

National Lottery Awards: Assessment of past performance and future potential Report from The Arts Council of Wales

Introduction

Culture is an integral and essential part of society. Civilisations are remembered and judged by the art they leave behind.

By investing in Wales's cultural capital, the National Lottery is not only creating a legacy for future generations, it is firing the imagination and releasing the potential of individuals, groups and the nation as whole.

As one of the two Welsh distributors of National Lottery funding, the Arts Council of Wales has as its vision a *dynamic and creative arts sector*. We believe this is important for the lives of individuals as well as for society as a whole, and for contributing to the government's agenda for a better Wales¹ in which individuals and communities can fulfil their aspirations. All people in Wales should therefore have the opportunity to experience the arts as participants and audiences.

For the last ten years, our strategy for distributing Lottery money has been founded on the principles of accessibility, equity, inclusiveness, and excellence. We have sought to ensure:

- Quality outcomes
- That Lottery money benefits the many not the few
- That the benefits of Lottery money are widely spread
- That Lottery money is allocated fairly and equitably throughout Wales, and between different groups in society.

This paper addresses the specific questions asked by the DCMS and we hope it will assist the Department in its evaluation of the Lottery's achievements in the good cause area of the arts, and in deciding the future of the National Lottery beyond 2009. After ten years as a Lottery distributor and 30 years as an Arts Council, we believe we have the expertise and experience, supported by monitoring data, to recognise which artistic projects are likely to be successful and to give best value for money.

Lottery investment in the arts hits the jackpot time after time - expenditure on the arts is a crisp and efficient spend: it is fast-acting, low-risk, labour-intensive; it delivers exciting and tangible products; and in return, even in the case of modest investments, it can have a transformational effect, on people and places.

We trust that our combination of passion and proof will make the case for continued and still greater Lottery funding of the arts in Wales as a profitable investment, a deliverer of wider social benefits, and as a good cause in itself.

¹ 76% of over 6,800 adults questioned believed that "Arts and Culture make Wales a better place to live in", Arts in Wales Survey 2004-2005, ACW 2005.

Section 1

Overview of ACW Lottery-funded achievements

There is no doubt that Lottery funding of the arts in Wales has had a considerable impact and delivered many important benefits across the country.

Since 1996/97 the Arts Council of Wales has distributed over £144m in Lottery grants to 4989 projects, from 2648 arts organisations and individuals.

Lottery money has added significant value to our other programmes of investment. All the activity generated through our Lottery spending has been “additional”, in the sense that without it, the projects would not have happened – we simply would not have had sufficient grant-in-aid to fund it ourselves. We have responded to the initiatives of others, yet our Lottery investments have not been in any way *ad hoc*. As an Assembly Sponsored Public Body, we have been able to integrate our Lottery and grant-in-aid administration and strategies to ensure that all our resources are harnessed and maximised into delivering our long-term strategy for the arts.

Our Lottery spending has increased artistic activity, resulting in stronger communities, wider access, better infrastructure, higher participation, and greater innovation.

Stronger communities

Arts-focused community regeneration projects are now widely recognised as having the following impacts:

- Social (community cohesion, improved self-confidence, greater levels of participation, reduction in crime rates and fear of crime, improvements in health and reduction in referrals)
- Cultural (increase in cultural activity, greater understanding of cultural identity, heritage and diversity)
- Economic (more inward investment, reduction in unemployment, increase in take-up of training)
- Environmental (through building programmes and public art projects)

We are quite specific in our definition of Community Arts organisations: those that deliver participatory arts programmes that have an impact beyond the purely cultural, e.g. in terms of community regeneration - as opposed to the many voluntary arts organisations that we also fund.

To date, we have invested £8.9m of Lottery money in 23 Community Arts organisations that we have also revenue-funded from our grant-in-aid. Much of our funding has gone into areas of industrial decline – former coalfield communities and steel towns.

The Community Arts organisations are heavily reliant on Lottery funding. While grant-in-aid pays for their core costs, they use Lottery money to fund specific programmes, events and workshops. In other words, without Lottery money, community arts in Wales would have little artistic activity.

The output from the Lottery investment at the community level is impressive in its scale and scope, attracting audiences of over 400,000 in 2003-04. The value and importance of this sector is all the more significant in the most disadvantaged and disaffected communities in Wales.

Case Study - Valleys Kids

Lottery funding as the bedrock of community regeneration through the arts

Valleys Kids is a community development organisation committed to improving the quality of life in three deprived Communities First areas in Rhondda Cynon Tâf: Penygraig, Penyreglyn and Rhydyfelin. Valleys Kids runs weekly drama and dance sessions and residency projects covering all artforms, working with professionals, schools and arts organisations at the UK level and abroad. It has received £1.5m of Lottery funding from ACW, and during 2004/05 offered over 4,250 opportunities to participate in arts activity and presented shows for audiences of nearly 1300. Capital funding is converting Soar Chapel into a fully accessible arts and community venue with workshop space and a first-class theatre.

Lottery funding has provided Valleys Kids with opportunities that never existed before, and has resulted in many success stories – youth offending has declined; 230 members have gone on to vocational training, further or higher education, employment or volunteering, including four young people who have gone to University, something barely considered seven years ago; another has joined the RAF; and one young member landed a lead role in *A Way of Life*, a BAFTA-winning film, beating 700 other actors to the part.

“Thanks to ACW’s investment, this conversion will be a stunning melding of old and new. Soar conveys a message to the indigenous community that they no longer have to make do, but that they deserve the best. And it sends a message to the wider world, that the community of the Rhondda still have their dreams, and the will and commitment to make them happen”. Denise Lord, Valleys Kids

Wider access and better infrastructure

The arts are important to people: in 2004/05, 67% of the adult population in Wales said they attended arts events once a year or more often². In-depth research of some 120 ACW-supported arts organisations revealed that in 2003/04 they attracted 3.6m attendances at performances, exhibitions and film screenings.

