

# Dogfennau Ategol – Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu

Lleoliad:	I gael rhagor o wybodaeth cysylltwch a:
Ystafell Bwyllgora 2 – y Senedd	Steve George
Dyddiad: Dydd Mercher, 4 Hydref 2017	Clerc y Pwyllgor
Amser: 09.15	0300 200 6565
	<a href="mailto:SeneddDGCh@cynulliad.cymru">SeneddDGCh@cynulliad.cymru</a>

## – Cyllid celfyddydau nad yw'n gyhoeddus: Pecyn ymgynghori

Noder bod y dogfennau a ganlyn yn ychwanegol i'r dogfennau a gyhoeddwyd yn y prif becyn Agenda ac Adroddiadau ar gyfer y cyfarfod hwn

### 2.1 Cyllid celfyddydau nad yw'n gyhoeddus: Pecyn ymgynghori

(Tudalennau 1 – 144)

#### Dogfennau atodol:

##### Contents

- ART01 – Adam Somerset (Saesneg yn unig)
- ART02 – Mission Gallery, Abertawe (Saesneg yn unig)
- ART03 – Achates Philanthropy Foundation (Saesneg yn unig)
- ART04 – Canolfan y Celfyddydau Llantarnam Grange (Saesneg yn unig)
- ART05 – Opera Canolbarth Cymru (Saesneg yn unig)
- ART06 – Cyngor Celfyddydau Cymru
- ART07 – Chapter (Saesneg yn unig)
- ART08 – TRG Arts UK (Saesneg yn unig)
- ART09 – Samuel Murray (Saesneg yn unig)
- ART10 – Plaid Werdd (Saesneg yn unig)
- ART11 – Arts Development UK
- ART12 – Prifysgol Metropolitan Caerdydd (Saesneg yn unig)
- ART13 – Art Fund (Saesneg yn unig)
- ART14 – Celfyddydau Gwirfoddol Cymru
- ART15 – Arts Alive Wales (Saesneg yn unig)



ART16 – G39 (Saesneg yn unig)

ART17 – Theatr na nOg

ART18 – Prifysgol Abertawe (Saesneg yn unig)

ART19 – Ffilm Cymru Wales (Saesneg yn unig)

ART20 – Cwmni Dawns Cenedlaethol Cymru (Saesneg yn unig)

ART21 – Cwmnïau Cenedlaethol Cymru (Saesneg yn unig)

ART22 – Laura H Drane (Saesneg yn unig)

ART23 – National Theatre Wales (Saesneg yn unig)

ART24 – Rose (typed version of handwritten submission) (Saesneg yn unig)

ART25 – Celfyddydau a Busnes Cymru (Saesneg yn unig)

ART26–Opera Cenedlaethol Cymru

Preifat

## Cynnws | Contents

Rhif   Number	Sefydliad	Organisation
ART01	Adam Somerset (Saesneg yn unig)	Adam Somerset
ART02	Mission Gallery, Abertawe (Saesneg yn unig)	Mission Gallery, Swansea
ART03	Achates Philanthropy Foundation (Saesneg yn unig)	Achates Philanthropy Foundation
ART04	Canolfan y Celfyddydau Llantarnam Grange (Saesneg yn unig)	Llantarnam Grange Arts Centre
ART05	Opera Canolbarth Cymru (Saesneg yn unig)	Mid Wales Opera
ART06	Cyngor Celfyddydau Cymru	Arts Council of Wales
ART07	Chapter (Saesneg yn unig)	Chapter
ART08	TRG Arts UK (Saesneg yn unig)	TRG Arts UK
ART09	Samuel Murray (Saesneg yn unig)	Samuel Murray
ART10	Plaid Werdd (Saesneg yn unig)	Welsh Green Party
ART11	Arts Development UK	Arts Development UK
ART12	Prifysgol Metropolitan Caerdydd (Saesneg yn unig)	Cardiff Metropolitan University
ART13	Art Fund_ (Saesneg yn unig)	Art Fund_

ART14	Celfyddydau Gwirfoddol Cymru	Voluntary Arts Wales
ART15	Arts Alive Wales (Saesneg yn unig)	Arts Alive Wales
ART16	G39 (Saesneg yn unig)	G39
ART17	Theatr na nÓg	Theatr na nÓg
ART18	Prifysgol Abertawe (Saesneg yn unig)	Swansea University
ART19	Ffilm Cymru Wales (Saesneg yn unig)	Ffilm Cymru Wales
ART20	Cwmni Dawns Cenedlaethol Cymru (Saesneg yn unig)	National Dance Company Wales
ART21	Cwmnïau Cenedlaethol Cymru (Saesneg yn unig)	National Companies of Wales
ART22	Laura H Drane (Saesneg yn unig)	Laura H Drane
ART23	National Theatre Wales (Saesneg yn unig)	National Theatre Wales
ART24	Rose (Saesneg yn unig)	Rose
ART25	Celfyddydau a Busnes Cymru (Saesneg yn unig)	Arts & Business Cymru
ART26	Opera Cenedlaethol Cymru	Welsh National Opera
	Preifat	Private

## Status

I am the author of 620 reviews and commentary pieces on theatre and performance in Wales dating back to 2007. I have seen more performance than any other audience member in Wales and my writing in aggregate is larger than that of all print media combined.

I belong to no organisation other than to be a member of the panel that determines the nomination and winners for the Wales Theatre Awards. I am not familiar enough with opera and dance so these observations refer to theatre in its broadest manifestation.

## Summary

Wales has a theatre of a quality and a scale that belies its size. No community of three million in the world has a larger. It is a record in which all concerned should take pride, makers and government equally. However, its fuller flourishing is held back by conditions that are well known and been repeated ad nauseam for decades.

A comatose and fragmented media, some answerable to a senior management elsewhere, puts the lid on critical response and public debate. As in other areas entrepreneurial spirit, zeal and managerial competence are high but Wales lacks the structural mechanisms for its full enablement. In the name of solidarity to the national project nostalgia and the selective editing of history pervade the arts to its weakening. The culture is ill-at-ease with modernity. The tourist interest is a strong influence on arts decision-making.

Open markets are an apparatus that need strong law to corral deleterious effects. But the qualities of innovation and energy hold small esteem in the culture. The best historians of Wales lament on public platforms that the great capitalists of the Welsh primary industries are treated in a one-sided manner. Their engineering and technological achievements play no part in the cultural memory, being subsidiary to monochrome record of class antagonism. Art reflects the soil of culture in which it grows and culture is deep and entrenched. This nature of the culture of anti-commercialism weakens the art. Government has small influence when set beside it.

Aesthetics and aesthetic discussion constantly change. A strand of theory, with its roots in the Academy, takes pride in the smallness of audience it is able to attract. The esoteric appeal is interpreted as indicator of quality, the adjective "challenging" elevated to signify the inducement of boredom. Public bodies themselves are part of culture and not immune from fad and fashion.

The most insightful comment on the culture was written by Daniel Evans for opendemocracy.net on 22nd December 2016. "A final corollary of this invisibility – it is not just the news media: dramatic portrayals of Welsh life remain largely invisible in film, music and literature – is that it contributes to an extremely weak sense of national identity in Wales."

### Performance in Wales

To be an audience member in Wales is a privilege. There is one national community in the world of three million that offers a similar abundance of companies and quality. Cardiff has more venues – WMC, the Other Room, Chapter, the New Theatre, the Richard Burton, the Sherman – than any city in Britain outside London.

Even in a comparable culture of public subsidy for the arts the range and quantity of performance in Cardiff is, for instance, greater than that in Sydney, New South Wales, a metropolitan area ten times its size.

However, the benefit for the consumer comes at a cost. The producers of performance have levels of income that are low and patterns of earnings that are unstable. Careers for actors have the advantage of the proximity of London and for those who are bilingual the production projects of S4C is a career-enhancer. That is not the case for directors and dramatists.

A discussion this summer by the association for directors concludes that a career as a director in Wales is untenable. This is in part because of directors from England, with the National Theatre cited as opting for a high proportion of non-Welsh directors. This is not reflected in the quality, nor the earning capacity, of productions. In 2016 and 2017 the national company's role in the Theatre Awards has been peripheral.

Theatre in Wales has squandered the talents of its most talented writers. Gary Owen alone has over the course of many years become the sole voice, with a reliable distinctiveness, who can sell out a theatre.

The spirit of entrepreneurship is evident across Wales. Cardiff's the Other Room, the winner of multiple awards, is a result of sheer entrepreneurial will. In Blaenau Ffestiniog Opra Cymru is testimony to similar entrepreneurial drive whereby audience appeal links to high quality.

It is notable that the theatre that takes Wales to the world tends to come from the entrepreneurial wing rather than the revenue-funded one. For example Dirty Protest and Scriptography have taken productions to the most prestigious and influential fringe venues in London. Flying Bridge Theatre has performed on both coasts of the USA and was at Adelaide this year, the biggest theatre festival in the world after Edinburgh.

### Role of Arts Council of Wales

The Arts Council of Wales had a period of turbulence at the beginning of the century. To the observer the board and management in the period that followed gave the impression of having performed the role admirably. The Chair up to 2016 was a public figure who spoke unafraidedly for the arts.

Since the demand for subvention will always be greater than the resources to supply, the record will always be contestable. In England controversy always centres on the monies given to London versus the rest of the country. The Council in Wales has avoided for instance the like of the protest this month against its equivalent in England. (A debate, of some bitterness, has centred on a start-up company receiving £2m.)

However, the Council is a public sector grant allocation body. An open letter in 2003 signed by 60 directors and writers asked for a strategic approach to theatre (1). Most of the authors' comments are pertinent in 2017. However, the Council is not a strategy-making body nor is it a venture capital operation picking winners. It has to be added that if it were a winner-picker on a VC model then the sales revenues for theatre would soar. But sales maximisation is not its brief and nor should it be. To its credit the balance of allocation across the counties of Wales, the languages and the art forms invites none of the rancour of comment in England or Scotland.

Lastly, the Council is also an outlet for government policy as a whole. Social policy is at its heart but there is evidence of some muddle in its application. (2)

## Contrasts with England

It is pointless to make direct comparison with London since the city is a phenomenon out of kilter with the rest of the four nations. However, two factors are relevant. Firstly, its theatre has always had a public–private symbiosis in which subsidised productions enter the commercial sphere. Indeed the record from the 1980s is clear that theatre practitioners acquired considerable personal wealth without putting any of their own capital at risk. The National Theatre in its recent years has taken pride in its capacity to sell, its highest earner having taken £40m at the box office. There is no obvious evidence of a similar aspiration to sell in Wales.

The ecology of venues is of course vastly different in Wales. However, it is feasible for private-sector theatre to exist with the right product. Frapetsus is evidence, being able to fill theatres from Colwyn Bay to Cardiff. However, since it required extreme financial risk from its entrepreneur–actor–writer it has ceased.

The second factor is an inquisitive press. Thus Richard Morrison of the Times looked to the subsidy for one mismanaged company and then to its number of performances. He divided the two and published his result,

£148,000 per performance. No such exercise exists in Wales.

Theatr Clwyd has this season broken with a tradition of coyness about revenue. Its brochure contains in large print its record for the year. 158,337 tickets sold, £1.6m ticket sales. It stands out for its very rareness.

## Factors for Revenue Growth

Every industry sector considers itself to be unique which is true. All sectors have their particularities but all have their commonalities. In particular commercial success is about brand-building. In England this summer a new play by James Graham was an instant sell-out with transfer to the West End.

A play by Graham is a known entity and the audience knows what it is getting. His play "This House"— the only play in theatre to feature a young Dafydd Elis-Thomas— has longevity also being revived last year with commercial success. Revivals are rare in Wales— again Gary Owen is the only example.

Similarly this summer the National Theatre in England has combined playwright Lucy Kirkwood with the detective from "Broadchurch", the result an instant sell-

out. Brand quality, a repertoire of familiar actors, seasonal regularity are all part of the mix, achieved at Theatr Clwyd and developed with success at the Sherman.

The irregularity of the appearance of theatre companies is not good for brand-building. A company like Waking Exploits is there for three years and then gone. Opra Cymru builds a franchise with audiences of 1 50–200 and then is no more to be seen.

### **Welsh-Language Theatre**

I am not an expert in this strand having seen some, but not all, of the productions of Arad Coch, Bara Caws, Cwmni Franwen, Opra Cymru and Theatr Genedlaethol. The five artistic directors hold my respect for work that spans the spectrum from good to outstanding. Their capability for sales growth is constrained by the fact that surtitling, a regular in opera, is still unfamiliar for theatre audiences.

### **National Theatre of Wales**

National theatre holds a particular place in the theatre ecology. It sits at the centre. There is no choice in the issue. When the late Rhodri Morgan gave his valedictory lecture for the Wales Political archive he was asked as to the stages of government in Cardiff Bay. The first period, he said, had one purpose that over-rode all; it was the legitimation of the Welsh Assembly Government as an institution.

So with the national theatre; its first chapter was one of unsurpassed brilliance in establishing its existence. Critical praise for the music of Wales has long been a regular. To open a broadsheet and see a five-star review for theatre of Wales, as I did in August 2010, from Britain's best theatre critic had no precedent.

The brilliance has not been sustained. The signs of pathology of corporate decline are well-known and the national company exhibits four of them. A public company cannot go bankrupt in the manner of a private company. The view from an outsider at a hundred miles distance differs from that of Cardiff. Regulatory capture is a well-known phenomenon. With sadness it is hard for an outsider not to discern the signals, from the public record at least, that this has been the case.

### **CONCLUSION**

The economics of performance are no different from other products. There is a fixed cost that is amortised over production runs with variable cost. In the case of theatre it is the rehearsal and preparation time amortised over the number of performances. At the height of the repertory system the two were merged; the

companies prepared the following week's production during the day before performance in the evening. In terms of cost minimisation the system adopted by Cameron Mackintosh, the world's most successful theatre entrepreneur, is the same as that of the Macdonalds Corporation.

In Wales the company with a regular best ratio of fixed cost to number of performances has been Frapetsus. It stands out as a commercial operation. At the opposite end public sector theatre in 2017 can be observed to have a ratio of five weeks rehearsal and other activities resulting in three performances.

Theatre is a medium for dramatists and actors. They are brand names. Tickets rise when a familiar name is the draw. Look only to the pantomime offered by the New Theatre each winter whose audience extends to Pembrokeshire. Innately strong products and focus and investment on a selected number of existing and up-and-coming performance names are the routes to raising the ratio of earned income to public sector grant-giving.

### Notes and References

1. Open letter- [http://www.theatre-wales.co.uk/critical/critical\\_detail.asp?criticalID=153](http://www.theatre-wales.co.uk/critical/critical_detail.asp?criticalID=153)
2. A document of advice to companies stresses attention to the most impoverished communities both materially and culturally. It suggests experimental work, the exact opposite of what such communities deserve. The bedrocks of theatre are comedy and theatre. An aesthetic of snobbery dislikes these genres, the holders usually lacking in skill to make them.

Adam Somerset  
7 August 2017

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee  
Cyllid Celfyddydau nad yw'n Gyhoeddus / Non-public Funding of the Arts  
CWLC(5) ART02  
Ymateb gan Mission Gallery, Abertawe / Evidence from Mission Gallery, Swansea

As part of a *Wales Arts International* funded residency with *Residency Unlimited* in New York last November (2016) Amanda Roderick, Director of Mission Gallery, Swansea and Bella Kerr, Chair of the Gallery's board, interviewed several organisations regarding organisational structures and issues such as fundraising and non-public funding.

The residency proposal outlined our intentions as:

A collaborative investigation of the visible and invisible structures and infrastructures centred on and around cultural organisations, considering the role of partnerships, dialogue, learning, opportunity and engagement.

We used these questions to initiate discussion:

- How are location, site and architecture important when defining a gallery/other space and its artistic philosophy?
- For galleries/other, what are the connections to the city and wider community?
- How does partnership work and feed into an organisation's programming and strategy?
- How do the smaller galleries, grass roots organisations, studio groups and collectives, work alongside each other in collaboration with the larger established venues?
- Are genuine creative partnership formed to the benefit of each organisation and the artists/others involved?

Below is an edited extract from a key interview (anonymised). We are currently processing the material gathered during the residency with the possible intention of publishing, and have made several presentations about this work.

