

Written Response by the Welsh Government to the report of the Culture, Welsh Language & Communications Committee entitled Impact of the COVID-19 Outbreak on the Creative Industries

The Welsh Government welcomes the findings of the report and offers the following response to the nine recommendations contained within.

Recommendation 1

The Welsh Government should set out how it will prioritise the additional funding announced by the UK Government as a matter of urgency. The Welsh Government should also commit to spending the whole amount, £59 million, on arts, culture and heritage.

Response: Accept

On 30 July 2020 the Welsh Government announced a £53 million Cultural Recovery Fund to help support and sustain the sector due to the ongoing challenges resulting from the Covid-19 pandemic. The fund is intended to provide essential support to theatres, music venues, heritage sites, museums, galleries, events and festivals, independent cinemas who have all seen a dramatic loss of revenue due to the pandemic. Funding will support both organisations and individuals in the sector.

The support has three complementary elements; funding, to protect sustainable organisations and as many jobs in the culture sector as possible, a cultural contract, to use the funding to drive transformational change and support new ways of working and a roadmap to re-opening, to ensure support is aligned to safe reopening at the earliest opportunity.

The funding will be delivered through three strands:

- Welsh Government funding to support organisations;
- Arts Council of Wales funding to support organisations;
- Support for individuals.

The intention is to open the Arts Council of Wales element of the fund mid-August and the Welsh Government elements for applications in mid-September.

Taken alongside the £18m portfolio funding package announced in early April to support the emergency response, the Welsh Government's funding to the culture sector this year has gone beyond the consequential received. Further support has also been provided across the sector through the Welsh Government's Economic Resilience Fund.

Financial implications: An additional allocation of £53m in 2020-21 comprising £50m revenue and £3m capital will support the Wales Cultural Recovery Fund.

Recommendation 2

The Welsh Government should work with the UK Government to explore ways of financially supporting workers in the creative industries who, as lockdown eases, are still not able to return to work safely.

Response: Accept

The Welsh Government has earmarked £7m within the Wales Cultural Recovery Fund to support individuals working in the cultural and creative industries impacted by the COVID-19 pandemic. The Welsh Government recognises the challenges associated with resuming activity in the creative industries in light of the measures taken to limit the spread of the virus, and the significant impact this is having on the ability of individuals and freelancers in the sector to find work and generate an income. The fund will provide critical support to these individuals, who are an essential part of the creative industries landscape in Wales.

The financial support announced is being complemented by the development of a roadmap to re-opening. This will provide further clarity on the timeline for easing restrictions across the creative industries and will ensure support is aligned to resuming activity safely at the earliest opportunity.

The Welsh Government continues to engage with UK Government to discuss support for workers in the creative industries in Wales.

Financial implications: Revenue funding of £7m in 2020-21 is available to support individuals.

Recommendation 3

The Welsh Government should respond to the Ofcom consultation on the future of public service broadcasting to advocate for sufficient funding to ensure public service broadcasters can continue to provide Wales-originated programmes and distinctly Welsh content.

Response: Accept

The Welsh Government will respond to the Ofcom consultation on the future of public service broadcasting.

Financial implications: No financial implications.

Recommendation 4

The Welsh Government should ensure their guidance on the precautions needed to restart filming and production activity is published as a matter of urgency.

Response: Accept

Guidance to support a restart to filming and publishing activity was published on 16 June 2020 as part of the Welsh Government's COVID-19 guidance for the creative industries. This is a live document, and is updated in line with changes to the regulations in Wales and as further guidance and advice from industry is made available. A frequently asked questions document has been produced alongside the guidance, to provide further detail on specific questions raised by the sector.

The Creative Wales team worked with stakeholders in developing the guidance document, including through the COVID-19 Screen Stakeholder Support Group, which includes representation from public service broadcasters, independent production companies and unions. Creative Wales continues to engage with stakeholders to ensure the guidance meets the ongoing needs of the sector as restrictions ease.

The guidance signposts to industry advice and best practice, including the industry guidelines for safe TV production produced by broadcasters, BFC industry-wide safety protocols and the Close Contact Cohort guidance published by the BBC. Officials from Creative Wales have been engaged in the development of industry guidelines developed by BFC and broadcasters, both through involvement with relevant working groups and through direct discussions.