Yet widening access to the arts is by no means an easy issue. Wales has a difficult geography, which poses formidable challenges, as do the problems associated with Wales’s exceptional incidence of deprivation. Since 1999, through our Capital Strategy, we have tried to improve people’s access to arts facilities and programmed events in Wales by enhancing the physical space of the existing network of performing arts

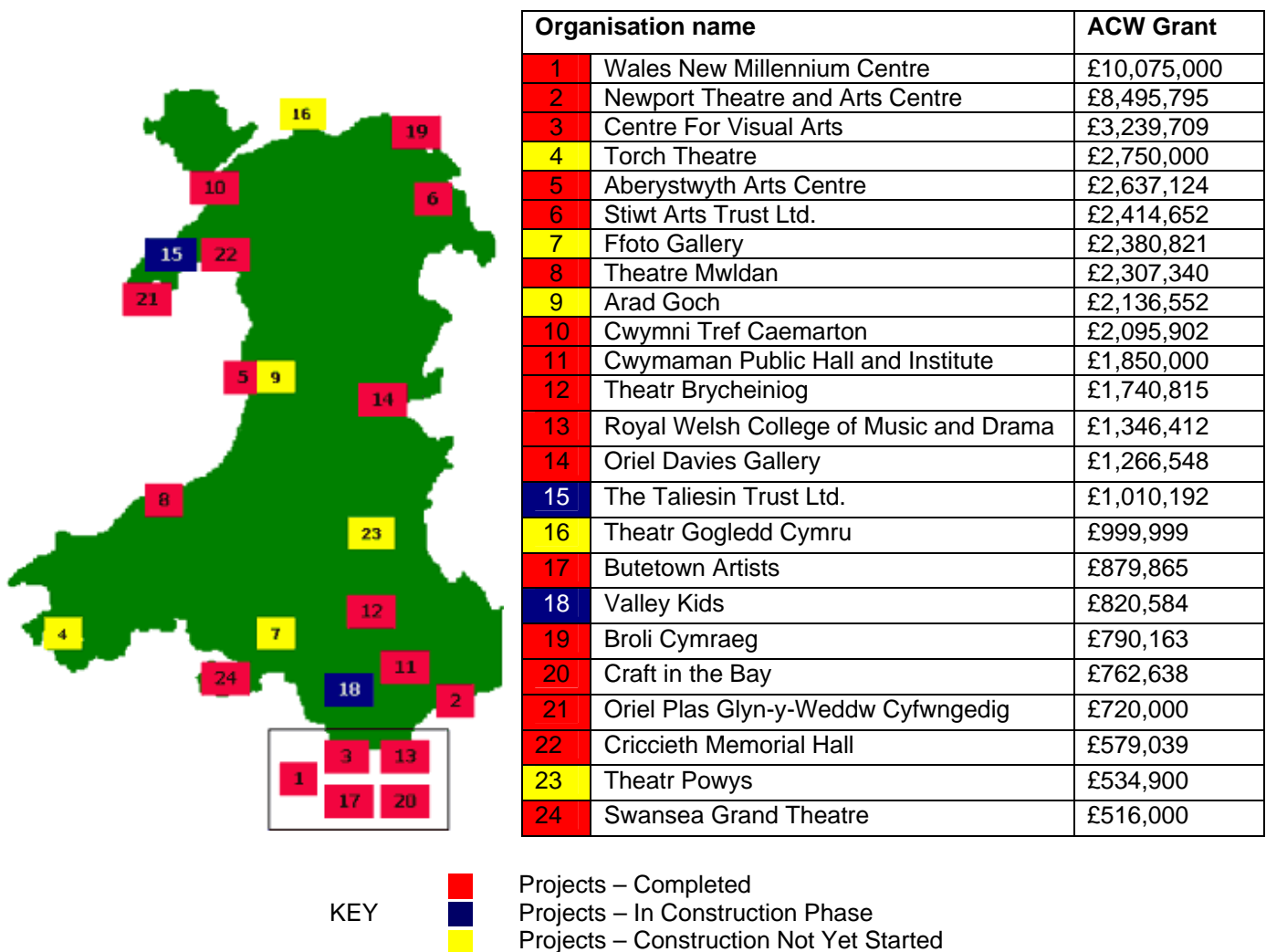
² Arts in Wales 2004-2005, ACW, 2005. This figure excludes cinema.

venues and galleries, and by investing Lottery money in three brand new arts centres – the Wales Millennium Centre in Cardiff and Riverfront in Newport, both opened in 2004 and Galeri in Caernarfon opened in 2005. By 2009 we shall also have completed the redevelopment of Ruthin Craft Centre and the extension of Oriol Mostyn, Llandudno.

Lottery money has therefore enabled us both to fill gaps in provision and significantly improve the comfort and capacity of what we had before. Figure 1 shows how our Lottery investment in capital building projects (over £500k) has been spread throughout the country within range of where people live (we aim for at most a 45-minute drive time).

While we adopt a strategic approach to capital development, regularly reviewing our strategy to respond to changes in trends and opportunities, we are also able to respond flexibly to creativity, talent and innovation. Our Lottery investment in Theatr Mwdan in Cardigan is a case in point – a major development programme in 2004 that involved improvements and an extension to the existing theatre and refurbishment of the bathhouse outbuildings into a media centre.

Figure 1: ACW Capital Building Projects (>£500K)



Case Study – Oriel Davies Gallery, Newtown

Lottery funding as the vehicle for bringing the best to rural communities

A Lottery grant of £1.3m (78% of the project costs) has funded a complete re-development of this gallery, which is now the prime focus of visual arts provision in Mid Wales. As a result of the refurbishment programme, the gallery is able to present exhibitions of national and international significance, and is expected to be a major magnet for further investment and spending in the area.

Case Study 2 – Newport Theatre and Arts Centre

Lottery funding as the provider of new facilities and opportunities where none existed

This new centre has been built on the banks of the river Usk adjacent to Newport town centre and is a partnership between ACW (£8.5m) and Newport City Council (£4.7m). Opened last year, it contains a 450-seat auditorium, 150-seat theatre, a dance studio, and a range of community facilities – rehearsal rooms, artists' studios, art gallery, cafe and recording studio. It is expected to lead the regeneration of this run-down area.