#### **BK & AR Interview with X, Director of Development, XX**

**X has 30 years of experience as an arts administrator and non-profit fundraiser.**

*Early on I had a series of not very good jobs, I mean for organisations that if they didn't exist you wouldn't have to invent them. It was always a criteria of mine; if it didn't exist, would you have invented it?*

*Basically, in America, if you're an arts administrator, you are, at some level, a fundraiser because the real problem with the American model is that so much of an institution's resources are devoted to fundraising rather than programme delivery.*

*I think it's a big drag on institutions. Here, things are very lean. Nationally, the team are well connected and well respected. They've built a model that is very efficient in its fundraising efforts. Major institutions will have tens of people in their fundraising department and, if you're looking at getting a whole bunch of different gifts from different sources, each takes a level of maintenance and servicing to keep going.*

*I think if you're confident of a big chunk of your money coming from the government or from a quango, then it allows for a much more efficient organisation, and quite often for a more risk taking organisation. I think there's an inherent conservatism in an organisation that's heavily dependent on individuals. They like what they like and that's why they're supporting it.*

*There are a number of things that have been done a little better here over the past few years. Just the training and development that people running organisations need is very important. I think the whole issue of capacity has come to the fore a little bit more in recent years here. The large institutions like the Met and MoMA and the Lincoln Centre have these big departments and they have very professional people working in each of the departments.*

*The perception of the organisation within the community, not with the general public, but within the arts community, including the funding community, is very much tied to the perception of the director. The most important thing therefore is to be very visible, to be out and about. For your organisation the thing that really drives funding for the most part – a certain amount of it is just connections – is quality. People are really interested in supporting quality programmes. It's about being out and about and creating a very strongly perceived view of someone representing an organisation that is doing good work.*

*Whatever community or organisation you're working for, I think it's very important for the director to be visible, because you're the principal ambassador for the organisation.*

*Dealing with foundations and government, it is reputation and those people are very much, usually, part of the world, of the art world. They engage in it. They want to hear about new things. Their job is to give away money. Fundamentally that's what they do, so it's straightforward to ask them.*

*They will look to the field to be guided about who is impressive and who is not. Again, that's really why having this kind of very strong reputation, why this perception of the leadership is needed – obviously in the media – and within other public venues. Also the views of artists count for a lot, the people that you actually work with directly. A sense of openness, particularly if you're dealing with young, emerging artists, can really help.*

*I think a lot of work is important for fundraising, it's also important just for organisational profile, because you want to have a sense of openness, approachableness, and competence – but not arrogance – just to succeed in the community. You need it to also to succeed with fundraising – there is an overlap.*

*Marketing has to be exactly in parallel with your mission. Having talked a lot about the quality side and the visibility, you also have to establish a sense of need. I think that's one of the things and that's a real issue because your focus is so much on quality, which includes quality presentation or suggests financial stability – and you never want to say, "We're going to close. We're dying. It's awful." You have to balance that.*

*What's fundamental to the health of an organisation, is that you have a clear, strategic vision. Everybody hears, "Innovation, innovation, innovation," and it's like, "Why, you idiots." You're doing something well, of course you're going to want to improve and strengthen that, but if you're doing something well, why do you need to innovate?*

*You just need to do what you do and do it well. If you're educating kids, you don't need to stop educating kids and start building cars. What you need to do is keep up with trends in education. You don't need to innovate, you just need to be good at what you do. That said, I think just having a sense of the direction, a clear internally generated sense of the organisation and where it's going is key, because if your leadership can't generate a strategic plan for the organisation, maybe they shouldn't be your leadership.*

*If you don't have a vision for the organisation, then maybe you shouldn't be in a leadership role. I think that kind of internal articulation of what you are and how that is going to play out over the next three to five years is very important. I think to document that is also very healthy and a useful and very stimulating thing to do. To have somebody from the outside come and make a very pompous \$90,000 strategic plan, that is then a rigid thing that you're being told off about by your stupid board, is a wholly other project.*

*My dislike of strategic planning is this notion that some expert will come in and guide you, because it's such a denial of the competence that exists within the organisation, or that should exist within the organisation. Too often people think that people on the outside are going to have more, be better, than the people you have on the inside. I think that's a wretched way of thinking.*

*The kind of strategic planning I do is more one of listening to the organisations, bringing everybody together and creating that space and forcing that discussion. I think somebody who is competent can moderate and manage and facilitate those conversations and document them and add in their own ideas and their own experience. But fundamentally it is to give you the kind of structure and opportunity to talk through the issues that you're going to have to address over the next years, and generate with you, driven and guided by you, the solutions to that problem.*

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee  
Cyllid Celfyddydau nad yw'n Gyhoeddus / Non-public Funding of the Arts  
CWLC(5) ART03  
Ymateb gan Achates Philanthropy Foundation / Evidence from Achates Philanthropy Foundation

On behalf of the Trustees of the Achates Philanthropy Foundation, I write to share with the Committee information regarding the Achates Philanthropy Prize for new cultural philanthropy, in the hope that it will be of assistance to the inquiry.

The Achates Philanthropy Prize was created in 2016 to achieve three key aims:

- To raise awareness of the arts as charitable organisations that need philanthropic support
- To promote the idea that anyone can be an arts philanthropist
- And to celebrate the pleasure that being an arts philanthropist can bring

The Prize was established as a result of my work as a fundraising consultant and in particular, two key experiences: firstly, acting as lead advisor on the National Theatre's NT Future Campaign and the realisation this and parallel projects brought that the models employed by a limited number of major cultural institutions simply are not replicable by the majority of small to medium organisations. And acting as lead philanthropy advisor to the evaluation of Arts Council England's Catalyst and now Catalyst Evolve programmes, alongside BOP Consulting, over the last four years.

The evidence from the extensive research carried out and published in annual reports highlights the need for greater public understanding of the arts as charities that need philanthropic support and the need to challenge the idea that arts philanthropy is the preserve of the few. Whilst carrying out this research, it became clear that DCMS views these challenges as the responsibility of the individual organisations to address. Given that this is an extremely challenging case for the individual organisations to make and particularly at a time of austerity, this led me to develop the Prize as a form of campaign to support change by sharing and celebrating the stories of individuals from all contexts who are supporting the arts for the first time.

The shortlist for the 2016 Achates Philanthropy Prize included: the RSC, the Fruitmarket Gallery in Edinburgh, Northern Ballet, Turner Contemporary, Theatre Royal Stratford East, and The Yard Theatre.

The Prize was ultimately awarded to Theatre Royal Stratford East and their nominated philanthropist, Nigel Farnell. The story of Nigel's journey to becoming an arts philanthropist after many years of not engaging in culture, which he shared on Radio 4's Front Row amongst other media, has inspired many arts organisations to think of ways they can engage new philanthropists and we are now very much looking forward to the 2017 awards.

In 2017, we have been fortunate enough not only to retain our major sponsor, Achates Philanthropy Ltd, but also to have secured the support of two first-time arts sponsors; the cultural consultancy firm BOP Consulting, and the ticketing agency, Spektrix. This has enabled us to offer two Prizes in our second year. The existing Prize for individual philanthropy and a new Prize for first time corporate supporters of the arts. This is particularly important as corporate support for the arts declined by a third between 2012 and 2016. Both Prizes include a £5,000 donation to the winning organisation and custody of the Prize sculpture for a year for the winning individual, or business. The Old Vic Theatre are joining us as in-kind sponsors by hosting a drinks reception at which the 2017 Achates Philanthropy Prize will be awarded by eminent arts philanthropist, Omar Al-Qattan of the A. M. Qattan Foundation, on Monday 27th November.

In addition, we have secured a number of esteemed judges for the 2017 Prize including broadcasters John Wilson and Razia Iqbal, and we are delighted that our 2016 Individual Philanthropy Prize winner, Nigel Farnell, will also join the panel.

The call for entries closes on 10 September 2017 and we hope that there will be many entries from Welsh organisations.

The Prize undoubtedly represents a tiny proportion of the energy and investment that is needed to change attitudes to cultural philanthropy, which currently accounts for less than 1% of all UK philanthropy with more than 60% of that going to the 50 largest institutions. However, the Trustees have established a clear framework for measurable change by the end of our current commitment to the Prize, in 2019. This includes strongly establishing the Prize within the sector in 2017, starting to specifically target key audiences in 2018 and embedding the Prize nationally in 2019 through a lobbying and advocacy campaign and key activities such as a touring exhibition telling the stories of emerging arts philanthropists.

It is of course clear that the current rate of growth in cultural philanthropy, as detailed in the Private Investment in Culture survey (once adjusted to allow for the influence of a single institution) is not growing at a rate that will enable it to entirely meet the gap left by reductions in state subsidy and that most cultural organisations will need diverse income streams to meet their financial needs, but the Trustees of the Achates Philanthropy Foundation believe that voluntary income can play a vital role as part of this mix with appropriate awareness raising and investment.

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee  
Cyllid Celfyddydau nad yw'n Gyhoeddus / Non-public Funding of the Arts  
CWLC(5) ART04  
Ymateb gan Canolfan y Celfyddydau Llantarnam Grange / Evidence from Llantarnam Grange Arts Centre

Llantarnam Grange Arts Centre (LGAC) is a small incorporated charity, company limited by guarantee and registered charity, based in Cwmbran, Torfaen.

Llantarnam Grange Arts Centre (LGAC) opened in 1966. Over the last five decades the community it serves has grown considerably, now typically over 50,000 people visit the centre in Cwmbran each year. Audiences see our exhibitions at other venues across the UK, take part in outreach participatory projects and engage with us digitally. The diversity and quality of our exhibitions and learning programme make us a much valued and used resource for town, county, region and increasingly nationally and internationally.

LGAC is a member of the Arts Portfolio Wales, a key member of the Arts Council of Wales revenue funded organisations.

LGAC is governed by a Board of Trustees, while the day-to-day management, running and programming is delegated to the Centre Director and team of dedicated staff.

## Our Mission

Advance the understanding and education of the visual arts to benefit the lives of our communities.

## Our Vision

To present the best work being made in Wales and bring to Wales, some of the most important and interesting work being produced nationally and internationally. To deliver a programme of education / participation / engagement activities that is relevant to the lives of our communities.

Our Trustees and our staff are united in the belief that participation, engagement and education lie at the heart of the Arts Centre. This ethos is expressed through all our work. We provide opportunities for people of all ages to become engaged in their contemporary cultural heritage. This is illustrated by the presentation of an exhibitions programme that provides our audience with an opportunity to access creative work of the highest quality. Additionally, through providing a rich and lively learning resource that is inclusive and that offers different ways of learning to give everyone an opportunity to become actively engaged.

It is this ethos that provides the ~~and actively engage the~~ <sup>Tudalen y cynllid</sup> ~~and actively engage the~~ <sup>16</sup> drives the organisation forward.

## **Delivery of Our Mission and Vision**

We will continue to build on our successes, and through strengthening our relationship and working in partnership with makers, artists and organisations we will continue to demonstrate our significance as a regional cultural asset.

## **The Future**

We aim to achieve our Mission and Vision through continuing to develop our audience delivering the following seven goals:

1. Deliver an exhibition programme of quality and excellence giving our current and future audiences the opportunity to engage with work produced in Wales and to bring to Wales some of the most important work being produced nationally and internationally.
2. Reach out to our communities & deliver a learning programme that will:
  - Deliver the national strategic project Criw Celf in the SE Region
  - Provide opportunities for people of all ages to engage in cultural activities
  - Provide a rich and lively learning resource that strives to have an inclusive approach giving our communities the opportunity to become actively engaged with their visual and cultural heritage
3. Further the debates of contemporary practice raise the visibility of makers and artists by touring exhibitions and engaging in collaborative projects with other galleries and venues
4. Provide a platform for our audiences to develop an understanding and appreciation of the debates relating to contemporary practice
5. Provide opportunities for artists and makers living and working in Wales to develop a career through their creative practice
6. Provide opportunities for artist/makers groups, community/voluntary organisations and other bodies to use the resources of the centre to act as a hub and focus for wider cultural and heritage activity
7. Reinforce our position as a valued and needed resource within the communities of Town, County, Region and Nationally

These future plans will be underpinned by ensuring that we have sound governance and operate within a sustainable financial model.

## Context and Markets

Culture does not exist in isolation, LGAC operates within a network of cultural and heritage venues, museums and visitor attractions within Torfaen County Borough, Wales and beyond.

## Budgets and Forecasts

The past five years have been challenging with local authority budget squeezes, Arts Council of Wales budget reductions and increasing costs. Llantarnam Grange Arts Centre has navigated its way through this period. However, we do not underestimate the challenges ahead both in the short term and further ahead. Continued pressure to local government funding and pressures on the Arts Council of Wales together with the unknown implications of Brexit make for a very challenging future.

Llantarnam Grange Arts Centre is part of the Arts Portfolio Wales. A body of organisations that receive core Art Council of Wales funding. We also hold a Service Level Agreement with Torfaen County Borough Council. These two organisations are our biggest funders of unrestricted core grants.

In 2016/17 our total income was £219,409; we received £82,380 from the Arts Council of Wales and £26,125 from local government a total of £108,508 in unrestricted core funding, plus a further £10,056 in restricted grant income for specific projects a total of £118,564.

The balance of £99,234 is sourced through generating earned income and donations.

Exhibition Sales	£8,333
Education Fees	£17,743
Craftshop Sales	£23,870
Café Sales	£43,809
Room Hire / Rental	£5,479
Total	£99,234
Government funding	54%
Self Generated	46%

We feel that this balance is about right with approx 50% of our expenditure generated by the organisation. There is not an over dependence on support.

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee  
Cyllid Celfyddydau nad yw'n Gyhoeddus / Non-public Funding of the Arts  
CWLC(5) ART05  
Ymateb gan Opera Canolbarth Cymru / Evidence from Mid Wales Opera

Firstly, we would like to thank you for your interest in this vital issue and in the balance between the role of revenue funding from Arts Council of Wales and the need to diversify funding sources for the arts in Wales through earned income, philanthropy and investment.

As a sector, we are well aware of the challenges faced by the National Assembly and the Welsh Government in terms of funding, and equally of your Committee's on-going commitment to supporting and valuing the Arts and Cultural Industries.

In response to your consultation, we would like to use Mid Wales Opera's work as an example of the efforts, and challenges, involved in trying to diversify the funding base of revenue funded organisations. As a company, MWO is a revenue funded client of ACW – however, the funding we receive (£104,000 per year) is sufficient only to support our core staffing and to meet the costs of producing one show per year and presenting it at our home theatre in Hafren, Newtown. As it only makes financial, logistical and artistic sense to create a new production if we also tour it, we inevitably have to generate additional revenue from a range of sources to make our overall operation viable.

Our annual budget for the coming year is £292,000 – with our work including:-

1. A sixteen venue community scale tour of William Walton's The Bear in Autumn 2017
2. An eight theatre tour of our core production of Tchaikovsky's Eugene Onegin in Spring 2018 with Ensemble Cymru.
3. A week's residency in Montgomery Church in Wales School – creating an opera from scratch with the entire junior school.

Our work over the next year is supported by:-

- The Foyle Foundation and Ashley Family Foundation – each contributing £20,000 towards the costs of The Bear
- Nidec/Control Techniques – sponsorship for singer on The Bear tour £1500

- Arts Council of Wales Lottery – Eugene Onegin tour (£75,000 grant National Touring)
- D'oyly Carte Charitable Trust (£3,000), Fenton Arts Trust (£3,000), John Lewis Charitable Trust (£2,000) towards the costs of supporting Young Artists on our Eugene Onegin tour – we have applications in with the Garrick Charitable Trust, Oakdale Trust.
- ACW Creative Collaborations – schools residency.
- £8,000 of other income , predominantly individual giving from our Friends and Patrons

Non-public funding thus is expected to provide around a fifth of our total income with a further fifteen percent coming from earned income and ticket sales

We already have some funding in place towards our 18/19 programme which is based on a community tour of Ravel's L'heure Espagnole and a main stage tour of Puccini's Tosca- £7,500 from the Garfield Weston Foundation and £5000 from the Gwendoline and Margaret Davies trust – our lottery application has been submitted this month.

For an organisation with just four part-time staff, juggling this range of funders and the constant need to plan ahead is a challenge. For the first time in our history, we are working to a five year artistic plan which allows us to build on our successes – such as our Spring 2017 tour of Handel's Semele with the Royal Welsh College of Music and Drama and Academy of Ancient Music – and plan our partnerships years in advance.

**The foundation for all of this work is our revenue funding.** It is the bedrock on which MWO is built and allows us to employ staff, including our Artistic Directors Jonathan Lyness and Richard Studer on contracts (albeit part time ones) working on a year round basis rather than sessionally during production periods. That means we can work together as a team, sharing our ideas and plans around each production and creating marketing and fundraising programmes which are fully integrated into our artistic vision.

Having managed organisations reliant on annual lottery applications for their core costs, I am well aware that the luxury of revenue funding is one which we cannot take for granted. We work in partnership with our lead officer at the Arts Council of

Wales, and while she is taking voluntary redundancy in the current round we are already establishing a relationship with our new officer.

We are part of a far wider eco-system across the arts in Wales (and to some extent into England). By working with Ensemble Cymru as our orchestra for the next two main stage productions we are able to partner with an organisation which shares our vision of bringing exceptional quality, chamber scale music and productions to audiences outside Cardiff – making more work for their players and taking their music to new places.

We're also in close and regular contact with all our theatres – we understand the financial pressures they face, that opera is a tough sell (particularly outside metropolitan centres) and our fees reflect that – as does the level of marketing support we give our theatres for our touring work.

