

Response:

The Welsh Government recognises the important contribution the publishing sector makes to a range of Welsh Government priorities, including support for literacy and Cymraeg 2050 ambitions, and funding is awarded to the Books Council from a number of Welsh Government departments to deliver schemes aligned to these wider priorities

Via our funding agreement with Adnodd, we will fund BookTrust Cymru for a range of initiatives including Bookstart and the Letterbox club and the Books Council for literacy specific programmes, including Quick Reads. In addition, our new Curriculum for Wales grant support programme prioritises proposals for delivery from April that promote a love of reading to help develop good reading, literacy and language skills.