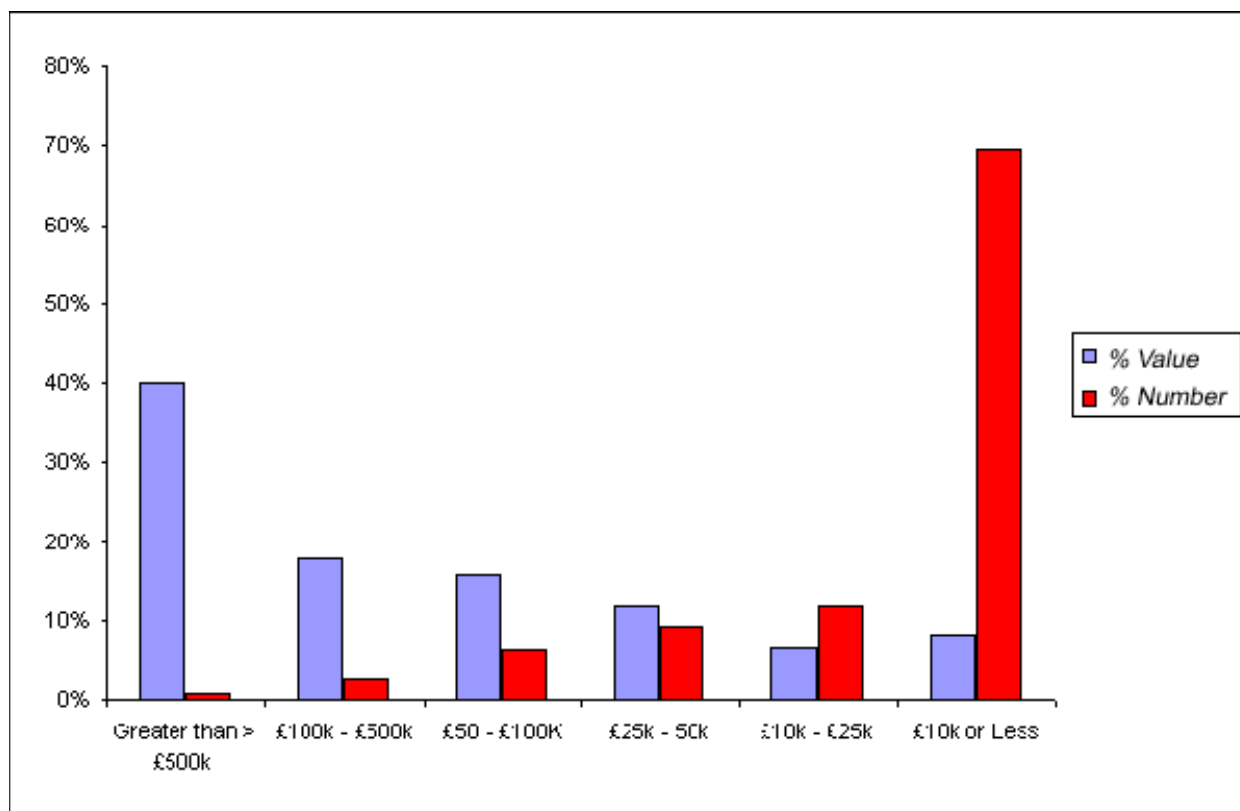
Case Study – Galeri, Caernarfon

Galeri is an inspirational enterprise for this part of North Wales, both in terms of its design and its wider social and economic impact. Consisting of a theatre, two rehearsal spaces, office space for regional arts organisations (Dawns i Bawb, William Mathias Music Centre), cinema, bar and café, the development has a mission to bring art to the community and the community into the arts. The project was funded through a partnership of ACW (£3m), the local authority (£2.2m plus donation of the land), European Objective 1 (£1.3m), Welsh Development Agency (£0.5m), Wales Tourist Board (£0.3m) and the town development trust, Cwmni Tref Caernarfon (£76k).

The first decade of the Lottery has therefore created a legacy of important buildings that will stand for generations. Given the permanence of this legacy we have sought at all times to ensure the adoption of the highest architectural standards so that the buildings themselves can enhance our communities as much as the activity that they house. Wales can be proud of the quality of what has been achieved, as well as of its wide distribution across the country.

While Lottery money has allowed us to fund high profile projects, the vast majority has been invested in grass-roots arts activity. Only 1% of our grants has gone to projects of more than £500k, yet 69% has gone to projects of less than £10k. Figure 2 shows the contrast between the value and number of our Lottery grants.

Figure 2: Lottery Grants by Value & Number



Grant	Value	% Value	Number of Awards	% Number
Greater than > £500k	£57,511,684	40%	35	1%
£100k - £500k	£25,592,230	18%	128	3%
£50 - £100K	£22,847,265	16%	313	6%
£25k - 50k	£16,828,609	12%	460	9%
£10k - £25k	£9,700,947	7%	589	12%
£10k or Less	£11,666,848	8%	3,464	69%
	£144,147,583		4,989	

Higher participation

A survey of 120 ACW-funded organisations showed that in 2003/04, some 812,000 people participated in arts workshops, classes or performances, exceeding our targets for the year by 5%. Attendance/participation in arts activity targeted at schools/young people amounted to nearly 600,000, a figure equivalent to more than two-thirds of the Welsh population aged under 24.

Case Study – National Youth Arts Wales

Lottery funding as the generator of new arts activity for young people

This was a three-year programme funded through our *Arts For All* grant scheme (£454k of Lottery grants). The programme significantly exceeded its targets, involving 3,400 participants in concerts and performances that attracted audiences of 25,700. NYAW has stated that “*we could not have achieved our aims without the support of an ACW Lottery award*”. This work has generated greater participation in youth arts activity at national level; the development of an informal network of youth arts activity across Wales; and promotion of national youth arts activity from Wales within the UK and abroad.

This project was also the spark that fired the creation of three new national programmes from the original four established ensembles - National Youth Dance, National Youth Jazz and National Youth Wind Orchestra. Furthermore, the National Youth Arts Wales has now become a revenue client of ours, supported by all 22 local authorities. Initial Lottery funding therefore created activity that we have since been able to sustain.