Financial implications: No financial implications.

Recommendation 5

The Welsh Government should update the Committee on any discussions led by Creative Wales on the availability of production insurance.

Response: Accept

On July 29 2020, the UK Government announced a £500 million Film and TV Production Restart Scheme, to provide much needed production insurance support to the industry. This forms part of their wider Culture Recovery Fund. Creative Wales held numerous discussions with the UK Government Department for Digital, Culture, Media and Sport (DCMS) prior to this announcement, highlighting the importance of this support to the sector in Wales. Creative Wales will continue to work with DCMS to support applications from Wales, including facilitating a Q&A session between DCMS and our COVID-19 screen stakeholder group prior to launch of the application process planned for late August / early September.

Financial implications: No financial implications.

Recommendation 6

The Welsh Government should initiate talks with the Treasury and the insurance industry to seek guarantees which will give insurance providers the confidence they need to make production insurance available.

Response: Accept

The Welsh Government has responded positively to the Film and TV Production Restart Scheme announcement. Key stakeholders in Wales, including PACT, have also welcomed the announcement. An initial assessment of the information currently available on the scheme indicates that the terms and criteria set out for applicants would service the demand and meet the needs of eligible Welsh applicants. Creative Wales will work closely with applicants and DCMS to ensure those in most need in Wales have the best possible chance of receiving support through the scheme.

Financial implications: No financial implications.

Recommendation 7

The Welsh Government should discuss the provision of live events insurance in its talks with the Treasury and the insurance industry.

Response: Accept

Event Wales to discuss and agree approach with Industry Advisory Group as part of wider discussions on the future outlook for the events sector – including a potential phased re-opening – and raise further with the UK Government.

Financial implications: No financial implications – if this is about UK Government support.

Recommendation 8

The Welsh Government should require funding recipients of Creative Wales to demonstrate their commitment to increasing the diversity of their workforce.

Response: Accept

Raising standards and promoting diversity and equality across the creative industries has been identified as a key priority for Creative Wales. Our vision for the sector is one in which everyone, regardless of circumstances or background, can access opportunities and thrive; a diverse industry where work is fair and workplaces are inclusive. Our intention is to drive change, and to work in collaboration with industry to support inclusion, fair pay and fair working practices, aligned to wider Welsh Government ambitions for fair work in Wales. Creative Wales will shortly be undertaking an in-depth mapping of the screen sector across Wales which will provide data on existing diversity within the sector and examine the current barriers to entry for under-represented groups. We are also working with training providers to look at ways we can improve the recruitment pipeline from under-represented groups.

Businesses receiving direct financial support from Creative Wales are required to enter into an Economic Contract, and to demonstrate a commitment its four key pillars, including fair work and the promotion of health, mental health, skills and learning in the workplace. In addition, we are reviewing our production funding to consider how our offer can be adapted to require funding recipients to sign up to a set of diversity standards as part of any award.

The Cultural Resilience Fund will also support delivery of our ambitions for diversity in the creative industries workforce, and presents a unique opportunity to deliver a step change with the introduction of a cultural contract that has fair work, pay and sustainability at its heart.

Financial implications: No financial implications.

Recommendation 9

The Welsh Government should ensure that the principle of stakeholder consultation is embedded in the ways of working of Creative Wales.

Response: Accept

The success of the creative industries in Wales has been built on a foundation of successful partnership working, and the Welsh Government recognises nurturing successful partnerships and supporting collaborative working will be an essential component for future growth. Creative Wales is therefore committed to engaging and working in genuine partnership with a broad range of stakeholders, from industry representatives to trade unions, and the Creative Wales operational structure includes a dedicated marketing and

communications function that will lead on stakeholder engagement and support an effective and co-ordinated approach to working with our partners.

Stakeholder groups have been established for each of our priority sub-sectors to inform our response to the COVID-19 pandemic, to ensure alignment of support interventions and a co-ordinated approach to recovery. Our intention is to retain this structure so that we can continue to engage with key stakeholders over coming weeks and months to assess the ongoing relevance of our approach, identify opportunities to further support, share ideas and seek feedback as we shift our focus to recovery. This structure will also be used to inform the development of our sub-sector action plans.

Financial implications: No financial implications.

Lord Elis-Thomas MS
Deputy Minister for Culture, Sport and Tourism