Opera is of course, the most expensive of art forms, and if we are to make it accessible, we cannot hope to recoup more than a modest proportion of what it costs to mount a show. As a company, we are focussed on taking opera to places where it is never or rarely performed – for example our mainstage tour will visit Llanelli, Milford Haven and Newport. Our tickets cost around £15–£20, with some theatres offering special deals such as Pontardawe Arts Centre's £1 tickets for children to see *The Magic Flute*.

In the past, venues who were funded by the Arts Council and local authorities were prepared to pay a fee which exceeded the income they were likely to generate from ticket sales, as part of their mission to present the widest variety of performing arts, but with funding cuts to their budgets, this is no longer the case: our fees have stagnated over the last ten years, meaning that, earned income now meets only around 15–20% of the costs of each performance. This clearly represents a huge challenge.

The four star reviews, and high critical praise for our 2017 Spring tours have confirmed MWO's work is exceptional quality by any standards. The price of our tickets, our decision to cast 50% of our performers from those under 30 and/or less than four years out of college and our touring venues reflect a commitment to supporting young artists and our desire to share our passion for this extraordinary artform. We choose to sing in English and we have chosen to take our SmallStages tour to Aberdaron, Cilgerran and Cwmbran on ACW Night Out programme because we genuinely believe opera is for everyone.

As a company we're working hard to diversify our funding base but we do face some considerable challenges, over and above the inherently challenging proposition of mounting a show which requires some 25 professional performers plus stage and technical crew in small and medium sized venues around Wales – some specific to our commitment to working from a base in Mid Wales.

- Sponsorship works well for some companies, and we have had some small success ourselves, but in rural Wales there is a limited range of private companies which we can approach – realistically this is not a solution for many arts organisations.
- We're working hard to increase individual giving through Friends and Patrons – as a small company we need to find new ways to connect with those willing to personally support our work and we're working with our Board to do that. But as a touring company, it can be challenging to develop embedded relationships and many of the areas to which we tour are characterised by low incomes.
- London based critics are often reluctant to travel beyond Cardiff to see work – and London based funders likewise. We contribute to the Wales Critics Fund which can support those based in Wales to review our work but we need to find a way to get national press reviewers to see our shows, and opening in Newtown presents us with a challenge on that level!

We'd be happy to attend the Committee in person if that would be useful – or to be used as an example of the efforts being made by revenue clients to diversify their funding, alongside the challenges that presents.



Cyngor Celfyddydau Cymru  
Arts Council of Wales



## Arian na ddaw oddi wrth y cyhoedd i'r celfyddydau

Ymchwiliad gan y Pwyllgor ar gyfer Diwylliant,  
Cyfathrebu a'r Gymraeg

Cyflwyniad gan Gyngor Celfyddydau Cymru  
Tudalen y pecyn 23

# Cynnwys

<b>1. Cyflwyniad</b>	<b>4</b>
Cwmpas	4
Cyd-destun ariannu cyhoeddus	4
Y cyd-destun rhyngwladol	6
Brexit	7
Llythyr cylch gwaith Cyngor Celfyddydau Cymru 2017/18	7
<b>2. Diffinio termau</b>	<b>8</b>
Cefnogaeth na ddaw oddi wrth y cyhoedd	8
Cefnogaeth gan y cyhoedd	8
Ffurfa o gefnogaeth breifat	8
Buddsoddiad personol artistiaid a phroffesiynolion creadigol unigol	9
Pwrpasau ariannu cyhoeddus	9
<b>3. Portffolio Celfyddydol Cymru</b>	<b>11</b>
Portffolio Celfyddydol Cymru	11
Arian refeniw Cyngor Celfyddydau Cymru	11
Proffil ariannu Portffolio Celfyddydol Cymru	12
Nawdd a chodi arian Portffolio Celfyddydol Cymru	13
<b>4. Datblygu cynhwysedd, gwytnwch ac arloesedd</b>	<b>14</b>
Cymru a'i hanes o hunangymorth	14
Datblygu sgiliau a chynhwysedd	14
Rhaglen Arweinyddiaeth Clore	15
Cynllun Casglu – cynhyrchu gwerthiant i artistiaid unigol	15
Celfyddydau a Busnes Cymru	15
Adeiladu gwytnwch a chynaliadwyedd	16
Arloesedd	17
Cydweithio a rhannu adnoddau	18
Gwaddol Cenedlaethol i Gerddoriaeth	18
Tyfu marchnadoedd rhyngwladol newydd	19
Adeiladu gwytnwch Cyngor Celfyddydau Cymru	20

---

<b>5. Modelau sy'n annog cynhyrchu incwm</b>	<b>22</b>
Nawdd	22
Rhoddion a dyngarwch gan unigolion	23
Torfariannu a chodi arian ar-lein	24
Cefnogaeth mewn nwyddau	25
Gwaddolion	26
Is-gwmniâu masnachu	27
Rhoddion corfforaethol	28
Buddsoddi masnachol	28
Ymddiriedolaethau a sefydliadau	29
Gwasanaethau celfyddydol i fusnesau	30
Partneriaethau cyhoeddus/preifat	30
Cynlluniau cyfeillion	30
Polisi treth	31
Ardollau	31
Deddfwriaeth ganran	32
Trosglwyddiadau yn lle treth	32
Bondiau effaith gymdeithasol	33
Cynlluniau cyfranddaliadau cymunedol	33
Cynlluniau cwpon neu ostyngiad pris	34
Cynlluniau bancio amser	34
Cynlluniau bancio	34
<b>6. Sylwadau a chasgliadau</b>	<b>35</b>

---

Cyngor Celfyddydau Cymru yw'n corff swyddogol sy'n ariannu a datblygu'r celfyddydau.

Pob dydd mae pobl ledled Cymru yn mwynhau'r celfyddydau a chymryd rhan ynddynt. Cynorthwywn yn y broses o gefnogi a thyfu'r gweithgarwch hwn. Cyflawnwn hyn drwy ddefnyddio arian cyhoeddus a gawn gan Lywodraeth Cymru a thrwy ddosbarthu'r enillion a gawn gan y Loteri Genedlaethol.

Drwy reoli'r arian hwn a'i fuddsoddi mewn gweithgarwch creadigol, cyfranna Cyngor Celfyddydau Cymru at ansawdd bywyd pobl ac at lesiant diwylliannol, cymdeithasol ac economaidd Cymru.

<http://www.celf.cymru>

# 1. Cyflwyniad

## Cwmpas

Nid yw ariannu na ddaw oddi wrth y cyhoedd o'r celfyddydau yn ffynhonnell refeniw ar ei phen ei hun, ar wahân i ariannu gan y cyhoedd. Eithr mae'n rhan o ecoleg rhyng-gysylltiedig o ariannu a buddsoddi sy'n cynnal ystod eang o weithgareddau masnachol ac â chymhorthdal.

Felly ystyriwn bedwar mater:

1. Proffil ariannu prif sefydliadau Cymru a ariennir yn gyhoeddus – Portffolio Celfyddydol Cymru. Dyma rwydwaith cenedlaethol o sefydliadau celfyddydol a gaiff arian refeniw sy'n derbyn cyfanswm o £27 miliwn o gymorth grant gan Gyngor Celfyddydau Cymru a chefnogaeth gan yr awdurdodau lleol o ryw £4.6 miliwn.
2. Mentrau strategol sydd â'r nod o leddfu ar y pwysau ar y celfyddydau a ariennir yn gyhoeddus
3. Mentrau a phrosiectau sydd ar hyn o bryd ar waith yng Nghymru i annog rhagor o fuddsoddi na ddaw oddi wrth y cyhoedd yn y celfyddydau.
4. Archwilio rhai o'r offer a ddefnyddir, yn genedlaethol a rhyngwladol, i annog a chymhell buddsoddi na ddaw oddi wrth y cyhoedd yn y celfyddydau a diwylliant.

At ddibenion y ddogfen hon, ystyrir bod cefnogaeth y cyhoedd hefyd yn cynnwys arian o'r Loteri Genedlaethol.<sup>1</sup>

## Cyd-destun ariannu cyhoeddus

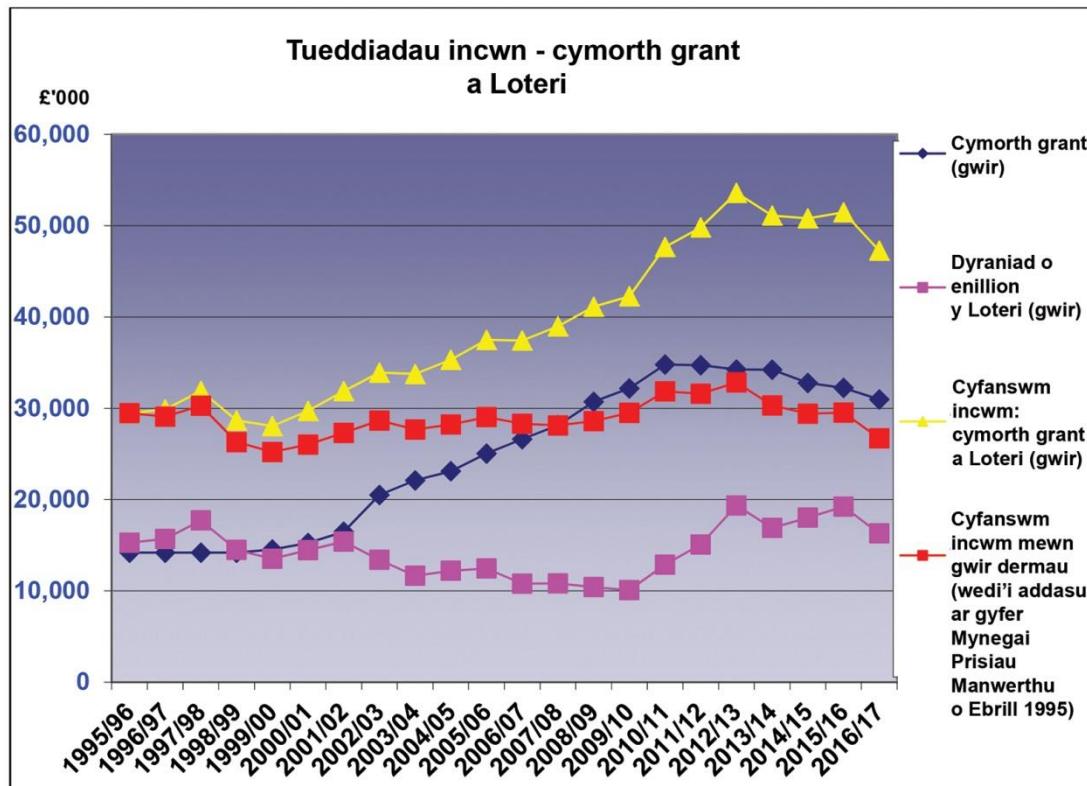
Mae cyni economaidd a'r pwysau canlynol ar arian y cyhoedd, yn canolbwntio sylw ar ddulliau amgen o gefnogi gweithgarwch celfyddydol a diwylliannol. Tyf maint yr her fel y cawn ragor o doriadau ariannol flwyddyn ar ôl blwyddyn.

Mae Cyngor Celfyddydau Cymru yn rheoli a dosbarthu cymorth grant y Llywodraeth ac arian gan y Loteri Genedlaethol. Ond lleihawyd yn sylweddol wir werth yr arian hwn yn y blynnyddoedd diweddar (er y bu cynnydd o 3.5% eleni yn arian y Llywodraeth i'r celfyddydau - cynnydd sydd, wrth gwrs, i'w groesawu).

Roedd y rhagor na degawd o fuddsoddi cyson gan y cyhoedd a'r Loteri yn ein bywyd diwylliannol yn y 1990au hyd 2010 yn fod i ragor o bobl fwynhau a chymryd rhan yn y celfyddydau. Serch hynny, golygai pum mlynedd o doriadau yn rhan gyntaf y degawd hwn fod y cynnydd blaenorol yn arian Llywodraeth Cymru erbyn hyn wedi'i erydu.

<sup>1</sup>Dyrennir cyfran o gost pob tocyn Loteri i bedwar Achos Da ac mae'r celfyddydau yn un ohonynt. Dyrennir arian ar sail fformiwlw ar draws pedair cenedl Prydain. Cyngor Celfyddydau Cymru yw dosbarthwr arian y Loteri ymhliith celfyddydau Cymru. Cawn 1% o'r holl arian a ddyrennir i'r Achosion Da.

Gweler gwir lefelau ariannu o 1995 hyd 2017 yn y siart isod. Serch hynny, mae cymorth grant ac arian y Loteri – ar ôl eu haddasu gan gymryd chwyddiant i ystyriaeth – mewn gwirionedd yn llai nag ydoedd 21 mlynedd yn ôl. O 1995/96 hyd 2016/17 syrthiodd cyfanswm arian y mynegai prisiau manwerthu wedi'i addasu (y llinell goch yn y siart isod) o'r ffigwr ariannol gwreiddiol o £29.5 miliwn i werth mynegai prisiau manwerthu wedi'i addasu o £26.7 miliwn. Lleihad yw hyn mewn gwir dermau o 10%, bron.



Un ymateb i lefelau arian sy'n lleihau fu annog y sefydliadau a ariennir i leihau eu dibyniaeth ar gefnogaeth gyhoeddus naill ai drwy gynyddu'r incwm a enillant neu ddatblygu ffynonellau newydd o incwm. Teimlir bod y model cymysg hwn o ariannu, os gellir ei gyflawni, yn cynnig y posibiliad o ragor o gynaliadwyedd a gwytnwch ariannol yn y tymor hwy.

Mae hyn yn cydweddu â deddfwriaeth Llywodraeth Cymru, Llesiant Cenedlaethau'r Difodol. Mae egwyddor llesiant yn ein hannog i drefnu ein gweithgareddau ar sail fwy cynaliadwy – yn gymdeithasol, amgylcheddol ac ariannol. Ystyriwn hyn yn gyson â'n gwaith wrth gynorthwyo'r celfyddydau i fod yn llai dibynnol ar gymhorthdal cyhoeddus.

### Y cyd-destun rhyngwladol

Mae celfyddydau Cymru yn gweithredu'n rhyngwladol. Er enghraifft, rhwng 2007 a 2016, amcangyfrifir y cafodd dros 150 o brosiectau yng Nghymru tua £23 miliwn gan yr Undeb Ewropeaidd.<sup>2</sup> Er bod grantiau'r Undeb Ewropeaidd yn fath arall o arian y cyhoedd, bu'r gofynion sydd yn aml yn gysylltiedig â hwy i gael arian cyfatebol yn gymorth i drosoli ffynonellau eraill o arian na ddaw oddi wrth y cyhoedd.

Amcan hir dymor polisi'r Undeb Ewropeaidd fu datblygu economi gymysg o gefnogaeth gyhoeddus/anghyhoeddus. Yn benodol, anoga polisi'r Undeb Ewropeaidd bartneriaethau rhwng y celfyddydau a busnes. Er enghraifft, geilw Cynnig Senedd Ewrop am ddiwydiannau diwylliannol yn Ewrop (2007/2153 (INI) paragraff 24) ar:

“y Cyngor, y comisiwn a'r Aelod-wladwriaethau i weithredu yn ôl yr angen, gan argymhell dulliau cymysg o ariannu a sicrwydd ariannol, a hyrwyddo fframwaith rheoleiddio ac ariannol sy'n ffafrio'r diwydiannau diwylliannol yn ogystal â'r cymunedau creadigol, ac yn fwy penodol drwy gymhwys credydau treth a chyfraddau gostyngedig o DAW ar bob cynnyrch diwylliannol , gan gynnwys gweithiau ar-lein.”<sup>3</sup>

Cyfeirir hefyd at gydweithio rhwng busnes a'r celfyddydau ym Mhapur Gwyrdd Ewrop am *Ddatglo i posibiliadau'r diwydiannau diwylliannol a chreadigol*, COM(2010) 183.<sup>4</sup>

Yng Nghyngor Celfyddydau Cymru gallwn ddefnyddio ein cysylltiadau rhyngwladol drwy ein haelodaeth o Ffederasiwn Rhyngwladol y Cynghorau Celfyddydol a'r Asiantaethau Diwylliannol. Cadarnha ein cydweithwyr rhyngwladol fod pwysau ariannol parhaus yn golygu bod sawl gwlad arall yn archwilio gwahanol fodelau o gefnogaeth gyhoeddus/breifat. Adroddir bod y cyd-destun ariannol yn “heriol” a chanlyniad yr arbrofi hwn yn “gymysg”.

Adroddir bod dwy ffynhonnell o arian yn benodol nawdd ac ymddiriedolaethau/sefydliadau dan straen. Yn y 1980au a'r 1990au roedd lefelau cefnogaeth yng ngwledydd Ewrop yn gyffredinol ar gynnydd. Ond erbyn hyn mae'r ariannu hwn yn lleihau. Tueddai sefydliadau preifat yn Ewrop hefyd gyfyngu ar eu grantiau, o leiaf am y tro, fel y gofalent am eu cyfalaf yn ystod cyfnod o gyfraddau llog isel. Felly'r duedd oedd canolbwytio sylw ar y cymhellion (fel arfer o ran trethiant) y gall llywodraethau eu gweithredu i symbylu buddsoddiad unigol a chorfforaethol yn rhan o'r economi gymysg hon. Archwili'r hyn yn fanylach yn nes ymlaen.