Case Study – Brass and Silver Bands

Lottery funding as the champion of local musical tradition

Wales has a long and distinguished tradition of brass and silver bands. ACW has awarded Lottery grants to 78 bands between 1995 and 2005, totalling £4.9m (an investment of about £63k per band). The money has helped with the building, refurbishment or improvement of band halls, and the purchase of new musical instruments. Lottery money has paid dividends for the majority of bands monitored – activity levels have increased by 100% in some cases, and the quality of the activity has reached international standards. There are currently 22 Welsh bands in the World of Brass Top 200 World Rankings; and at the 2004 British Open Brass Band Competition, three Welsh Bands (The Cory Band, Cwmaman Institute Silver Band and Tredegar Town Band) were all placed in the top 20 Bands in the UK.

Greater innovation

Lottery funding for film in Wales has been central in enabling writers, directors, producers and production companies to move from a traditionally broadcaster-dependent sector into independent film production – opportunities that would not otherwise have existed. Some £6m has been made available for the production of nearly 200 short or feature length films, creating partnerships and attracting resources from broadcasters, Film Four and commercial film companies.

Case Study – Film Awards

Lottery funding as the foundation of the Welsh film industry

Welsh film awards include an Oscar nomination for *Solomon & Gaenor*, a Special Jury Prize at Berlin International Film Festival for *The Testimony of Taliesin Jones*, the Carl Foreman Award at the UK BAFTAs and both BAFTA Wales Best Actress and Best Newcomer awards for Stephanie James for *A Way of Life*. Lottery funding has supported the early work of several directors who have gone on to commercial success, e.g. Marc Evans (*My Little Eye*, *Trauma*, *Snow Cake*), Julian Richards (*The Last Horror Movie*) and Sara Sugarman (*Confessions of a Teenage Drama Queen*) and continues to source new talent through seed funding and short film schemes.

Section 2

Geographical distribution of ACW Lottery funding, and equity across social and ethnic groups

Geography

We achieve parity in Lottery spending between our three regions (North Wales, Mid and West Wales, and South Wales) based on population spread, as Figure 3 shows.

Figure 3: Lottery Grants by ACW Region

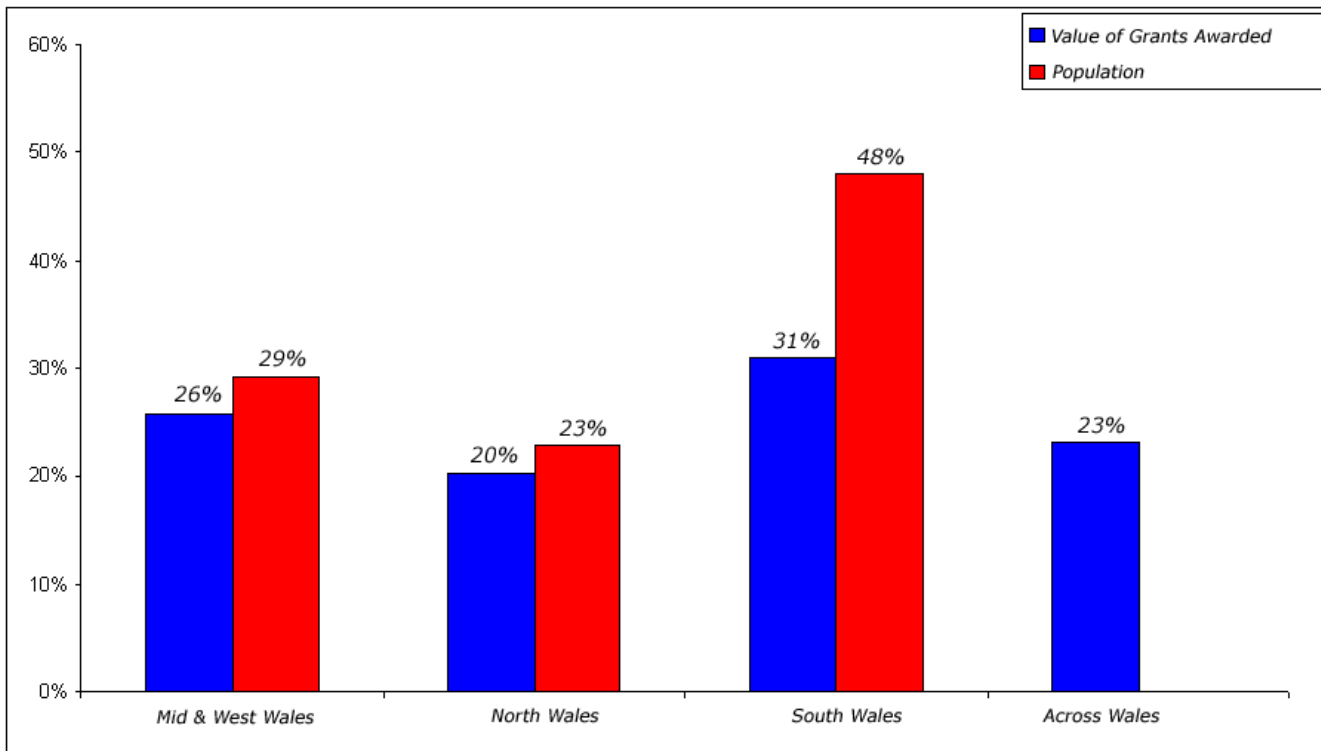


Figure 3: Lottery Grants by ACW Region continued

ACW REGION	LOCAL AUTHORITY	Total	Population
Mid & West Wales	Ceredigion	£9,395,321	76,500
Mid & West Wales	Powys	£10,014,595	127,800
Mid & West Wales	Carmarthenshire	£3,047,664	174,900
Mid & West Wales	Swansea	£4,564,639	224,000
Mid & West Wales	Pembrokeshire	£5,601,759	114,200
Mid & West Wales	Neath & Port Talbot	£4,478,310	134,600
Total Mid & West Wales =		£37,102,287	852,000
North Wales	Wrexham	£8,490,452	129,000
North Wales	Gwynedd	£11,098,817	117,200
North Wales	Ynys Mon/Anglesey	£1,606,171	68,000
North Wales	Denbighshire	£2,652,541	94,000
North Wales	Flintshire	£2,086,313	149,000
North Wales	Conwy	£3,259,263	110,300
Total North Wales =		£29,193,558	667,500
South Wales	Cardiff	£17,220,063	312,900
South Wales	Newport	£9,866,825	138,700
South Wales	Rhondda Cynon Taff	£8,331,827	231,600
South Wales	Blaenau Gwent	£1,679,804	69,300
South Wales	Torfaen	£1,324,795	90,700
South Wales	Monmouthshire	£1,173,070	85,300
South Wales	Vale of Glamorgan	£1,487,332	120,300
South Wales	Bridgend	£1,158,927	129,200
South Wales	Caerphilly	£1,522,837	170,200
South Wales	Merthyr Tydfil	£737,050	55,800
Total South Wales =		£44,502,531	1,404,000
All Wales		£33,349,207	
Total =		£144,147,583	2,923,500

