



Cyngor Celfyddydau Cymru  
Arts Council of Wales



## Policy for Managing Members of the Arts Portfolio Wales

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Leap Forward, NEW Dance at Loggerheads Country Park (image: Michael Jenkins)



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# Policy for Managing Members of the Arts Portfolio Wales

## 1. Introduction

- 1.1 Members of the Arts Portfolio Wales ('members') are those clients in receipt of recurrent grants, awarded on an annual basis, towards their core activities. The Arts Council of Wales's investment in portfolio members is one of the key means by which we aim to achieve a portfolio of organisations which are artistically vibrant, financially durable and with a level of investment that is sustainable given the current economic context. The portfolio assists us in delivering the strategic priorities outlined in our Corporate Plan and agreed with the Welsh Government.
- 1.2 The Arts Council supports arts organisations in a range of ways and for some organisations regular funding is not the most appropriate model. Our Lottery funding, for example, provides project-based funding on a more flexible basis and does not involve the kind of ongoing formal requirements associated with Arts Portfolio Wales funding.
- 1.3 In order to deliver our strategic priorities and those of the Welsh Government, we need to focus our resources on those clients whose work is most able to deliver on those priorities. This policy outlines the processes for achieving that.

## 2. Investment in new Portfolio Members

- 2.1 A dynamic and effective portfolio is essential for us to deliver our vision and our strategic priorities. Consequently from time to time we will be in a position to either create, or take on, new members.
- 2.2 The opportunity for us to offer regular funding to organisations which have not received it before depends on the amount of funding for the arts provided by Government, and on how well our existing regularly funded organisations are performing. This situation can be triggered by a range of circumstances, but is more than likely to occur for one of the following:
  - a change in our strategic priorities, either by the inclusion of a new initiative or a change in emphasis, that means that existing members are not able to provide what we are looking for
  - additional money available for the development of new or existing strategic priorities that require investment in new members.

- Members, for whatever reason, exit from the portfolio creating a gap in the delivery of our strategic priorities

2.3 If the Arts Council wishes to consider funding new members to meet specific priorities, then it would do so on the basis of a clearly defined, and published, process. The process may involve one or more organisations depending on the situation. Typically this may take the form of an Investment Review as we undertook to decide on our 2016/17 Portfolio

2.4 Any invitation to be considered for Arts Portfolio Wales status will be at the discretion of Council. Council will also make the decision as to which organisations will be funded as members. Previously new members have typically been added by an Investment Review Process, the last of which was held to decide on the 2016/17 Portfolio.

### 3. What will guide our future investment decisions?

3.1 A range of factors will inform our future investment decisions. These factors will be guided by our key strategy documents which will be published on our website and will be updated from time to time as part of our regular reviews of our priorities.

3.2 Our Corporate plan provides the **policy** context for our funding decisions. You should make sure that you're familiar with these documents, and with our other arts strategies. Together, they describe our longer-term ambitions.

3.3 Our ongoing processes of monitoring, assessment and review look at organisations' **performance**. We do this in a variety of ways – attendance at events and Board meetings, by looking at your own self-assessment, studying financial and organisational data, and through our routine monitoring processes (including quality monitoring) during the course of the year.

3.4 We've also produced a Quality Framework for the Arts in Wales, the current version of which is called *Strive to Excel*. This framework explains how we judge the success of the organisations that we fund. It provides an important checklist of the key criteria that inform our funding decisions.

3.5 The final area for consideration is **portfolio development** – the range and type of organisations that we should be supporting to raise standards and improve access to the arts. We believe that this ambition will be best achieved by expecting our Portfolio members to be 'exemplars' in their field. Individually and collectively, the quality of their work, their organisation and their impact would be

of such a standard that others would aspire to a comparable level of achievement.