<sup>2</sup>Ymchwil Euclid – “Asesu cyfraniad yr Undeb Ewropeaidd at gelfyddydau Cymru er 2007”

<sup>3</sup> <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A6-2008-0063+0+DOC+XML+V0//EN>

<sup>4</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0183:FIN:EN:PDE>

## Brexit

Nid yma yw'r lle i ystyried mewn manylder mawr y materion ymarferol a allai godi o ymddatgysylltu Prydain Fawr â'r Undeb Ewropeaidd. Serch hynny, mae materion a allai, o bosibl, ychwanegu at gostau sefydliadau ac effeithio'n wael ar eu sefydlogrwydd ariannol.

Ers dau ddegawd mae Cyngor Celfyddydau Cymru a'i gangen ryngwladol, Celfyddydau Rhngwladol Cymru, yn datblygu a meithrin ystod eang o bartneriaethau diwylliannol rhngwladol ac Ewropeaidd. Ariannwyd rhai gan brosiectau penodol a rhaglenni cyfnewid â ffocws. Roedd eraill yn digwydd dros y tymor hwy, gan adeiladu a magu cysylltiadau parhaus â gwledydd ym mhedwar ban y byd.

Beth bynnag a ddaw yn sgil Brexit, mae materion y mae'n rhaid mynd i'r afael â hwy os yw Cymru i barhau i gael budd economaidd, diwylliannol a chymdeithasol o'i chysylltiadau rhngwladol. Mewn tri maes allweddol mae perygl penodol i ddiwydiannau celfyddydol a chreadigol gael eu niweidio.

Dyma hwy:

- *Talent a sgiliau* - gan gynnwys rhyddid i symud i weithwyr arbenigol, diffyg sgiliau, teithebau a theithio gwaith. Ar hyn o bryd mae symud dirwystr ar draws ffiniau cenedlaethol yn arbed amser ac arian
- *Arian yr Undeb Ewropeaidd* - gan gynnwys hygyrchedd i Orwel 2020, Interreg, Erasmws+, Ewrop Greadigol, cyfnewid diwylliannol a chyfleoedd allforio. Mae partneriaethau a ariennir gan yr Undeb Ewropeaidd yn cynnwys yn aml arian a chefnogaeth na ddaw oddi wrth y cyhoedd
- *Fframweithiau rheoleiddio* - gan gynnwys Marchnad Ddigidol Sengl, hawliau eiddo deallusol, amddiffyn hawlraeth. Mae trefniadau cyfredol yn gymorth i amddiffyn asedau a galluogi cynhyrchu incwm drwy fanteisio masnachol.

## Llythyr cylch gwaith Cyngor Celfyddydau Cymru 2017/18

Mae ein Llythyr cylch gwaith 2017/18 oddi wrth Lywodraeth Cymru yn ein hannog i gynorthwyo'r celfyddydau i fod yn llai dibynnol ar arian y cyhoedd. Dywed:

“Dylech barhau i weithio ar eich gwasanaethau datblygu busnes i gefnogi eich cleientiaid i fwyafu eu hariannu na ddaw oddi wrth y cyhoedd. Mae hyn yn cynnwys: gwaith i sicrhau rhagor o arian oddi wrth ymddiriedolaethau a sefydliadau elusennol a rhoddion unigol a chorfforaethol. Mae rhai sefydliadau celfyddydol yn mynd yn fwy medrus wrth fanteisio ar posibiliadau masnachol eu hallbwn, drwy well marchnata a defnydd mwy effeithiol o dechnoleg. Mae eraill yn llai hyderus am wneud hyn. Felly gofynnaf ichi gydweithio â'ch portffolio o sefydliadau i ddatblygu cynllun wedi'i deilwra i ddatblygu eu busnes a'u sgiliau marchnata i gynnwys targedau blynnyddol clir o ran cynyddu'r incwm a gynhyrchant.”<sup>5</sup>

<sup>5</sup> <http://www.arts.wales/about-us/governance/corporate-policies/llythyr-cylch-gwaith?diablo.lang=cym>

## 2. Diffinio termau

### Cefnogaeth na ddaw oddi wrth y cyhoedd

At ddibenion y nodyn hwn, cyfeiria "arian na ddaw oddi wrth y cyhoedd" at y buddsoddiadau, y rhoddion neu'r gwariant ar y celfyddydau a diwylliant a ddaw oddi wrth unigolion, busnesau neu sefydliadau nad ydynt yn rhai cyhoeddus.

Mae'n anodd gwahaniaethu'n holol glir rhwng y gwahanol fathau o ariannu a buddsoddi. Yn ymarferol, dibynna celfyddydau Cymru ar ffynonellau amrywiol o ariannu a buddsoddi ac mae llawer yn rhychwantu'r cyhoeddus a'r preifat. Er enghraifft, rhoes Llywodraeth Prydain gefnogaeth bwysig i sefydliadau diwylliannol drwy tecyn newydd o ryddhad treth, gan gynnwys ar gyfer teithio gwaith gan theatrau a cherddorfeidd. Erbyn hyn maent yn rhan bwysig o economi gymysg o ffynonellau incwm sy'n cefnogi gweithgarwch â chymhorthdal ond sydd hefyd yn cynorthwyo cynhyrchu incwm masnachol.

Mae gwahanol gymhellion y tu ôl i fuddsoddi, roi a gwario. *Symbyllir buddsoddi gan yr egwyddor o ennill rhywbeth a fusurir mewn termau elw neu enillion ar y buddsoddiad. Sbardunir rhoddion gan wahanol gymhellion fel arfer dyngarwch yr unigolyn neu gyfrifoldeb cymdeithasol corfforaethol.*

### Cefnogaeth gan y cyhoedd

Cynnwys hyn gefnogaeth uniongyrchol ac anuniongyrchol. Er enghraifft:

- *Cefnogaeth uniongyrchol yw'r gefnogaeth i'r celfyddydau a diwylliant a wneir gan llywodraeth a/neu gyrrff cyhoeddus eraill, megis Cyngor y Celfyddydau, awdurdod lleol neu'r Undeb Ewropeaidd. Cynnwys y gefnogaeth hon grantiau, cymorthdaliadau, gwasanaethau a gontactir ac yn y blaen.*
- *Cefnogaeth anuniongyrchol yw'r mesurau a fabwysiedir gan sefydliadau llywodraethol a/neu gyhoeddus er budd y celfyddydau sy'n ymwneud ag offerynnau cyfreithiol neu ymyriadau'r sector cyhoeddus. Fel arfer mae mesurau anuniongyrchol yn ymwneud â hyblygrwydd polisi trethu - yr incwm mae llywodraethau lleol a chenedlaethol yn ei hepgor oherwydd lleihau trethi a/neu eithriadau a roddir i sefydliadau celfyddydol a diwylliannol.*

### Ffurfiau o gefnogaeth breifat

Gall cefnogaeth breifat gynnwys cefnogaeth gan fusnes, rhoddion gan unigolion a chefnogaeth gan sefydliadau ac ymddiriedolaethau:

- *Cyfeiria cefnogaeth gan fusnes fel rheol at fuddsoddi ariannol uniongyrchol sydd â'r nod o gyflawni canlyniadau penodol. Gall y rhain amrywio o fod yn bartneriaethau cyhoeddus-preifat, nawdd, rhoddion neu gomisiynu/prynu celfweithiau. Gall cefnogaeth breifat hefyd ymwneud â chymorth mewn nwyddau neu wasanaethau pro bono y byddai sefydliad fel arall yn gorfod eu prynu*

- *Cynnwys rhoddion gan unigolion* drafodion a wneir gan unigolion gyda'r bwriad o roi arian a nwyddau. Fel arfer disgrifir hyn yn ddyngarwch unigol
- *Sefydliadau ac ymddiriedolaethau* - mae'r rhan fwyaf ohonynt yn gyrrff cyfryngol â chyfansoddiad elusennol a sefydlir fel arfer gan y gyfraith. Cânt eu cefnogi bron yn ddieithriad gan waddol preifat a gwasanaethant bwrpasau penodol a ddiffinnir yn amcanion y corff.

Mae hefyd y dinesydd preifat o unigolyn sy'n prynu tocynnau i fynychu a chynnyrch cysylltiedig (megis lluniaeth a nwyddau), a phethau diwylliannol (megis llyfrau, recordiadau, ffilmiau, celfweithiau).

#### Buddsoddiad personol artistiaid a phroffesiynolion creadigol unigol

Un o'r ffynonellau mwyaf sylwedol o arian na ddaw oddi wrth y cyhoedd ym maes y celfyddydau yw'r amser di-dâl a roddir gan artistiaid proffesiynol a phroffesiynolion creadigol wrth ddarparu prosiectau y maent ynghlwm wrthynt. Pan fo arian cyhoeddus yn dynn, bydd gweithwyr yn y celfyddydau'n aml yn amsugno'r costau eu hunain drwy leihau eu ffioedd. Ac nid arian cyhoeddus mo hyn. Ond cynrychiola 'gymhorthdal' cudd, sylwedol i'r celfyddydau.

Mewn darn o ymchwil a gomisiynwyd gan Gyngor Celfyddydau Cymru am "Gefnogaeth i Broffesiynolion Creadigol" (Fieldworks, 2016),<sup>6</sup> nodwyd:

"Amliga ymchwil feintiol ac ansoddol fod y lefel gyflog yn gyffredinol yn isel iawn. Mae unigolion sy'n llwyddo cynnal eu bywoliaeth yn ei wneud drwy angerdd, penderfyniad, cyfrifoldeb cymdeithasol, creadigrwydd cynhenid ac, yn aml, gefnogaeth breifat. Amliga ymchwil y diwylliant cyfredol o beidio â thalu artistiaid neu eu talu'n annigonol."

#### Pwrpasau ariannu cyhoeddus

Os ydym i fod yn glir am gwmpas a phosibiliadau ariannu na ddaw oddi wrth y cyhoedd, rhaid inni fod yr un mor glir am bwrpasau ariannu cyhoeddus a lle gorwedd y ffin rhwng bod â chymhorthdal a bod heb gymhorthdal.

Yn draddodiadol adeiladwyd ariannu cyhoeddus (neu gymhorthdal) ar y pum colofn hyn:

1. Cynyddu dewis ac argaeledd
2. Annog a hyrwyddo gweithgarwch creadigol drwy gyfrwng y Gymraeg
3. Lleihau costau i wneud gwaith yn fwy fforddiadwy
4. Galluogi arloesi, arbrofi a mentro
5. Lleddfu ar y farchnad (h.y.: anallu, neu amharodrwydd, 'y farchnad' i dalu gwir gost rhai gweithgareddau diwylliannol).

---

<sup>6</sup> <http://www.arts.wales/research/latest-research/research-creative-professionals?diablo.lang=cym>

Mewn geiriau eraill, sicrh arian y cyhoedd fod rhaglenni fforddiadwy ac amrywiol o weithgarwch o safon ar gael yn ehangach i ragor o bobl.

Ni ddylid cymryd yn ganiataol fod gweithgaredd â chymhorthdal cyhoeddus o werth llai neu'n elitaidd mewn rhyw ffordd. Gall gweithgarwch celfyddydol addysgiadol neu gymunedol feddu ar bwys diwylliannol a chymdeithasol mawr ond heb fawr o siawns o fod yn gynaliadwy ar sail fasnachol.

Nid yw methiant y farchnad yn golygu'n unig fethiant y celfyddydau yn y farchnad ond mae hefyd am fethiannau'r farchnad ei hun - y ffyrdd y gall grymoedd economaidd danseilio a mynd yn erbyn arloesedd, dewis a bod yn fforddiadwy.

Bydd llawer o enghreifftiau lle na wêl y farchnad rinwedd, neu elw ariannol, wrth gefnogi rhai gweithgareddau. Yn sicr na ddylem wario lle nad oes ei angen lle gall y farchnad gynnal gweithgarwch heb iddo gyfaddawdu ei egwyddorion artistig. Serch hynny, os ydym i gynnig gwir amrywiaeth yn y cynyrrch a chadw talent a chyfalaf deallusol yng Nghymru - rhaid wrth strategaeth buddsoddi ac ariannu cynnil sy'n cydnabod y ffaith i economi ddiwylliannol fywiog ddibynnu ar y cymysgedd iawn o ariannu cyhoeddus/anghyhoeddus.

### **3. Portffolio Celfyddydol Cymru**

#### Portffolio Celfyddydol Cymru

Mae Portffolio Celfyddydol Cymru yn rhwydwaith cenedlaethol o 67 sefydliad a gaiff arian refeniw ar ffurf cymorth grant oddi wrth Gyngor Celfyddydau Cymru. Y Portffolio yw sail celfyddydau Cymru sy'n darparu cyfleoedd ar hyd y flwyddyn a ledled Cymru i bobl fwynhau'r celfyddydau a chymryd rhan ynddynt.

Cynnwys y Portffolio ystod lawn o sefydliadau, o'r mawrion sef cwmnïau sy'n arwyddocaol yn rhyngwladol (megis National Theatre Wales, Canolfan Mileniwm Cymru ac Opera Genedlaethol Cymru) i sefydliadau cymunedol (megis Plant y Cymoedd, Cwmni'r Frân Wen a Theatr Felin-fach). Mae sefydliadau'r Portffolio ledled Cymru.

#### Arian refeniw Cyngor Celfyddydau Cymru

2015/16 yw'r flwyddyn ddiweddaraf y mae gennym set lawn o gyfrifon archwiliadig ar gyfer y Portffolio. Mae'r dadansoddiad isod felly yn seiliedig ar ffigyrâu ariannol sydd wedi'u cadarnhau.

Ac eithrio Canolfan Mileniwm Cymru o'r dadansoddiad (oherwydd effaith ystumiol model masnachol iawn y Ganolfan), arhosai dibyniaeth y sefydliadau a ariannwn ar arian refeniw'r Cyngor yr un peth yn fras yn 2015/16 o'i gymharu â 2014/15 (sef 31% o'r holl incwm).

Isod mae cymariaethau â sefydliadau portffolio a ariennir gan Gynghorau Celfyddydau eraill ym Mhrydain.

<b>Sefydliadau Portffolio 2015/16: arian refeniw yn ganran o gyfanswm yr incwm</b>			
Cyngor Celfyddydau Cymru	Cyngor Celfyddydau Gogledd Iwerddon	Yr Alban Greadigol	Cyngor Celfyddydau Lloegr
31%	31%	31%	25%

Y ffigwr ar gyfer Sefydliadau Portffolio Cyngor Celfyddydau Lloegr yw'r un mwyaf nodedig. Adlewyrcha hyn, yn rhannol, nifer mawr y sefydliadau sylweddol sydd yn Llundain a dinasoedd mawrion eraill gyda dalgylchoedd mwy a rhagor o hygyrchedd i noddwyr ym myd busnes.

I grynhodi, dengys proffil ariannu'r Portffolio yn 2015/16:

- y cafwyd yng nghyfanswm yr incwm i'r Portffolio - gwympr o 1.5% o £1.2 miliwn i £78 miliwn er bod yr incwm a enillir wedi cynyddu mewn gwirionedd gan ryw 6% (£1.4 miliwn)
- 3% (£0.7 miliwn) o'r cynydd oherwydd agor lleoliad newydd, Pontio ym Mangor
- derbyn £0.5 miliwn o ryddhad treth i theatrau gan sefydliadau Portffolio a oedd yn gymwys (16)
- roedd lleihad mewn incwm o grantiau eraill a rhoddion o 3% (£0.5 miliwn)
- Syrthiodd arian yr awdurdodau lleol i sefydliadau'r Portffolio gan ryw £1.9 miliwn yn 2015/16, (roedd £0.8 miliwn o'r lleihad hwn yn gysylltiedig â Theatrau RhCT a chau'r Mwni ym Mhontypridd.)

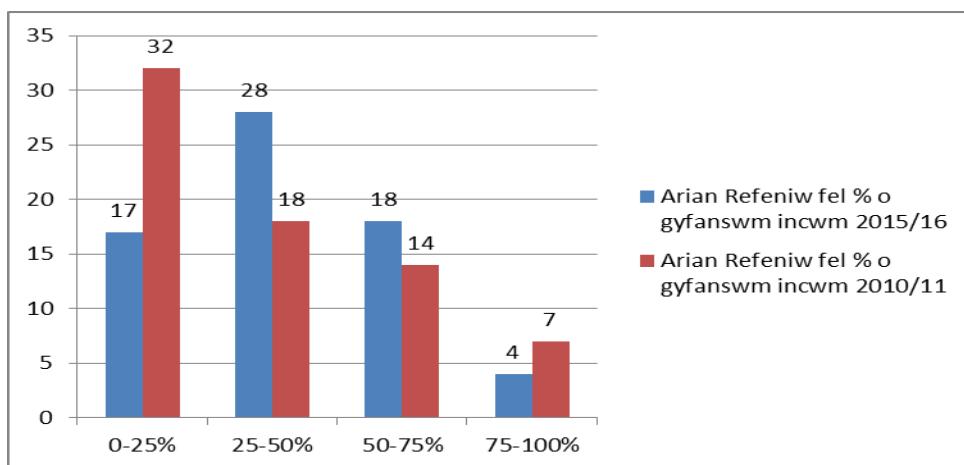
Mae lleihad yn arian awdurdodau lleol i'r Portffolio yn cynrychioli tuedd ddrengl yn y blynnyddoedd diweddar.