In Welsh circumstances this geographic distribution is important in reaching the more disadvantaged communities, since deprivation is not only severe but also widely spread. Fifteen of the 22 Welsh local authorities are located in an Objective 1 area (the most deprived in the EU); and the remaining seven are either Objective 2 or 3. More than £60m of our Lottery funding has been invested specifically in Objective 1 areas.

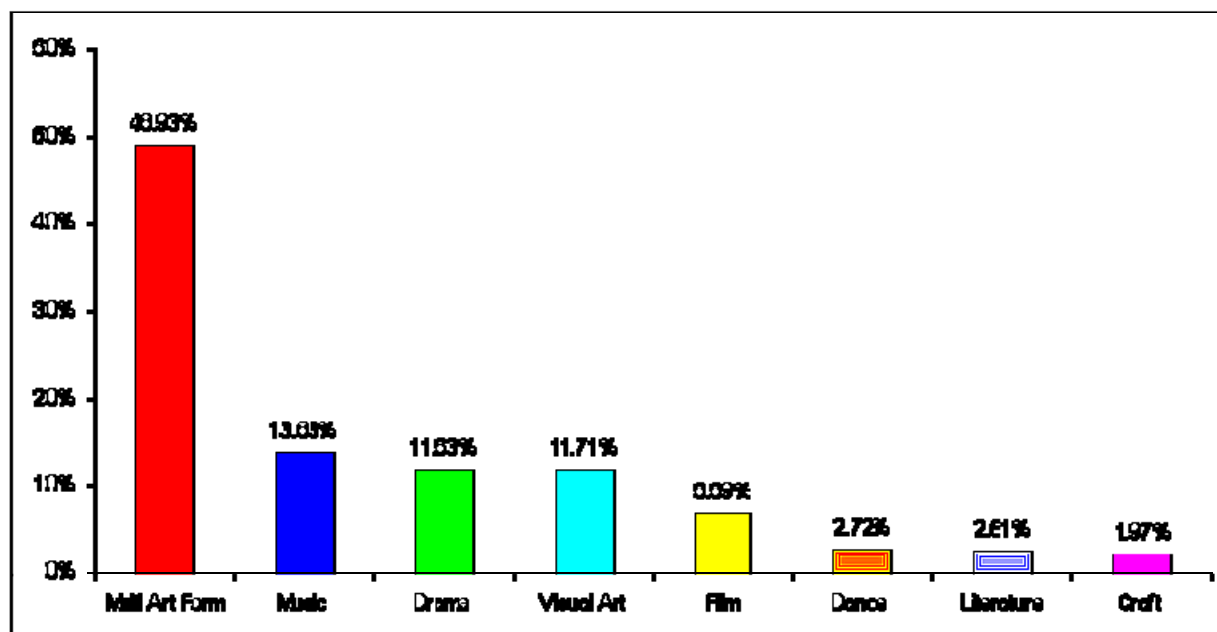
We also monitor how much Lottery money is spent in Communities First areas, identified by the Welsh Assembly Government as being the most deprived wards in the country. Through our locally based arts development officers, we will be focusing our resources on generating more arts activity in Communities First areas by working with CF coordinators and other partners.

Equity

There are many barriers preventing people from participating in the arts - physical, sensory, intellectual, organisational, financial, social and cultural. ACW's aim is to break down those barriers so that more people can experience the arts as visitors, spectators, performers, decision-makers, volunteers and employees.

Our Lottery spending has been distributed across all art forms, as shown in Figure 4.

Figure 4: All Lottery Grants 1995 2005 - By Art Form



	Value	%	Number	%
Multi Art Form *	£70,536,347	48.933%	1,413	28.32%
Music	£19,941,176	13.834%	1,235	24.75%
Drama	£16,768,107	11.633%	544	10.90%
Visual Art	£16,878,751	11.709%	882	17.68%
Film	£9,648,419	6.693%	255	5.11%
Dance	£3,917,079	2.717%	244	4.89%
Literature	£3,615,397	2.508%	225	4.51%
Craft	£2,842,308	1.972%	191	3.83%
	£144,147,583		4,989	

* Multi Art Form - Includes Grants awarded to Arts Centres & Other Venues

Much of our Lottery spend has also been focused on specific minority groups. £10m has been spent on providing arts activities for children and young people. £0.9m has been spent on supporting projects of relevance to and rooted in Black and Minority Ethnic communities (2% of the Welsh population), such as Sikh Association of South Wales, the Sudanese Community Association, the Black Welsh Film Festival and Black Voluntary Sector Network Wales. Our Lottery-funded schemes for 2005-06 have prioritised creative and development projects by artists from BME backgrounds through training, mentoring, work placements and continued professional development.

Case Study – India Dance Wales

Lottery funding as the lifeline of cultural diversity

Since 1998, India Dance Wales has received a total of £183k in Lottery funding which, alongside the continuing dedication and determination of the company, has enabled IDW to expand and develop its work in providing professional development opportunities for Bharata Natyam dancers; establish and run weekly classes in Cardiff and Swansea; deliver workshops in schools (now so successful they do not need ACW funding); produce and tour two professional performances across Wales; develop business planning; and nearly treble audience and participation figures from 12,000 in 1998/99 to 34,000 in 2002/03.

Case Study – Odyssey Theatre and Theatr Ffynnon

Lottery funding as the key to unlocking disability access

The Lottery has enabled ACW to support projects specifically targeted at disabled people. Odyssey Theatre and Theatr Ffynnon provide opportunities for adults with learning disabilities to experience working as actors, creators and workshop leaders. The participants ***“constantly push against their own limitations and achieve things they never thought possible”***.