3.6 In our view, a 'healthy' portfolio of organisations will offer:

- **an eclectic and interesting range of artforms** – from time to time, we will place a particular emphasis on aspects of the arts that we want to develop as a priority. However, this must be underpinned by a range of artistic practice, specialist as well as more broadly based
- **professional opportunities for employment in the arts** – we welcome, and applaud, the important work carried about by voluntary and amateur arts groups. However, we're also keen to see the arts professions develop and grow
- **size and type** – we want to support a lively and interesting mix of sizes and types of organisations: large companies with an international reputation, and those whose work is more locally based in a particular community; building-based companies, or those who exist primarily to tour; the established providers of high-quality programming, and the emerging and innovative who are working in new and less familiar ways
- **strategic potential** – we expect all organisations in receipt of future funding to be able to demonstrate that they are effective, efficient and high performing. That will be our 'default position'. It's conceivable, however, that an under-performing organisation might stake a claim for support on the basis of its unique artistic, geographical or community relevance. Such organisations would only be supported if there was clear and unequivocal evidence that any necessary improvements could be achieved
- **evidence of partnership** – a healthy portfolio of organisations is one that's able to attract financial support from a range of other stakeholders, reducing the reliance on Arts Council funding
- **diversity** – our portfolio mirrors the diversity of contemporary Wales. Our unique history and bilingual heritage provides us with a rich and diverse cultural landscape. Our investment decisions must reflect the need to reach as widely as possible across communities in Wales
- **geographical spread** – we want to support a network of Portfolio members across the whole of Wales



## 4. Managing the on-going investment

- 4.1 Regular funding carries with it a range of requirements and responsibilities which can sometimes be onerous. This is one reason why for some arts organisations regular funding is not the most appropriate model. Formal requirements include the need to provide the Arts Council with monitoring information such as business plans and Board papers. Another important requirement is the need to have systems in place to record statistics collected by the Arts Council (for example, on audience numbers).
- 4.2 Once an organisation has been taken on as a member of the Portfolio, it will be allocated a lead officer who will be the principle point of contact with the client. The organisation may have contact with a number of other Arts Council officers; these officers may include Portfolio Managers or members of the Investment and Funding Services Team.
- 4.3 The principal document governing the relationship between the Arts Council and each of its Portfolio Members is the annual Funding Agreement. This is a partnership agreement that usually runs for one year, although in some cases may be for a longer period. The Funding Agreement sets out targets and the relationship between the two parties and accompanies a more detailed Arts Portfolio Wales Handbook which contains generic information on our expectations for all members as well as a sector specific section.
- 4.4 We review the performance of each Portfolio member every year via our Annual Review process. The annual review considers its performance under the terms of their Funding Agreement.
- 4.5 Each year, as part of its Funding Agreement, every member is required to complete two Arts Portfolio Wales surveys, which are used for monitoring purposes, to develop policy and to help us advocate the case for funding the arts to Government.
- 4.6 From time to time we will carry out an in-depth appraisal of a member which, where appropriate, will cover all aspects of its work, the delivery of its artistic vision, its governance, its management and its financial position. In addition we may carry out a sector review, which will involve looking at one particular sector such as an art form. These will usually involve Arts Council officers and its representatives such as our National Advisors.

## 5. Withdrawal of Funding

5.1 From time to time it might become necessary for us to withdraw funding from one or more of our Portfolio members. The withdrawal of funding can be triggered by a range of circumstances but is more than likely to occur for one of the following:

i 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 of an individual organisation.

ii The organisation is being funded to deliver work that fulfils our priorities but has changed the nature of its work so that it is delivering work that would not be considered a priority.

iii The organisation is identified as being unable to deliver its agreed programme of activity as described in its Funding Agreement in an effective manner at present resource levels.

iv 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.

v. Where fraud or serious misconduct has been established.

vi Where the organisation has decided to cease trading, or is in administration or liquidation;

vii 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, available funding.

The action needed to reach the decision to withdraw funding will be different for each scenario.

5.2 We are committed to working with our Portfolio members to manage the process of withdrawal of funding. We will normally 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.