2015/16	2014/15	2013/14	2012/13	2011/12
4,495,864	6,367,641	10,430,296	10,824,913	10,995,455

Mae'n lleihad dros y cyfnod o bum mlynedd o ryw 59%. Ond er clod i'r Portffolio, ni ddatsefydlogodd y golled sylweddol hon y sector.

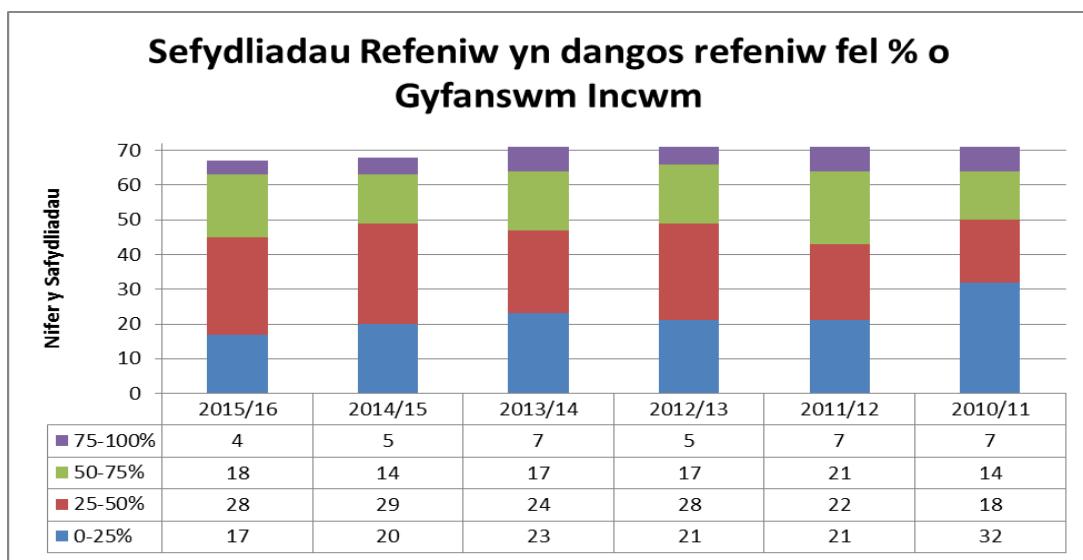
#### Proffil ariannu Portffolio Celfyddydol Cymru

Gellir crynhoi ariannu gan Gyngor Celfyddydau Cymru ar draws y Portffolio drwy ddyrrannu'r holl sefydliadau i lefelau ariannu 1 hyd 4 - 0-25%, 25-50%, 50-75%, a 75%-100%.



Rhwng 2010 a 2015, cafwyd lleihad mawr yn nifer y sefydliadau gyda'r lefel isaf o'n harian (0-25%). Nid dyna'r hyn a obeithiem ei weld. Ond canlyniad ydoedd yn rhannol i'r lleihad yn arian yr awdurdodau lleol. Os cyfunir y ddau categori isaf (0-25% a 25-50%), mae'r newid yn llai.

Mewn geiriau eraill, mae arian Cyngor Celfyddydau Cymru ar gyfer y rhan fwyaf o sefydliadau a ariannwn yn llai na 50% o gyfanswm eu hincwm, gyda llai o sefydliadau yn y categori uchaf o ran ariannu nag ydoedd yn 2010.



### Nawdd a chodi arian Portffolio Celfyddydol Cymru

Nid oes dadansoddiad hollol gywir o nawdd/codi arian ar gyfer Cymru neu Brydain. Arferai Celfyddydau a Busnes Prydain gyhoeddi arolwg blynnyddol, ond peidiodd â'i wneud yn 2010. Yng Nghymru, edrydd Celfyddydau a Busnes Cymru ei fod yn cynhyrchu tuag £1 miliwn bob blwyddyn ac o hyn mae rhyw hanner yn gefnogaeth ariannol (y gweddill yw amcangyfrif o gefnogaeth mewn gwasanaethau a chymorth pro bono).<sup>7</sup>

Mae peth o hyn o fudd i'r Portffolio. Serch hynny, cynrychiola nawdd yn gyfanbeth gyfran weddol fach o incwm cyffredinol y Portffolio - tuedd a adlewyrchir ar draws y rhan fwyaf o weddill Prydain (heblaw am yn y dinasoedd). Ond mae rhai hanesion codi arian yng Nghymru sy'n ddigon ysgytwol, megis rhodd heb ei ail a gafodd Opera Genedlaethol Cymru oddi wrth deulu Getty o £1.2 miliwn yn 2012.<sup>8</sup> Mae nifer isel o gwmniau'r can cwmni'r FTSE neu unigolion sydd â gwerth net uchel yng Nghymru hefyd yn debyg o fod yn ffactor ac, yn yr un modd, gostau codi arian (a all fod yn broblem i bawb ond i'r sefydliadau mwy yn y Portffolio o ran rhedeg ymgyrchoedd codi arian o sylwedd).

Mae nifer o ymddiriedolaethau a sefydliadau sy'n cefnogi'n gyson weithgarwch celfyddydol yng Nghymru. Mae'r rhain yn cynnwys Ymddiriedolaeth Tregolwyn yng Nghymru yn ogystal ag eraill megis Sefydliad Paul Hamlyn,<sup>9</sup> Sefydliad Esmée Fairbairn a<sup>10</sup> Sefydliad<sup>11</sup> Wolfson.<sup>12</sup> Mae pob un wedi cefnogi'r Portffolio ar ryw adeg neu'i gilydd. Ni ddarpara'r un gefnogaeth am gostau craidd y sefydliadau.

<sup>7</sup> <http://senedd.assembly.wales/documents/s59032/Paper%202.pdf>

<sup>8</sup> <http://www.bbc.co.uk/news/uk-wales-19931371>

<sup>9</sup> <http://www.colwinston.org.uk/>

<sup>10</sup> <http://www.phf.org.uk/>

<sup>11</sup> <https://www.esmeefairbairn.org.uk/>

<sup>12</sup> <http://www.wolfson.org.uk/>

## **4. Datblygu cynhwysedd, gwytnwch ac arloesedd**

### Cymru a'i hanes o hunangymorth

Dylid cofio bod hen draddodiad anrhyydeddus yng Nghymru o ddatblygu atebion hunangymorth na ddibynnant ar arian y cyhoedd.

Er enghraift, gyda'r mudiad cydweithredol sefydlwyd cymdeithasau mewn cymunedau ledled Cymru gyda'r bwriad o ddarparu cynyrrch a gwasanaethau fforddiadwy ac o safon. Serch hynny, nid oedd cydweithredu am fasnachu'n unig; roedd yn ffordd o fyw a ddarparai ystod o weithgareddau cymdeithasol, diwylliannol ac economaidd.

Pery'r egwyddorion cynnar hyn o ddarpariaeth gymdeithasol arloesol heddiw gyda mentrau megis Bondiau Effaith Gymdeithasol a chynlluniau Cyfranddaliadau Cymunedol. (Trafodir y rhain yn adran 5 isod.) Mewn cyfnod o gyni, gallai fod achos perswadiol dros roi rhagor o sylw i ddatblygu modelau isel eu cost o hunangymorth cilyddol.

### Datblygu sgiliau a chynhwysedd

Mae dadleuon argyhoeddiadol dros gadw lefelau arian y cyhoedd yn rhan o strategaeth ariannu mewn economi gymysg. Serch hynny, cydnabyddwn, yn y cyni sydd ohoni, na ddylai hyn fod ar draul archwilio ffyrdd newydd o wneud buddsoddi cyhoeddus weithio'n galetach neu helpu sefydliadau celfyddydol i archwilio ffyrdd newydd o gynhyrchu incwm.

Rydym yn awyddus i gefnogi gwasanaethau datblygu busnes o safon. Ein nod yw cael sector celfyddydol ffyniannus yng Nghymru lle darpara arweinyddiaeth gref ac uchelgais entreprenaidd sector celfyddydol gwydn a llwyddiannus.

Wrth wneud hyn, buom yn ofalus i beidio â dyblygu gwasanaethau sydd ar hyn o bryd ar gael drwy dîm Diwydiannau Creadigol Llywodraeth Cymru. Mae cyngor busnes y Llywodraeth â ffocws tynn. Felly yn lle hynny, ceisiem nodi sefydliadau a/neu unigolion sy'n deall sut i ddatblygu prosiectau a phartneriaethau sy'n briodol i anghenion busnes posibl y sector celfyddydol a diwylliannol.

Y llynedd lansiasom ein rhaglen "Gwytnwch" ar gyfer Portffolio Celfyddydol Cymru (gweler isod). Darperir hyn drwy gydweithio rhwng Cyngor Celfyddydau Cymru a'r arbenigwyr ym maes rheoli newid/datblygu busnes, People Make it Work.<sup>13</sup> Rydym hefyd yn datblygu rhagleni pellach a mentrau sy'n estyn gwasanaethau datblygu busnes y tu hwnt i'r Portffolio.

---

<sup>13</sup> <http://www.peoplemakeitwork.com/>

Rydym yn gweithio i ddatblygu ein gallu mewn tri maes:

- *Llywodraethu ac arweinyddiaeth* - meithrin arweinyddiaeth effeithiol a medrus sy'n galluogi sefydliadau i berfformio hyd eithaf eu gallu.
- *Sefydliadau cryfion a gwydn* - adeiladu sefydliadau llwyddiannus sy'n canolbwytio ar y gynulleidfa ac sy'n ysgafndroed yn eu hymarfer busnes. Cynorthwywn wrth ddatblygu'r sgiliau i fwyafu incwm a throsoli buddsoddiad ychwanegol drwy'r defnydd entreprenaidd o arian y cyhoedd.
- *Arloesedd* - cryfhau'r posibiliadau o oroesi mewn byd ansicr gan ymateb dychmyglon i newid.

#### Rhaglen Arweinyddiaeth Clore

Cefnogir y rhaglen gan Sefydliad Clore Duffield a dyma'r fenter arweinyddiaeth gyntaf ym Mhrydain ar draws y sector diwylliannol a chreadigol. Mae ganddi arbenigedd penodol ym maes llywodraethu ac arweinyddiaeth. Roedd y Cyngor yn bartner gyda Clore i ddod â digwyddiadau, seminarau a hyfforddiant proffesiynol i Gymru.

Cefnoga'r Cyngor Raglen Gymrodoriaeth Clore hefyd sy'n cynnig cyfleoedd o safon i unigolion yng Nghymru ddatblygu eu sgiliau arwain. Erbyn hyn gweithia rhagor na dwsin o gymrodorion Clore a ariennir gan y Cyngor ym maes y celfyddydau yng Nghymru.-

#### Y Cynllun Casglu - cynhyrchu gwerthiant i'r artist unigol

Dyma gynllun y Cyngor sy'n cynnig benthyciadau di-log i'r cyhoedd brynu celfweithiau modern. Ymgynoga'r rhagor na 50 oriel ledled Cymru o'r cynllun. Yn 2016/17, cytunasom ar ryw 1,200 o fenthyciadau'r Cynllun Casglu gan gynhyrchu gwerthiant i artistiaid unigol o dros £1 miliwn.

#### Celfyddydau a Busnes Cymru

Mae Celfyddydau a Busnes Cymru yn broceru perthnasau rhwng y celfyddydau a sefydliadau busnes. Elusen annibynnol ydyw yng Nghymru er 2011. Drwy arian y Cyngor gallai'r sefydliad ddatblygu ystod o wasanaethau a phrosiectau a chefnogir llawer o'r rhain erbyn hyn gydag arian na ddaw oddi wrth y cyhoedd.

Mae'r rhain yn cynnwys:

- *CultureStep*: rhaglen ariannu sy'n buddsoddi tua £60,000 y flwyddyn mewn partneriaethau busnes/y celfyddydau
- *Rhaglen o Ddatblygiad Proffesiynol* sy'n dod â sgiliau busnes rhad ac am ddim i'r celfyddydau drwy leoli ar fwrdd, mentora a throsglwyddo sgiliau
- *Rhaglen Internaethau Creadigol* : dros gyfnod o dair blynedd, canlyniad y rhaglen hon oedd i 13 o raddedigion diweddar fynd yn godwyr arian proffesiynol a llawn amser ym maes y celfyddydau

Ar hyn o bryd gweithiwn gyda Chelfyddydau a Busnes Cymru i gefnogi darparu eu gwytnwch ariannol eu hunain gan annog y sefydliad ei hun i fod yn engraifft wych ym myd busnes drwy ddatblygu ystod o wasanaethau proffesiynol y gellir eu cynnig ar sail sy'n hunangynhaliol yn ariannol.

#### Adeiladu gwytnwch a chynaliadwyedd

Gweithiwn gyda'n sefydliadau Portffolio i'w cynorthwyo wrth ddatblygu atebion ymarferol i'r cyni sy'n parhau.

Mae llawer o sefydliadau - yn enwedig y cwmnïau cenedlaethol - eisoes yn fedrus o ran defnyddio arian cyhoeddus i drosoli buddsoddiad ariannol arall:

- mae incwm llogi cydgynhyrchiad Opera Genedlaethol Cymru yn y cyfnod 2013/14-2016/17 ychydig dros £2.25 miliwn. Cafodd Opera Genedlaethol Cymru hefyd £700,000 o ryddhad treth theatr i dymor 2014/15 a chodi tuag £1.6 miliwn yn yr un flwyddyn
- mewn cwta pum mlynedd, cafodd National Theatre Wales dros £4 miliwn. Cynyddodd yr incwm a enillir gan 49% rhwng 2014/15 a 2015/16 yn unig. Crewyd National Theatre Wales yn 2009 ac ar y dechrau roedd yn 100% ddibynnol ar arian y Portffolio, erbyn 2015 roedd yr arian hwn yn cynrychioli dim ond 60% o'i incwm

Rydym am feithrin ysbryd o fentergarwch ar draws y Portffolio yn gyffredinol. Felly agwedd allweddol ar ein gwaith yn ystod 2016/17 fu datblygu a lansio ein rhaglen Gwytnwch.

Ymgynghoriad 53 aelod o'n Portffolio o'r rhaglen. Deallant nad cynllun grant arferol yw'r Rhaglen Wytnwch eithr ffordd newydd o ddatblygu modelau busnes cynaliadwy.

Cynhaliwyd y cam cychwynnol o Wytnwch - gweithdai o ddeiagnosis dadansoddol - ym Medi 2016. Cais y rhan fwyaf o sefydliadau Portffolio gymorth i archwilio modelau busnes newydd sy'n ystyried o ddifrif sut y gellir mwyafu incwm a chreu ffynonellau incwm newydd. Mae'n galonogol iawn bod nifer o gynigion masnachol arloesol ac unigryw yn aeddfed i'w datblygu'n bellach. I eraill, mae datblygu cynhwysedd digidol, ail-frandio a gwell marchnata yn allweddol. Thema gref arall yw cymryd mantais ar Eiddo Deallusol a hanes y cwmnïau o brosiectau llwyddiannus.

Mae buddsoddiad cyfalaf i wella cyfleusterau cyfredol yn nodwedd o'r cynlluniau sy'n codi dro ar ôl tro. Ymhlieth y prosiectau dan ddatblygiad mae gwelliannau i systemau TG/technoleg ddigidol, gwell rheolaeth o ynni, gwella'r cynnig masnachol ac ail-gyflunio gofodau presennol i annog rhagor o ddefnydd gan artistiaid a chynulleidfa oedd fel ei gilydd. Ymgorfforir y cynigion cyfalaf yn gadarn mewn cynlluniau pwyllog i wella cynaliadwyedd ariannol. Bydd y cynigion hyn yn mynd yn gliriach dros yr hydref.

Ochr yn ochr â rhaglenni wedi'u teilwra ar gyfer sefydliadau unigol, datblygwn gyfres o ddosbarthiadau meistr a gweithdai arweinyddiaeth. Trefnir y rhain mewn ymateb i anghenion a nodwyd gan y Portffolio. Ymdriniant ag ystod eang o faterion megis rheoli newid, codi arian, Eiddo Deallusol, effeithlonrwydd treth ac adeiladu partneriaeth.