Case Study – Disability Arts Cymru and Promo Cymru

Lottery funding has enabled these organisations to provide training and continuing professional development opportunities for disabled people wishing to develop careers within the arts.

There is much more we would like to do in the cultural diversity sector. Through our newly created Inclusion, Participation and Equalities unit we are formulating and reviewing strategies to develop our diversity and disability access work and target Lottery funding to still greater effect.

Section 3 Level of levered-in funding

Lottery funding frequently acts as the catalyst for other partners to become involved in a project. Very often it is ACW's commitment of Lottery funding that has been the first brick in the wall. To date, Lottery funding has enabled us to attract £245m from other sources. Expressed another way, 58% of the total costs of projects has been levered-in from external funds, as shown below:

	Total Project Costs	Of which Lottery Grants	%	Levered in Funding	%
Capital & Film	£327.0m	£138.6m	42%	£188.4m	58%
Grant Schemes	£94.9m	£38.5m	41%	£56.5m	59%
Total =	£421.9m	*£177.1m	42%	£244.9m	58%

* This figure includes ACW's Lottery funding plus £32.9m of Lottery Funding awarded to four large-scale capital projects that received co-funding from other Lottery Distributing Bodies.

Our figures do not include the significant resources levered in by Lottery projects through contributions in kind.

Section 4 Social and economic impacts of ACW Lottery funding

While it is difficult to show cause and effect (because other factors can be involved and often because the longitudinal research isn't there) there is still evidence to suggest that Lottery funding of the arts has delivered results in many policy areas. However, we do not measure the impact of the arts on the basis of statistics alone. Audience numbers, for example, do not give the whole picture of how culture enriches us. We therefore outline below some instrumental and intrinsic values of the arts.

Identity

The arts are fundamental to defining, preserving and celebrating the cultures and languages of individuals, communities and the nation of Wales. They can transcend traditional boundaries, helping to give us an identity that is uniquely ours and to better understand our place in the world.

ACW Lottery funding has played a key role in the building of the iconic, world-class **Wales Millennium Centre** in Cardiff Bay (£10m = 10% of the project costs). This award-winning, multi-purpose arts and entertainment centre has used local materials and artworks in an inspirational design. The centre houses a lyric theatre seating 1850 and is home to a number of cultural organisations – Welsh National Opera, Academi, Diversions Dance, Ty Cerdd, Hijinx Theatre, and Urdd Gobaith Cymru (Welsh language youth movement). The centre also aims to bring the community into the building, including a four-star Urdd youth hostel, and a mixture of cafes, bars, restaurants and shops. The WMC has already physically transformed the Bay and is expected to play a major role in boosting cultural tourism within the city and Wales as whole (e.g. the Urdd

Eisteddfod, the largest summer youth event in Europe is expected to attract over 100,000 visitors).

With Lottery project grants the **National Eisteddfod of Wales** has been able to work in partnership with professional theatre companies and local schools to create youth theatre performances in the Welsh language. Staged during the Eisteddfod in front of an audience of over 4,000, local children have been given a unique opportunity of learning and performing in Welsh.

Lottery money has also helped to build the **Llangollen International Musical Eisteddfod**, the annual summer festival that is now an integral part of the Cultural Tourism offer in Wales and which in recent years has been a nominee for the Nobel Peace Prize. This showcases the best of Welsh culture alongside the highest quality music and dance from all over the world, and is a vital economic driver for Llangollen and the Dee Valley, attracting audiences of over 35,000 throughout the week.

Excellence

The urge to excel exists in many individuals, groups and communities. Like any other country Wales wants to contribute at the highest level and has a proud record of doing so. The Lottery has contributed greatly to this in the last decade by creating a range of facilities across the country that enhance the opportunities for talented professionals, These buildings also provide excellent platforms for talents from around the world, creating experiences that audiences can draw on for the rest of their lives. Through the Lottery we have also invested heavily in the development of individual artists.

Phil Williams, a dancer with Diversions (Wales's national dance company), was first introduced to the world of dance as a schoolboy through his involvement in a Diversions outreach and education programme run in partnership with the Blaenau Gwent arts development team. He later attended classes at the Ebbw Vale Youth Dance Theatre before undertaking a BA Hons and an MA degree at the London Contemporary Dance School.

Prosperity

A successful country is a creative country. The arts play a significant role in creating and sustaining jobs in the creative industries as well as in tourism, adding to the wealth of Wales. The arts are often important in sustaining rural communities. In 2003 the arts accounted for 5% of the economically active workforce and 5% of Wales's GDP. Creativity is Wales's future – and the fastest creator of jobs in the whole economy.

An economic impact study of the Torch Theatre, Milford Haven found that the Theatre had a total impact on the local economy of over £1m a year (including salaries, goods, services and additional visitor spend), and if the Theatre's turnover were included, an economic impact of over £2m. The Theatre sector is worth an estimated £100m in Wales every year. (Shellard, University of Sheffield, 2004).

Aberystwyth Arts Centre is a major supporter of local jobs and incomes and of economic development more generally as a visitor attraction. The Centre has a total turnover of over £5.7m, an income of £1.6m and supports over 150 full-time equivalent jobs. (Bryan, Jones and Munday, Econoactive Ltd, 2004)

Inclusiveness/Communities

The arts are a means of celebrating diversity – of people, places and cultures – and can help bring groups together, particularly in giving a voice to those who may feel excluded. In 2003/04, an ACW survey of 124 arts organisations found that they relied on the help of some 2,000 volunteers. These people represent a significant invisible contribution to the local economy and demonstrate the value and importance of the arts to the lives of those communities.

Evidence submitted to a recent policy review by the National Assembly for Wales's Culture Committee into the contribution of arts and sport to community regeneration concluded that the arts are "integral to the long-term success of community regeneration in Communities First areas and throughout Wales as a whole – although this contribution may not be properly recognised in other policies on regeneration such as health, education and the economy".

Education/Learning

The arts help develop innovation, creativity and skills, which can further people's horizons, employability and career development. They are a means of realising talent, aspiration and ambition.

A survey of 11-16 year-olds in Wales confirmed that arts participation helps develop skills for work. More than 60% of the young people surveyed said they took part in arts activity to learn new skills (ACW, 2002). In a survey of over 6,800 adults, 94% believed that "all children should have the opportunity to learn to play a musical instrument or participate in other arts activities", and 80% believed that "taking part in arts and cultural activity helps people to build their confidence" (ACW, 2005).

18 year-old Aneurin Barnard from Bridgend is a student tutor for youth theatre workshops in the Berwyn Centre, Nant-y-Moel and from September 2005 will be studying for a BA in Acting at the Royal Welsh College of Music and Drama, Cardiff. He says: ***"If it hadn't been for the Bridgend Youth Theatre I would not be living such a happy life. I was a troubled child - years of being bullied where I almost didn't step out on to my own doorstep. At Bridgend Youth Theatre there was a place to go where you could live the dream of performing and live a happier life. Without it, who knows where I would be now? Probably staying in the area, not spreading my wings, getting a girl pregnant and working in a factory like my family. Now through the Youth Theatre I am carrying out my dream and will be training as a professional actor."***

Health/Lifestyle

The arts exercise the mind and body. They are important in health care, and in public spaces and buildings such as hospitals and offices. Being artistically active and creative contributes to people's overall quality of life and feelings of confidence and self-esteem.

A Lottery-funded visual arts and IT pilot project with the *Arts for Us* community arts team in Swansea involved working with 15 high-risk offenders of substance abuse over a 13-week period. All the participants completed the activity, culminating in a video project in which they presented their individual life stories. The Drugs Treatment and Testing Orders Team, its client base, Justice of the Peace and magistrates joined the participants to view the film, watch a theatre piece and take part in a forum theatre session. The Drugs Treatment and Testing Orders team conducted regular tests throughout the project and recorded a marked decrease in substance abuse.

Section 5

Lessons learned

Ten years of distributing Lottery money has given us numerous insights and lessons learned. The main highlights are:

Robust Strategy

- **Integration:** Using Lottery income alongside government grant-in-aid and within our broader strategic framework has created synergies that maximise the impact, effectiveness and sustainability of our grant programmes. Our ability to combine capital and revenue funding has also been a winning recipe. Yet we have been able to give the distinctive contribution of the Lottery a high profile in the promotion of our projects.
- **Demand:** Robust strategies have been needed to cope with high demand. All our Lottery schemes have been consistently over-subscribed. (We have funded over £144m in Lottery grants, but received applications for more than £310m.)
- **Consultation:** Involvement of our clients and partners in developing our art form and policy strategies ensures their successful implementation.

What works

- **Good planning:** Major capital projects should be funded only where there is a sound business plan clearly demonstrating a sustainable future (e.g. ongoing revenue funding, whether public, private or voluntary).
- **Spadework:** We know that speed of Lottery spend is an issue that has concerned the Public Accounts Committee of the House of Commons and also the National Audit Office. ACW has sought to manage our National Lottery Distribution Fund (NLDF) Balance by devoting a significant amount of time to discussing potential projects with clients at the pre-application stage. This ensures that when projects commence, we have mapped out a solid funding schedule where payments are made on completion of agreed stages of the project.
- **Commitment:** Proper project management requires a project “champion” who has the vision and drive to see the work finished. Lottery funding is as important for investing in people and communities as it is in the product.
- **Value for Money:** Lottery grants awarded to community halls for the purchase of equipment represent a solid investment for ACW, with participation levels generally exceeding targets.

What doesn't work

- A small number of projects that received significant awards during the early years of lottery failed within the first three years of operation. A detailed analysis of these schemes identified some common weaknesses, which included the following:
 - Lack of a comprehensive business plan
 - Full awards being made prior to the completion of detailed cost plans
 - Low organisational capacity of the applicant team
 - Poor project management.

- In our experience, Lottery grants awarded to community halls for building projects do not generally result in increased arts activity unless there is an arts programming committee or officer in place.
- With one notable exception, grants awarded to schools for building projects represent a poor Lottery investment for the arts. Community usage is often severely limited and there is rarely the scope for dedicated members of staff to manage the project.
- ACW constantly reviews and updates its guidelines and criteria and a major overhaul took place in 1999 to avert further project failure. Any major capital schemes are now subject to a longer development period with in-built checks and balances at every key stage.

Efficient Administration

- **Simplicity:** ACW has streamlined its grant schemes from over 40 to three. Feedback shows that this makes life much easier for our customers.
- **Speed:** Applicants for our small grants (up to £5k) receive a decision within five weeks of the submission deadline. Applicants for larger grants receive a decision within 13 weeks. In the last year we have achieved a 100% record in meeting these self-imposed deadlines. We believe this to be the best performance in the UK.
- **Involving clients:** Our teams of locally based arts development officers are essential to the process of encouraging high quality applications. They can ensure that applications are compatible with our strategic objectives, so avoiding time wasted in submitting proposals that have no realistic prospect of funding.
- **Openness of decisions:** We strive to make the grant system transparent, and we are working towards meeting all the standards of the National Lottery's new Customer Service Charter.
- **Expertise:** Our networks, partnerships, knowledge and skills base have been vital in our Lottery distribution, especially in managing large capital budgets.

Section 6

Gaps and priorities for future Lottery funding

While we can look back on many great achievements over the last ten years, there remains much for us to do.

The early years of Lottery spending on the arts saw the building of major capital projects, which are now coming to fruition. That trend will not continue on quite such a scale; there will be fewer large projects. Our priorities for the distribution of Lottery funding in Wales up to 2009 (as set out in our capital strategy) are the consolidation and enhancement of existing venues to enable those organisations to operate at their optimum level, ensure financial viability and improve and widen access, and project support for individuals and organisations in line with the priorities set out in our grant scheme guidelines 2005-06.

Beyond 2009, we can identify six key areas of work in which we believe Lottery funding would achieve a significant impact.

Children and Young People

- There is an urgent need to build and implement an “entitlement” agenda for young people, such as free access to cultural performances or venues. Lottery funding could be central to this achievement. We would interpret “transformational” projects not in capital terms, but in terms of a large-scale programme for the arts in schools. Wales has nothing to compare with England’s *Creative Partnerships* scheme. We would be keen to develop such a programme, targeted particularly at deprived communities, as a key part of our Arts and Young People Strategy (currently being reviewed), and would envisage a partnership between ourselves, the Big Lottery Fund and the Education Division of the Welsh Assembly Government.