### Arloesedd

Arloesedd yw hanfod mynegiant creadigol. Mae'n ffordd naturiol o weithio i lawer o sefydliadau celfyddydol. Serch hynny, mae eisiau cyfyngu ar arloesedd i ganlyniadau creadigol, ond gellir ei gymhwysio i feisydd eraill o waith sefydliad - meisydd gweithredol ac ariannol.

Mewn partneriaeth gyda'r Gwaddol Cenedlaethol ar gyfer Gwyddoniaeth, Technoleg a'r Celfyddydau, a chan gydweithio ag eraill gan gynnwys The Space a'r BBC, bu Cyngor Celfyddydau Cymru yn archwilio'r bartneriaeth rhwng y celfyddydau a thechnoleg. Drwy ein Cronfa Ymchwil a Datblygiad Digidol<sup>14</sup>, a'r Gronfa er Buddsoddi Digidol a ddaeth o ganlyniad, buom yn ystyried ffyrdd o greu modelau busnes newydd a/neu gyrraedd cynulleidfaoedd newydd.

Daeth y prosiectau cychwynnol a gefnogasom â chwmnïau celfyddydol a thechnolegol at ei gilydd:

- UCAN/Calvium. UCAN GO - ap sy'n mapio lleoliadau ar lafar ond heb ddibynnu ar galedwedd y lleoliad ei hun. Datblygwyd yr ap gan bobl â nam ar eu golwg ar gyfer pobl â nam ar eu golwg a chyda'r dechnoleg hon y caint hygyrchedd hyderus ac annibynnol i ganolfannau. Erbyn hyn cynnig UCAN a Chalvium y gwasanaeth hwn i bobl eraill. <https://calvium.com/products/ucan-go/>
- Theatr Genedlaethol Cymru/Galactig - datblygiad pellach ar feddalwedd gyfieithu draddodiadol, mae Sibrwd yn ap sy'n sibrwd gwybodaeth gyfredol am y perfformiad i ehangu hygyrchedd ar gyfer pobl ddi-Gymraeg sy'n defnyddio eu ffôn symudol. Cafodd Sibrwd ei ddefnyddio ar gyfer ieithoedd eraill a datblygwyd cynllun busnes ar gyfer buddsoddi yn y cam nesaf sydd ar hyn o bryd yn cael ei drafod gyda'r Gwaddol Cenedlaethol ar gyfer Gwyddoniaeth, Technoleg a'r Celfyddydau. <http://sibrwd.galactig.com/?lang=en>
- Cerdd Gymunedol Cymru/Zequs Tocyn - safle tocynnau sy'n caniatáu i brynwyr ddefnyddio eu ffi archebu i dorfariannu prosiectau
- *Theatr Hijinx/Salesforce/Proper Design* - mae gwella adrodd am ddefnydd y cwmni o actorion gydag anableddau yn caniatáu i Theatr Hijinx ddatblygu ochr y farchnad o'i gwaith - asiantaeth broffesiynol newydd ei lansio ar gyfer actorion gydag anableddau dysgu. <https://hijinxactors.co.uk>

<sup>14</sup> <http://www.nesta.org.uk/project/digital-innovation-fund-arts-wales>

- *G39/Cyfryngau Golant* - mae iBeholder yn ap sy'n dal ymatebion (a data) oddi wrth fynychwyr mewn digwyddiadau didocyn a ddatblygwyd yn benodol gyda golwg ar y celfyddydau gweledol ac orielau. Mae trafodaethau'n mynd rhagddynt gyda phartneriaid gan gynnwys y Gwaddol Cenedlaethol ar gyfer Gwyddoniaeth, Technoleg a'r Celfyddydau am y cam nesaf o'i ddatblygu a sut y gallai fod o fudd i sefydliadau ym maes y celfyddydau gweledol yng Nghymru.

Yn ogystal â phrosiectau a gefnogir yn uniongyrchol, cymerasom fantais hefyd ar fentrau megis Stiwdio Gysylltiedig y BBC a'r Space i gydweithio â llawer o artistiaid a sefydliadau celfyddydol i ddatblygu eu cynhwysedd digidol. (Mae gennym bartneriaethau ffurfiol gyda BBC Cymru ac S4C.)

Erbyn hyn y gweithiwn gyda'r Gwaddol Cenedlaethol ar gyfer Gwyddoniaeth, Technoleg a'r Celfyddydau i ddatblygu trydedd rownd ein partneriaeth i gynnig cefnogaeth bellach i sefydliadau celfyddydol sydd am gael hygyrchedd i sgiliau, hyfforddiant a -phrofiad ymarferol o dechnolegau newydd.

#### Cydweithio a rhannu adnoddau

Buom yn annog aelodau o'n Portffolio i archwilio cyfleoedd ar gyfer cydweithio a rhannu adnoddau. Mae eisoes nifer o enghreifftiau ers amser hir o gydweithio. Mae sefydliadau mwy wedi'u lleoli mewn adeilad megis Canolfan Mileniwm Cymru, Chapter a Galeri yn darparu ystod o ofod a gwasanaethau proffesiynol i sefydliadau llai, gan leihau costau a/neu ddychwelyd incwm rhent i'r sefydliad lletyol.

Dechreuwn weld rhagor o enghreifftiau o gydweithio artistig. Mae rhai'n naturiol a syml (megis y bartneriaeth rhwng Theatr y Sherman a Theatr Clwyd) ac mae Opera Genedlaethol Cymru yn cyd-gynhyrchu'n rheolaidd â phartneriaid rhyngwladol ar draws y byd. Serch hynny, cawsom ein hannog i weld datblygiad cydweithiadau eraill sy'n llai amlwg megis rhwng Theatr Genedlaethol Cymru a Theatr Gerdd Cymru i gydgomisiynu opera Gymraeg newydd gan y cyfansoddwr, Guto Puw.<sup>15</sup>

#### Gwaddol Cenedlaethol i Gerddoriaeth

Gwaddol i Gerddoriaeth sy'n targedu pobl ifainc oedd un o'r syniadau a ddaeth o grŵp gorchwyl a gorffen Llywodraeth Cymru yn 2015 am Wasanaethau Cerddoriaeth.<sup>16</sup> Roedd Cyngor Celfyddydau Cymru yn aelod o'r Grŵp.

Ar ôl sefydlu'r gronfa'n ffurfiol, caiff ei gweithredu gan gwmni elusennol, annibynnol, dielw â chyfansoddiad priodol. Canolbwytia ar greu cyfleoedd newydd i nodi a meithrin talent gerddorol ifanc.

<sup>15</sup> <http://musictheatre.wales/productions/y-twr>

<sup>16</sup> <http://gov.wales/topics/educationandskills/publications/wagreviews/music-services-task-and-finish-group-report/?lang=en>

Cefnoga'r Gronfa weithgarwch cerddorol yn ei holl ffurfiau ac wrth ei gwraidd y bydd ymrwymiad i sicrhau bod cyfleoedd ar gael i bawb ifanc ni waeth am ei allu i dalu.

Dibynna'r Gronfa, y disgwyliir iddi ddechrau cynnig cefnogaeth o 2020 ymlaen, ar atynnu ystod o bartneriaid i fuddsoddi a chefnogi. Bydd arni angen ymgynfranogiad noddwyr corfforaethol a diwydiannol, taro bargeinion untro a phenodol, dyngarwch unigol â gwerth net uchel, y sector gwirfoddol a chymynroddi. Mae'n fenter rhwng y tymor canolig a'r tymor hir.

Croesawn fod Llywodraeth Cymru wedi mabwysiadu'r syniad o gael Gwaddol ac erbyn hyn cynghorwn y Llywodraeth ynghylch ei ddatblygu a'i sefydlu.

#### Tyfu marchnadoedd rhyngwladol newydd

Mae'n anodd i lawer o gwmnïau adeiladu rhaglenni cynaliadwy o waith yng Nghymru yn unig. Drwy ein partneriaeth hirdymor gyda The British Council, ein rhwydweithiau rhyngwladol a gwaith mwy diweddar gydag asiantaethau eraill ym Mhrydain, mae gennym gysylltiadau a all drosoli cyfleoedd allforio a chyflogaeth i'n sector ar draws y byd.

Bu ein staff yn cynorthwyo rhedeg desg Ewrop Greadigol Llywodraeth Cymru. Cyfranasom hefyd arbenigedd diwylliannol at y broses o baratoi a darparu cenadaethau masnachol rhyngwladol gan lywodraethau Cymru a Phrydain. Cydlynwn femorandwm cyd-ddealltwriaeth Llywodraeth Cymru gyda Gweinidogaeth Ddiwylliannol Tsieina a darparwn wybodaeth reolaidd am gysylltiadau diwylliannol rhyngwladol Cymru cyn cyfarfodydd llysgenhadol gan y Prif Weinidog.

Er bod llawer o'r gwaith yn dda, mae nifer o ffyrdd y gellid rhoi cefnogaeth fwy cydlynus i gwmnïau a meicrogwmnïau (yn aml proffesiynolion creadigol) i dyfu marchnadoedd rhyngwladol newydd:

- cynnal gweithdai Paratoi Allforion a chyngor wrth nodi marchnadoedd newydd (digwyddiadau ffocysu ar wledydd - e.e. Tsieina ac India)
- ymchwilio cyfleoedd marchnad ar gyfer y sector yn gyffredinol
- ymgynfranogi o ymweliadau Allforio Strategol i farchnadoedd allweddol ac oddi wrthynt - gan gynnwys cyrff ar draws Prydain
- rhwydweithio - dod â'r celfyddydau a phobl greadigol at ei gilydd o gwmpas cyfleoedd allweddol e.e. Blwyddyn Newydd Dsieineaid, Dydd Gŵyl Dewi
- trefnu mentora busnes rhyngwladol i brif ffrydio cyfleoedd marchnata'n rhyngwladol yng nghynlluniau busnes y cwmniau
- hyrwyddo manteisio rhyngwladol ar gynnwys a hawliau artistig a gynhyrchir yng Nghymru (theatr a theledu/fformatiaw ffilm/llefyddiaeth ar gyfer ffilmiau/dramâu ac yn y blaen.)
- cefnogi cynrychiolaeth ac ymgynfranogi parthed digwyddiadau diwylliannol a masnachol a chyfleoedd arddangos (megis Ffair Lyfrau Ffancffwrt, South x South West, Biennale Fenis)
- lletya prynwyr o farchnadoedd allweddol yng Nghymru (e.e. lletya Womex, Rhifyn Dawns Prydain, Cyngres Delyn y Byd)
- peilota modelau newydd o gydweithio i gynyddu refeniwr oddi wrth farchnadoedd rhyngwladol (e.e. Garej Gwgl a Thramshed; NoFit State)

### Adeiladu gwytnwch Cyngor Celfyddydau Cymru

Mae'r cyhoedd yn disgwyl i'r sefydliadau a ariannant fod yn effeithlon ac effeithiol o ran cost. Mae Cyngor Celfyddydau Cymru yn dosbarthu arian y cyhoedd. Rhaid inni'n gyntaf arddangos y budd cyhoeddus a ddaw o'n gwaith a'r gwahaniaeth a wnawn i safon celfyddydau Cymru, rhaid inni hefyd ddangos ein bod yn rhoi gwerth am arian i drethdalwyr Cymru.

Mewn ymateb i'r pwysau ariannol yn 2016/17, ymgynerasom ag Adolygiad Sefydliadol. Rydym wastad o'r farn y dylem leddfu ar yr effaith ar y sector pan fo'n harian yn lleihau a hynny drwy i ni ein hunain dderbyn rhai o'r toriadau.

Isod mae costau cymharol rhedeg Cynghorau'r Celfyddydau ym Mhrydain.

Costau cynnal yn ganran o gyfanswm yr incwm - 2015/16				
Cyngor Celfyddydau Cymru	Cyngor Celfyddydau Gogledd Iwerddon	Yr Alban Greadigol	Cyngor Celfyddydau Lloegr	
Cymorth grant (£ miliwn)	36.2	10.9	50.7	463
Y Loteri (£ miliwn)	19.2	10.8	34.4	269
Costau rhedeg	7.3%	18%	8.4%	7.2%

(Mae Cyngor Celfyddydau Cymru yn unigryw ymhlið y Cynghorau am ei fod yn integreiddio yn eu cyllidebau gweithredol y costau o ddarparu gwasanaeth cyhoeddus holol ddwyieithog.)

Mae'n Hadolygiad Sefydliadol diweddaraf yn lleihau'n bellach adnoddau staff sydd eisoes yn brin. Dros y pum mlynedd diwethaf lleihasom nifer y staff gan 25%.

Mae cyfleoedd cyfyngedig inni gynhyrchu incwm ychwanegol, er inni gael arian sylweddol oddi wrth Ewrop yn y blynnyddoedd diwethaf. Serch hynny, derbyniasom ddau gais unigol sy'n ein galluogi i gynnig bwrsarïau i artistiaid ifainc yn enw'r rhoddwyr.

Ni chystadleuwn â sefydliadau celfyddydol i godi nawdd, eithr canolbwytiau ar weithgareddau arbenigol, megis y Cynllun Casglu.

Hefyd adeiladwn berthnasau gydag ymddiriedolaethau a sefydliadau gan eu cynghori ar geisiadau a gyflwynir o Gymru. Rydym hefyd yn bartner gyda sefydliadau ynghylch prosiectau pwysig megis buddsoddiad Sefydliad Baring ym menter Cyngor y Celfyddydau/Age Cymru o'r enw "Y Celfyddydau a Phobl Hŷn".<sup>17</sup>

<sup>17</sup> <http://baringfoundation.org.uk/blog/welsh-magic-whats-behind-the-magnificent-work-taking-place-in-arts-with-older-people-in-wales/>

Gweithiwn yn galed i leihau costau drwy fod yn fwy effeithlon. Gwnaethom hyn drwy:

- lleihau nifer ein staff
- adolygu telerau ac amodau ein cyflogaeth
- symud i swyddfeydd rhatach
- gwasanaethau awtomatig: ymgeisio ar-lein am grantiau, taliadau a phrosesau adnoddau dynol)
- tendro ar gyfer gwasanaethau
- defnyddio TG yn fwy effeithiol (e.e. rhagor o ddefnydd o gynadledda fideo)
- defnyddio gwasanaethau wedi'u rhannu a chygasgliedig (e.e. Cydgasgliad Band Eang y Sector Cyhoeddus, cynllun pensiwn wedi'i rannu, Gwasanaeth Caffael Cenedlaethol)
- lleihau ein heffaith ar yr amgylchedd (mae gennym y lefel uchaf o achrediad cynllun amgylcheddol y Ddraig Werdd)

## 5. Modelau sy'n annog cynhyrchu incwm

Mae llawer o enghreiffiau yng Nghymru ac ar draws y byd o sefydliadau neu gynlluniau sy'n gweithredu y tu allan i'r modelau traddodiadol o gynorthwyo â grantiau. Cefnogir rhai drwy gymysgedd o arian cyhoeddus a phreifat, gweithreda eraill yn llwyr ar sail arian na ddaw oddi wrth y cyhoedd.

Disgrifir y modelau mwyaf cyffredin isod. Mae'r rhan fwyaf yn ddigon syml. Mae rhai, serch hynny, yn gweithredu mewn maes mwy arloesol o ran buddsoddi cymdeithasol ac arian na ddaw oddi wrth y cyhoedd. Er bod rhai enghreiffiau eisoes yn bod yng Nghymru, golyga eu cymhlethdod nad oes llawer yn eu defnyddio.

- Nawdd.** Mae nawdd yn nodwedd o fuddsoddi diwylliannol yn y gwledydd mwyaf datblygedig yn ddiwylliannol yn y byd. Serch hynny, ni chesglir ystadegau yn gyson ac mae'n anodd dadansoddi'n gywir yn ôl gwlaid faint a math y nawdd. Cytunir yn gyffredinol, serch hynny, fod lefelau nawdd ar hyn o bryd yn ddigfnewid (ar yr olwg orau) ac mewn rhai gwledydd yn syrthio.

Mae nawdd yn tueddu bod yn fwy cyffredin yn y dinasoedd ac wrth gefnogi sefydliadau celfyddydol mwy gyda phroffil uwch. Byddai sefydliad cymunedol bach mewn ardal wledig yn cael anhawster i gael nawdd corfforaethol sylwedol.

Mae nifer o sefydliadau o gwmpas y byd sy'n annog cefnogaeth na ddaw oddi wrth y cyhoedd drwy adeiladu perthnasau rhwng busnes a'r celfyddydau. Mae'r fath sefydliadau'n cynnig ystod o wasanaethau tebyg i'r rhai Celfyddydau a Busnes Cymru. Athroniaeth sylfaenol y fath sefydliadau fu'n hanesyddol i fod yn gyfryngwr gan gysylltu sefydliadau celfyddydol sy'n ceisio cefnogaeth â busnesau sydd am noddi (weithiau drwy gynnig cymhellion ariannol).