Transforming Communities

- ACW is struggling to sustain our existing community arts programmes, let alone being able to support new arts and community regeneration initiatives. Lottery investment would allow us to increase the capacity and strengthen the network of the existing community arts organisations; to increase awareness of the contribution of the arts to community regeneration; and to build stronger partnerships with non-arts sectors, e.g. Communities First, Youth Offending Teams and Health Trusts. By focusing Lottery funding on providers who have an established track record and the potential for sustainable growth, we would hope to see impacts in areas such as training and educational opportunities; health; crime, especially youth crime; and community businesses and enterprises.

Arts and Health

- ACW will host a conference in the autumn of this year to showcase best practice in terms of arts projects that have a beneficial impact on health outcomes. Given Wales’s pressing health problems we believe there would be great benefits to be gained from piloting arts and health projects with local health partnerships, particularly in Communities First areas, as well as from developing the skills of health and arts practitioners. We would aim to use Lottery funding to extend this best practice across the community.

Display of visual and contemporary art

- ACW’s Visual Arts and Craft Strategy identifies the need to improve the infrastructure of galleries across Wales. Without Lottery funding, there is a real possibility that many galleries could “go dark” (remain closed) for long periods of the year, or become resigned to hosting poor quality programmes. Given the vibrancy of the visual arts sector in Wales, this must be avoided. It is this same vibrancy that also makes the case for some dedicated new facilities - Wales is without a national gallery of contemporary art, a national photography gallery, a national digital gallery for visual arts and gallery provision for Pembrokeshire, which is home to so many artists. Our capital monitoring data from galleries such as the Aberystwyth Arts Centre (see Section 4 above) show that galleries can have a significant economic impact, and in the context of a Welsh town can be truly transformational.

Accessibility

- There is a need in Wales to increase the number of arts venues that are fully accessible under the requirements of Part III of the Disability Discrimination Act. An independent audit we commissioned of 64 arts venues revealed that none complied with the DDA. Last year we awarded capital grants to six venues to enable them to comply with the Act, but this remains a huge challenge for us and for the sector. Without Lottery funding, many venues will be breaking the law, with serious consequences not just for disabled people, but also for all those wanting access to arts events.
- Nothing is more accessible than public art. Much of the work in Wales to date has been on a relatively small scale. We believe there is scope for some major projects that make a big public impact. Although Gateshead's *Angel of the North* is the most commonly cited example, we can also envisage some high impact projects that are not necessarily based on permanent objects but that make their impact in other ways. Examples might be multi-faceted projects targeting particular communities, or creative marketing initiatives that capture the imagination and widen access. It seems to us that such projects, that will inevitably incur some risk, are ideally suited to the Lottery's underlying purpose.

Celebrating individual talent

- ACW's Creative Wales scheme makes an important contribution to the creative life of Wales by supporting individual artists practising in Wales - Lottery funding has been used to support experimental and innovative work that takes artforms and artistic practice forward. The aim of the scheme is to support excellence, help artists to develop their potential, enhance and refresh their skills, and build sustainability in the arts. Artists who have received Creative Wales Awards in the past have gone on to make a huge impact in the arts world. Demand for the Awards far outstrips supply, however, and further investment from the Lottery will be vital for developing and nurturing individual artistic talent in the future.

Conclusion

Arts Lottery funding over the last decade has made a major contribution to the health and development of the arts in Wales in terms of cultural buildings and the development of professional and community arts practice. It would now be difficult to imagine a Welsh arts scene devoid of Lottery investment. Even after ten years demand for Lottery funding still far outstrips supply. The Lottery has become an indispensable component in the arts funding infrastructure and we would urge its continuation beyond 2009.

Constantly building on our experience - and particularly the difficult experiences of the last ten years - we believe that ACW is an efficient, imaginative and capable steward of Lottery funding and would continue to be so post-2009, working closely with partners in the Assembly and local government.

We believe that a number of factors that are particular to Wales combine to create exceptional levels of need: Wales's geography (large areas of sparse population and relatively small urban areas where economies of scale do not apply); a statutory requirement to serve the Welsh and English languages (imposing costs that do not have

to be met by the majority of arts companies elsewhere in the UK); a relatively small corporate sector, dominated by small businesses, which creates little potential for large-scale support from this source; and the exceptionally high incidence of deprivation (Wales has some of the poorest and unhealthiest communities in the UK). The 2001 Census shows that compared with England, all Welsh local authorities have above average rates of “not good health”, and five of the top six local authorities recording the highest rates are Welsh.

All these factors generate burdens that are not replicated in the same way elsewhere in the UK. Yet in deciding the arts Lottery allocation for Wales, no allowance is currently made for these particular issues. It seems anomalous that this is so, given that the arts are now being required to make a much bigger contribution to social objectives than was originally envisaged when the Lottery began. The scale of need, and the increasing call on our Lottery funds for community initiatives in the arts at a time when total Lottery income has been in decline, is producing sharply increased pressures on our programmes.

It is on this basis that we believe there is strong case for an amendment to the existing Lottery percentage shares and an increase in Lottery Good Cause income for the arts and sport in Wales to help overcome the problems caused by the scale of deprivation in Wales. With the support of the Welsh Funders Forum, ACW and the Sports Council for Wales have made a joint request to the Secretary of State, Tessa Jowell MP, to redress this anomaly by considering an additional 1.5% (approximately £3.5m) in the allocations to our respective bodies. This would bring ACW into line with the Big Lottery Fund that already benefits from an additional percentage to take account of deprivation and is able to allocate 6.5% of its budget to Wales, and the Heritage Lottery Fund, whose Welsh share is topped up by access to HLF's UK-wide budget.

Finally, we trust we have presented a compelling case for further Lottery investment in the arts in Wales. Our challenge for the future is to bring arts closer to the people in terms of access and affordability; to encourage creative exploration by our artists; and to maximise the beneficial engagement of the arts with society as a whole. We are confident that the Lottery has the capability to address all of these issues, often with transformational effect.

<http://www.lottery2009.culture.gov.uk>