**Enghraift:** Bu rhai gwledydd yn arbrofi â chynnig cynlluniau cymhellion i annog busnes i noddi. Roedd cymhellion arian a chynlluniau - arian cyfatebol – yn enwedig y rhai sydd â'r nod o annog noddwyr busnes newydd – yn arfer bod yn boblogaidd. Serch hynny, cawsant eu diddymu'n araf deg fel y cynyddasant y pwysau ar arian y cyhoedd a symudodd y modelau tuag at ffyrdd newydd o weithio. Roedd y fath gynllun arfer bod ar waith ledled Prydain – Cynllun Cymhellion Nawdd Busnes a ariennid gan y Llywodraeth. Serch hynny, diddymwyd y cynllun pan dynnwyd arian o'r asiantaeth a'i rheolai sef Celfyddydau a Busnes Prydain.

Yn y blynnyddoedd diweddar yr esblygodd y model fel y newidai natur rhoddion corfforaethol. Erbyn hyn mae busnes yn llai tebygol o gynnig nawdd traddodiadol ac yn aml bydd â diddordeb mwy mewn datblygu rhagleni cymunedol sy'n gysylltiedig ag amcanion cyfrifoldeb corfforaethol cymdeithasol y cwmni. Mae'r agwedd hon wedi esgor ar gyfleoedd i sefydliadau lleol a llai ond gyda lefel lai o arian.

Bu noddwyr busnes bob tro'n amharod i gefnogi costau craidd gan ystyried hynny'n gyfrifoldeb y wladwriaeth (neu ei hasiant penodedig). Serch hynny, fel y newidai'r farchnad, deuai sefydliadau newydd i'r farchnad gan gynnig cynnrych a gwasanaethau datblygu busnes sydd wedi mabwysiadu ffordd sy'n fwy arloesol yn fasnachol o ddelio â'r berthynas rhwng y sectorau creadigol a busnes.

Enghraift: Cafodd Creative United<sup>18</sup> yn Llundain arian gan Gyngor Celfyddydau Lloegr i ddatblygu ystod o gynnrych a gwasanaethau ariannol sydd â'r nod o alluogi twf a datblygiad diwydiannau creadigol a diwylliannol Prydain. Mae'n gwmni buddiannau cymunedol sy'n darparu cynnrych a gwasanaethau cyllidol sydd â'r nod o ddarparu twf economaidd i'r celfyddydau a'r sectorau creadigol a diwylliannol. Ei genhadaeth yw adeiladu economi greadigol sy'n gynaliadwy a gwydn gan wneud y celfyddydau'n hygyrch i bawb.

Ymhliith ei raglenni a ariannwyd gan y cyhoedd roedd:

- *Own Art* <<http://www.ownart.org.uk/>> - benthyciadau di-log i brynu celfweithiau a chrefftweithiau cyfoes i gefnogi artistiaid ac orielau
- *Take it away* <<http://www.takeitaway.org.uk/>> - benthyciadau di-log i brynu offerynnau cerddorol
- *Creative Industry Finance* <<http://creativeindustryfinance.org.uk/>> - cefnogaeth busnes a hygyrchedd i arian i fentrau creadigol
- *ArtsCard* <<http://artscard.org.uk/>> - cynllun budd i weithwyr cyntaf ym Mhrydain i ganolbwytio'n llwyr ar y celfyddydau, diwylliant a chreadigrwydd
- *Prosper* <<http://www.creativeunited.org.uk/programme/prosper/>> - rhaglen sydd â'r nod o wella hyder a galluoedd mewn busnesau i adeiladu gwytnwch a buddsoddiad yn y sector yn gyffredinol
- *Gwasanaethau ymgynghori* - gweithio gyda chleientiaid yn y sectorau cyhoeddus a phreifat sydd â diddordeb datblygu modelu ariannol newydd i gefnogi'r twf a'r cynaliadwyedd

2. **Rhoddion a dyngarwch gan unigolion.** Trafodion busnes unochrog yw'r rhain na ddisgwyl y rhoddwr ddim budd uniongyrchol. Gall rhoddion fod ar ffurf arian neu nwyddau. Mae nifer o Aelod-wladwriaethau'r Undeb Ewropeaidd wedi rhoi mesurau ar waith i annog rhoddion unigol. Cynnig sawl gwlad ostyngiadau i roddwyr unigol gan ddilyn esiampl yr Unol Daleithiau a gwledydd megis yr Eidal, Gwlad Roeg a'r Almaen sydd â chymhellion arbennig ynghylch treth etifeddu.

Yn y rhan fwyaf o economïau datblygedig, mae dyngarwch unigol wedi'i hen sefydlu. Ym Mynegai Dyngarwch Unigol BNP Paribas (2016)<sup>19</sup> mae mesur o ymrwymiad dyngarwyr mewn pedair ardal o'r byd – Ewrop, Asia, y Dwyrain Canol a'r Unol Daleithiau.

<sup>18</sup> <http://www.creativeunited.org.uk/>

<sup>19</sup> <https://group.bnpparibas/en/press-release/2016-bnp-paribas-individual-philanthropy-index>

Ffrwyth yw'r Mynegai o arolwg o 457 unigolyn o werth net uchel yn y pedair ardal. Yr Unol Daleithiau yw'r ceffyl blaen ym maes dyngarwch unigol, gydag 'lechyd' yn atynnu'r rhoddion mwyaf niferus a gwerthfawr.

Yn ôl Adroddiad Coutts am Roddwyr Miliwn o Ddoleri (2016) roedd dros 355 rhodd unigol ym Mhrydain o dros £1 miliwn gyda chyfanswm o £1.83 miliwn.<sup>20</sup> Megis yn y blynnyddoedd diwethaf, cadwai Llundain ei statws yn ganolfan dyngarwch Prydain gyda 71% o gyfanswm y gwerth yn tarddu o gyfalaf. Cyfran Cymru oedd 1.5% o gyfanswm y gwerth.

Erbyn hyn mae nifer sefydliadau a llwyfannau ar-lein yn annog rhoddion unigol i'r celfyddydau.

Enghraift: Mae Grant Hero<sup>21</sup> yn sefydliad dielw newydd yn yr Unol Daleithiau a greodd llwyfan ar-lein i annog rhoddion unigol. Crea unigolion ymgyrch grantiau a gwahoddant geisiadau. Dewis y rhoddwr unigol y prosiectau y mae am eu cefnogi a rheola Grant Hero y broses o dalu grant y rhoddwr.

Enghraift: Mae Partneriaethau Creadigol Awstralia<sup>22</sup> yn darparu adnoddau i artistiaid a sefydliadau celfyddydol i ddatblygu eu cynhwysedd codi arian. Rheola hefyd Gronfa Ddiwylliannol Awstralia sy'n llwyfan codi arian i artistiaid Awstralia. Sefydlwyd y Gronfa gan Lywodraeth Awstralia yn 2003 i annog rhoddion i'r celfyddydau. Yn ei blwyddyn gyntaf ar-lein, cefnogodd y Gronfa 118 artist unigol a 149 sefydliad celfyddydol. At ei gilydd y cynhyrchant 4,253 o roddion oddi wrth 3,958 o gelfgarwyr sef cyfanswm o 1.9 miliwn o ddoleri Awstralia o fuddsoddiad mewn prosiectau celfyddydol a diwylliannol.

3. **Torfariannu a chodi arian ar-lein.** Mewn rhai ffyrdd, mae torfariannu'n ffurf hen iawn ar ariannu sy'n rhannu nodweddion â'r rhoi seiliedig ar danysgrifio a ddigwyddodd wrth sefydlu amgueddfeydd, henebion ac eglwysi yn y canrifoedd a fu. Serch hynny, yr arloesedd newydd yw symud ymlaen i ddefnyddio technoleg ddigidol i annog buddsoddiad preifat mewn diwylliant.

Gall torfariannu gymryd nifer o ffurfiau. Er enghraift, mae gwahaniaethau rhwng addo i ddatblygu cynnrych yr ydych ei eisiau (ac y gellwch gael hygyrchedd iddo, ni waeth lle rydych) a digwyddiad byw y mae'n rhaid ichi allu ei fynychu. Mae llawer o artistiaid o Gymru wedi defnyddio'n llwyddiannus llwyfannau megis<sup>23</sup> Pledgemusic i ariannu recordiadau a dod o hyd i gefnogwyr newydd ar y llwyfan.

<sup>20</sup> <http://philanthropy.coutts.com/en/reports/2016/united-kingdom/findings.html>

<sup>21</sup> <http://granthero.ngo/>

<sup>22</sup> <https://www.creativepartnershipsaustralia.org.au/about-us/>

<sup>23</sup> <http://www.pledgemusic.com/projects/zervaspepper>

I gynyrchiadau yn aml, cynulleidfa arferol y sefydliad a gewch yn addo'r hyn a wariai ar docyn. Yn ddigon diddorol, drwy gynnig pecynnau drutach yn rhan o'u harlwy o gyfleoedd codi arian, gall sefydliadau nodi pwy ymhllith eu cynulleidfaedd a allai roi rhagor.

Ond ni ddylid tanamcangyfrif y costau (mewn amser ac arian) o dalu am y fath ymgyrchoedd. Mae cyfathrebu cyson yn hanfodol. Wrth weithio ar "Karen", y cynhyrchiad seiliedig ar ap gyda National Theatre Wales, cofnododd Blast Theory ei brofiadau'n fanwl iawn a chynnig y wybodaeth yn rhad ac am ddim i'r <sup>24</sup> sector. Ceir yno esboniad defnyddiol ac ymarferol o'r manteision a'r anfanteision o dorfariannu.

**Enghraift:** Gwnaed y porslen gorau yn y byd, o bosibl, yn Nantgarw yn y 19eg ganrif. Ond mor fregus ydoedd y dinistriwyd hyd at 90% o'r porslen yn yr odyn. Er gwaethaf y safon eithriadol, caewyd y ffatri ar ôl cwta pedair blynedd o fod ar waith. Heddiw mae darnau unigol o borslen Nantgarw yn brin iawn ac yn werth miloedd o bunnau. Darganfuwyd dogfennau yn Amgueddfa Ffatri Dsieina Nantgarw a gynigai ychydig o wybodaeth am sut y gellid ail-greu'r porslen, o bosibl. Lansiodd yr Amgueddfa ymgyrch dorfariannu am £15,000 yn gynharach eleni a chyhoeddodd yn ddiweddar ei bod wedi codi rhagor na'r targed.<sup>25</sup>

**Enghraift:** Un o'r llwyfannau torfariannu mwyaf adnabyddus yw Kickstarter.<sup>26</sup> Cynorthwya artistiaid, cerddorion, gwneuthurwyr ffilmiau, dylunwyr a chreadwr eraill i ddod o hyd i'r adnoddau a'r gefnogaeth angenrheidiol i wireddu eu syniadau. Hyd yn hyn, mae degau o filoedd o broiectau creadigol — rhai bach a mawr — wedi dechrau gyda chymorth cymuned Kickstarter sy'n addo symiau unigol yn erbyn cyfanswm targed. Sefydlwyd Kickstarter yn yr Unol Daleithiau yn Gorfforaeth Fudd sy'n gwmni er elw y mae'n rhaid iddo ystyried effaith ei benderfyniadau ar y gymdeithas, ac nid ar gyfranddeiliaid yn unig. Ers lansio'r cwmni yn 2009, mae 13 miliwn o bobl wedi cefnogi prosiect gan addo 3.2 biliwn o ddoleri America ac ariannwyd yn llwyddiannus 129,745 o broiectau.

4. **Cefnogaeth mewn nwyddau.** Nid arian yw pob cefnogaeth. Gall sefydliadau celfyddydol gael budd mewn nwyddau o gyfnewid gofodau, adnoddau a gwasanaethau. Mae'r math hwn o gefnogaeth un cam i ffwrdd o ddyngarwch traddodiadol ac fel arfer mae'n seiliedig ar greu partneriaethau sydd o fudd cilyddol.

**Enghraift:** Yn rhan o berthynas nawdd arloesol, darpara lard Gychod Caergybi ystod lawn o wasanaethau ariannol a chyfrifyddu i Ganolfan y Celfyddydau, Ucheldre sy'n arbed costau gweinyddol ac amser i'r sefydliad celfyddydol bach hwn.

<sup>24</sup> <http://www.blasttheory.co.uk/crowdfunding-a-guide-by-blast-theory/>

<sup>25</sup> <https://www.artfund.org/get-involved/art-happens/nantgarw-porcelain>

<sup>26</sup> <https://www.kickstarter.com/about?ref=nav>

Weithiau mae'n anodd dirnad yn iawn beth yw sail y math hwn o berthynas. Yn aml gall artistiaid elwa drwy leihau eu treth fusnes drwy feddiannu gofod gwag. Fel arall, gellir seilio cyfnewid ar unrhyw beth o adfywio'r ardal a dod â phobl i mewn, i gynnal gweithdai neu ddarparu cyfleusterau gofalu am blant.

Enghraifft: Theatr y Ffatri Faco ym Mryste,<sup>27</sup> sydd ar safle hen ffatri faco er 1998. Cafodd brydles ddi-rent am chwarter canrif ar ran o'i gofod yn 2009. Adlewyrchid hyn berthynas hirdymor gyda'r adeilad a'i landlord (a'r un a arbedodd y lle rhag cael ei ddymchwel), cyn-faer Bryste, George Ferguson. Mae'r Theatr erbyn hyn yn rhan nodweddiadol a phoblogaidd o dirwedd Bryste ac yn hwb lleol i wasanaethau preswyl a hamdden. Mae'n arwain y broses o adfywio yn ardal Bedminster yn Ne Bryste.

5. **Gwaddolion.** Gellir diffinio gwaddolion yn asedau arian neu asedau eraill a roddwyd i elusen lle bo amodau'r rhodd yn mynnu bod yr ased yn cael ei gadw (neu ei fuddsoddi) i gynhyrchu incwm i gefnogi gweithgareddau parhaus.

Ym Mhrydain, mae modd dan gyfraith yr elusennau sefydlu dau fath:

- *parhaol* – ased neu arian a roddir i elusen i gynhyrchu incwm, gyda'r gofyniad y bo raid iddo gael ei ddal mewn ymddiriedolaeth am byth
- *gwariadwy* - rhaid buddsoddi'r arian megis gwaddol parhaol, ond gall yr ymddiriedolwyr droi rhan neu'r cyfan o'r gwaddol yn incwm

Nod natur dragwyddol y gwaddol yw rhoi rhywfaint o sicrwydd ariannol sy'n amddiffyn gweithgareddau beunyddiol yn y dyfodol rhagweladwy. Serch hynny, a chyfraddau llog ar eu hisaf ers cyn cof, ni all y cyfalaf sydd ynghlwm wrth waddolion ddarparu bob tro lefel ddigonol o gefnogaeth. Er enghraifft, a bwrw bod 4% o enillion, byddai incwm o £1 miliwn y flwyddyn angen gwaddol o ryw £25 miliwn.

Yn yr Unol Daleithiau y mae model y gwaddol ar ei fwyaf datblygedig lle mae byrddau rheoli'n cynnwys unigolion gyda gwerth net uchel sy'n ystyried bod ganddynt ddyletswydd ddinesig i roi a chodi arian.

Enghraifft: Mae gwaddolion diwylliannol America yn fecanwaith sydd wedi'i hen sefydlu er mwyn cefnogi sefydliadau diwylliannol. Ni choledir yn systemataidd ystadegau ar gyfer pob gweithgarwch a ariennir gan waddolion. Serch hynny, deil y sector amgueddfaol ryw \$14 biliwn mewn gwaddolion. Ar ei phen ei hun, deil Amgueddfa Fetropolitan y Celfyddydau yn Efrog Newydd waddol o \$3 biliwn ac mae un Cerddorfa Boston yn fwy na \$3.5 biliwn.

<sup>27</sup> <http://tobaccofactory.com/>

Enghraift: Caiff Deddf Gwaddol Diwylliannol Estonia<sup>28</sup> 3% o'r tollau ar alcohol a baco a 30% o'r trethi ar hapchwarae. Cyfarwyddir y gwaddol gan Gyngor o 9 aelod dan gadeiryddiaeth y Gweinidog dros Ddiwylliant. Yn 2013, gwnaed dros fil o grantiau gwerth yn agos i €200,000.

6. **Is-gwmniäu masnachu.** Mae gan nifer o sefydliadau celfyddydol sydd â chyfansoddiad elusennol is-gwmni masnachu y maent yn llwyr berchen arno a thrwyddo y rheolant - weithgareddau masnachu anelusennol. Cyfamodir yr elw o'r gweithgareddau hyn wedyn yn ôl i'r elusen.

Enghraift: Mae gan Ganolfan y Celfyddydau, Chapter yng Nghaerdydd dros 30 gofod stiwdio yn ei phrif adeilad ac yn ei safle gerllaw, Tŷ'r Farchnad. Ymhllith y tenantiaid mae cwmniäu dawns a theatr, artistiaid unigol, stiwdios animeiddio a gwneuthurwyr ffilmiau, asiantaethau datblygu cynulleidfa, dylunwyr graffig, cwmniäu dylunio symud a rhygweithio sydd bob un yn creu incwm rhent i Chapter.

Enghraift: Yn ogystal â darparu rhaglen ddiwylliannol bwysig yng Nghaernarfon, mae Galeri wedi trawsnewid nifer o adeiladau gweigion yn y dref sydd erbyn hyn yn gartrefi i gwmniäu a thai annedd. Yn ogystal â hyn, mae gan Galeri 23 uned fusnes sydd ar gael i'w rhentu. Darparant y rhain incwm sy'n cefnogi rhaglen ddiwylliannol Galeri.

Enghraift: Mae Gwasanaethau Theatraidd Caerdydd yn is-gwmni masnachu sy'n eiddo'n gyfan gwbl i Opera Genedlaethol Cymru. Mae'r galw am eu gwasanaethau adeiladu setiau theatr ymhllith yr uchaf ym Mhrydain a'r llynedd darparasant wasanaethau i lawer o wahanol sefydliadau gan gynnwys: BBC Worldwide, Opera Genedlaethol Lloegr, Teithio Headlong Impossible Cyf, Importance of Being Ernest Cyf, Theatr Lyrig yr Hammersmith, Opera Lyrig Chicago, National Theatre Wales, Cynrychiadau'r Hen Fic, Opera Gogledd Lloegr, y Tŷ Opera Brenhinol, Theatr y Llys Brenhinol, Cwmni Brenhinol Shakespeare, Cynrychiadau Sonia Friedman, National Theatre, Cynrychiadau Fodfil, Theatr Gŵyl Chichester, Chwaraedy Gorllewin Swydd Efrog, y Fic Ifanc a Chanolfan Mileniwm Cymru.

Mabwysiada rhai sefydliadau celfyddydol ffyrdd hyd yn oed mwy radicalaidd o ddatblygu incwm ac asedau.

<sup>28</sup> <https://www.riigiteataja.ee/en/eli/521122013003/consolide>

**Enghraift:** Wrth ddatblygu ei theatr newydd yn Newcastle, penderfynodd Live Theatre<sup>29</sup> gynyddu ei hincwm yn y dyfodol drwy brosiectau cyfalaf a digidol. Y bwriad oedd datblygu enillion cymdeithasol, diwylliannol a masnachol ac adeiladu gwytnwch i'r sefydliad yn y dyfodol. Drwy ei chynllun cyfalaf £10.5 miliwn, gallai Live Theatre brynu a datblygu blaen y Cei a thir ac adeiladau gerllaw'r theatr. Creodd ofod i swyddfeydd masnachol newydd, parc newydd i'r cyhoedd, Live Tales (canolfan ysgrifennu i blant a phobl ifainc) a thafarn fwyd. Gydag arian iro gan y sector cyhoeddus (benthyciad hirben o £6 miliwn gan Gyngor Dinas Newcastle a grant £1.73 miliwn gan raglen Cronfa Datblygu Rhanbarthol Ewropeidd y Gogledd-ddwyrain), mae'r asedau newydd erbyn hyn yn darparu enillion masnachol.

7. **Rhoddion corfforaethol.** Fel arfer rhoddion yw'r rhain mewn arian neu nwyddau gan gwmnïau a chyrrf eraill â chyfansoddiad i sefydliadau diwylliannol neu artistiaid unigol. Yn annhebyg i nawdd, nid yw rhodd yn mynnu unrhyw fuddion penodol yn gyfnewid amdani. Mae nifer o enghreiffiau o sefydliadau sy'n gweithio i gysylltu'r celfyddydau â rhoddwyr corfforaethol gan gynnwys Celfyddydau a Busnes Cymru.

Mae llawer o fusnesau yn cysylltu eu cefnogaeth i'r celfyddydau i'w hamcanion corfforaethol o gyfrifoldeb cymdeithasol. Gall natur y berthynas weithiau fod yn eithaf cymhleth gan ganolbwytio ar ganlyniadau yn hytrach nac allbynnau penodol, a chyfnewid sgiliau yn hytrach na phrofiadau untrio.

Arbeniga sefydliadau megis Business in the Community<sup>30</sup> mewn datblygu rhaglenni corfforaethol o gyfrifoldeb cymdeithasol a broceru partneriaethau.

**Enghraift:** Gweithia Americans for the Arts<sup>31</sup> i gryfhau partneriaethau rhwng y celfyddydau, busnesau a sefydliadau. Yn America (o'i chymharu ag Ewrop) nid oes traddodiad o sylwedd o ariannu'r celfyddydau o'r pwrs cyhoeddus. Serch hynny, mae nawdd corfforaethol a dyngarwch unigol wedi'u hen sefydlu fel y buddsodda cwmnïau ac unigolion mewn 'gweithredoedd da' dinesig. Cais rhaglenni a hyrwyddir gan Americans for the Arts adeiladu cefnogaeth gryfach i'r celfyddydau gan y sector preifat a darparu i fusnesau a sefydliadau celfyddydol gyda'r gwasanaethau a'r adnoddau sy'n datblygu a symud yn eu blaen bartneriaethau gyda'r celfyddydau.

8. **Buddsoddi masnachol.** Gall gwireddu prosiectau mwy fod yn arbennig o heriol. Weithiau dibynnant ar roi at ei gilydd bartneriaethau cyd-gynhyrchu ag ystod o fuddsoddwyr rhyngwladol.

<sup>29</sup> <http://www.live.org.uk/creative-enterprises>

<sup>30</sup> <https://www.bitc.org.uk/wales>

<sup>31</sup> <http://www.americansforthearts.org/>

Enghraift: Yn y 10 mlynedd ers ei sefydlu, mae Ffilm Cymru wedi cefnogi cynhyrchu rhagor na 50 ffilm nodwedd. Mae £6.8 miliwn o arian cynhyrchu wedi trosoli buddsoddiad rhyngwladol yn eu ffilmiau nodwedd gyda chyfanswm y cyllidebau'n £54,444,720. Bu 15 cytundeb Ewropeaidd i gyd-gynhyrchu o gymorth wrth gynnal y gweithgarwch hwn.<sup>32</sup>

Mae buddsoddwyr neu 'angylion' yn nodwedd o'r theatr fasnachol. Mae'r math hwn o fuddsoddi'n eithaf peryglus ond ffuria sail maes cynhyrchu masnachol: caiff sioe ei thorri'n unedau a gwerthir y rhain i fuddsoddwyr a obeithiai am enillion ar ôl i'r sioe dalu am ei chostau. Rhaid i ddogfennaeth fuddsoddi ddiwallu rheoliadau Deddf y Gwasanaethau Ariannol. Golyga hyn y gall y broses fod yn gymhleth a drud.

Enghraift: Ar gyfer yr hwyl a'r elw y mae angylion yn fuddsoddwyr unigol mewn cwmnïau hapfuddsoddol a rhai newydd eu dechrau. Gelwir hwy'n angylion oherwydd y posibiliad y byddant yn y nef cyn gweld eu harian eto! Yn 2007 adroddodd y Guardian am fuddsoddwr gwreiddiol yn Cats Andrew Lloyd Webber a roes ei holl gynillion o £10,000 a chael bob blwyddyn ers hynny £20,000 yn ôl.<sup>33</sup>

9. **Ymddiriedolaethau a sefydliadau.** Fel arfer mae'r rhain yn sefydliadau dielw sydd naill ai'n rhoi arian a chefnogaeth i sefydliadau eraill neu'n ariannu eu hamcanion elusennol eu hunain. Mae'r rhan fwyaf o sefydliadau yn Ewrop yn cefnogi materion cymdeithasol, iechyd ac amgylcheddol ond mae nifer llai o sefydliadau yn canolbwytio ar ddiwylliant.

Enghraift: Mae gan Falta sector bywiog o ymddiriedolaethau a sefydliadau sy'n cefnogi artistiaid a'r celfyddydau. A hithau'n wlad fach, hyrwyddodd Malta y gwerth i'w phobl o gefnogaeth ddyngarol. Ymhlið yr enghreifftiau mae: Cronfa Gelfyddydol Malta, Cronfa Ffilm Malta, Rhwymedigaethau Gwasanaeth Cyhoeddus Estynedig, Gwobr Francis Ebejer, Cronfeydd Buddsoddi, Kreativ, Ysgoloriaethau Celfyddydol Malta, Menter Malta a Gwobr y Llyfr Cenedlaethol.

Enghraift: Y rhodd fwyaf y gwyddai'r cyhoedd amdani yng Nghymru yn ystod 2015 oedd y £1.5 miliwn a roddwyd i Ofal Cancr Felindre gan Henry a Diane Engelhardt drwy eu Sefydliad Moondance.

<sup>32</sup> <http://www.ffilmcymruwales.com/index.php/en/>

<sup>33</sup> <https://www.theguardian.com/money/2007/may/08/alternativeinvestment>

10. **Gwasanaethau celfyddydol i fusnesau.** Fel y tyfodd y berthynas y celfyddydau/busnes, daeth busnesau yn fwyfwy ymwybodol o'r buddion iddynt hwy o dechnegau creadigol a ffyrdd o weithio. Un enghraifft yw hyfforddiant seiliedig ar y celfyddydau, gyda chyrsiau a ddyfeisiwyd ac a gynhaliwyd gan artist-hyfforddwyr. Gall y fath hyfforddiant adeiladu timoedd effeithiol, gwella arweinyddiaeth, hybu hyder, gwella cyfathrebu, rheoli newid a datblygu strategaeth.

Enghraifft: Aeth Sing & Inspire<sup>34</sup> at Gelfyddydau a Busnes Cymru pan sefydlwyd y cwmni yn 2008. Datblygwyd partneriaeth i sefydlu peilot o gôr staff i Admiral. Ei nod oedd darparu profiad llawn o egni a sbardun yn arbennig i'r unigolion a dreuliai'r rhan fwyaf o'u hamser ar y ffôn. Roedd yn llwyddiant ysgubol ac roedd y buddion yn fwy na'r disgwyl. Gyda chymorth Celfyddydau a Busnes Cymru, ymrwymodd Admiral i raglen o sesiynau iechyd lleisiol i bob aelod o'r staff yn y ganolfan alw. Erbyn hyn Admiral yw cwsmer mwyaf Sing & Inspire.

11. **Partneriaethau cyhoeddus/preifat.** Fel arfer cytundeb rhwng llywodraeth a'r sector preifat yw'r rhain er mwyn darparu gwasanaethau cyhoeddus neu isadeiledd corfforol. Dan y trefniadau hyn cymerir y byrdwn oddi ar ysgwyddau'r sector cyhoeddus o reoli gwariant cyfalafol mawr a throsglwyddir y perygl o'r gost yn cynyddu i'r sector preifat. Ychydig iawn o enghreiffiau o hyn sydd ym maes y celfyddydau, er bod cyfleoedd drwy'r Fenter Ariannu Gyhoeddus (sy'n ddigon dadleuol) i strwythuro cynlluniau cyfalaf mewn ffyrdd sydd o fudd i'r celfyddydau.

Enghraifft: Ailadeiladwyd rhannau helaeth o Ysbyty Caersallog a'r Cyffiniau yn 2006 gydag estyniad Menter Ariannu Gyhoeddus gwerth £22 miliwn. Clustnodwyd 1% o'r arian cyfalaf i gynnwys y celfyddydau yn y darnau a adeiladwyd o'r newydd. Erbyn hyn cynnwys y casgliad celfyddydol dros 1,200 darn gwreiddiol a 500 darn pellach o brintiau a phosteri fframiedig sydd ar ddangos yn y wardiau ac wrth y gwâlau.<sup>35</sup>

12. **Cynlluniau cyfeillion.** Cynorthwya cynlluniau cyfeillion sefydliadau celfyddydol i agosáu at eu cwsmeriaid. Gallant fod yn ffordd o harneisio cefnogaeth y rhai ffyddlonaf i'r sefydliad gan adeiladu pwll o eiriolwyr ffyddlon a chynhyrchu ffynhonnell refeniw werthfawr yn gyfnewid am fuddion a gynnig y sefydliad. Yn y mannau y mae'n gweithio'n dda, gall perthnasau ymddatblygu'n bartneriaeth sy'n gilyddol fuddiol yn yr hirdymor.

<sup>34</sup> <http://www.aandbcymru.org.uk/case-studies/sing-andamp-inspire-andamp-admiral/>

<sup>35</sup> <http://www.artcare.salisbury.nhs.uk/Documents/ArtsStrategy2016.pdf>

Enghraift: Academi Martin Sant yn y Meysydd yw un o gerddorfeydd mwyaf llwyddiannus yn fasnachol ym Mhrydain, mwy na thebyg.<sup>36</sup> Mae ei gynllun cyfeillion yn gyfrwng ar y cam mynediad i dyfu lefel roi unigol ei chefnogwyr. Canolbwytia llawer o gynlluniau ar y buddion iaelodau, ond hyrwydda un yr Academi ffyrdd ymgysylltio a hwylilog o annog pobl i fuddsoddi yn uchelgais creadigol y cwmni. Ochr yn ochr â chyfleoedd i roi mae'r siawns i gymdeithasu â'r gerddorfa a theithio gyda hi a phrynu ei recordiadau a'i nwyddau.

13. **Polisi treth.** Nodwedd o bolisi treth yw'r ffaith ei fod yn niwtral am nad yw cymhellion treth fel rheol yn perthyn i unrhyw gynnwys artistig penodol. Yn lle hynny tuedda'r mein prawf fod yn gysylltiedig â'r mathau o fuddiolwyr gyda'r unigolion, y busnesau corfforaethol a'r sefydliadau dielw yn gwneud eu penderfyniadau diwylliannol eu hunain. Cynnwys enghreiffiau ar draws Ewrop ryddhad treth, manteision treth, didyniadau treth, eithrio rhag treth, lwfans treth a chymhellion treth ac yn y blaen a chynlluniau â brand penodol megis trosglwyddo celfweithiau yn lle talu treth.

Enghraift: Drwy gydol y 1990au y cymhwysodd Sweden ei chyfradd safonol o DAW (sef 25%) i lyfrau. Nod gostwng y TAW ar lyfrau yn Sweden oedd lleihau prisiau a chynyddu gwerthiant er mwyn hyrwyddo darllen, ansawdd llyfrau ac amrywiaeth eu cynnwys. Yn 2002 penderfynwyd gostwng lefel TAW ar lyfrau i 6%. Adlewyrchwyd hyn ar unwaith mewn prisiau is ac yn y flwyddyn wedyn cynyddodd gwerthiant gan 16%.

Enghraift: Bu grŵp Dinasoedd Craidd Prydain, gyda Chaerdydd yn eu plith, yn datblygu achos dros weithredu a datblygu Ariannu Cynnydd Treth. Sail y model yw ail-fuddsoddi cyfran o gyfraddau busnes y dyfodol o ardal yn ôl yn yr isadeiledd a'r datblygiad cysylltiedig. Mae'n gymwys lle ni all y ffynonellau arian sydd ar gael i gynllun er mwyn peri twf ac adnewyddu economaidd dalu am gost yr isadeiledd sydd ei angen gan y cynllun.

14. **Ardollau.** Y rhain yw'r gofyniad i dalu swm ychwanegol ar ben cost y cynnrych diwylliannol. Ymhlið yr enghreiffiau mae ffioedd archebu, codi tâl am gardiau credyd ac at ddibenion penodol (megis codi arian yn gyffredinol neu adnewyddu cyfalaf).

Enghraift: Mae'r Ardoll Isadeiledd Cymunedol yn fod i awdurdodau lleol yn Lloegr godi arian at yr isadeiledd angenrheidiol i gefnogi datblygu eu hardaloedd, fel arfer drwy enillion cynllunio a chyfraniadau datblygwyr tuag at gost yr isadeiledd angenrheidiol i

<sup>36</sup> <http://www.asmf.org/support-us/friends/>

gefnogi datblygiad yr ardaloedd. Yn ôl y Ddeddf Gynllunio (2008) mae cyfleusterau diwylliannol dan ddiffiniad yr isadeiledd perthnasol.

Gall ardollau fod yn wirfoddol a gorfodol. Gallant hefyd fod yn benodol o ran daearyddiaeth megis gydag Ardal Gwella Busnes.

Enghraift: Mae Ardal Gwella Busnes yn ardal ddiffiniedig y mae ardoll yn cael ei chodi ynddi ar bawb sy'n talu trethi busnes yn ogystal â'r trethi busnes eu hunain. Defnyddir yr ardoll hon i ddatblygu prosiectau a fydd o fudd i fusnesau lleol. Nid oes cyfngiad ar ba brosiectau neu wasanaethau y gellir eu cynnal neu eu darparu drwy Ardal o'r fath. Yr unig ofyniad yw y dylai fod yn rhywbeth sy'n ychwanegol at y gwasanaethau a ddarperir gan yr awdurdodau lleol.

15. **Deddfwriaeth ganran.** Dyma fesur treth a thrwyddo y gall trethdalwyr ddynodi canran benodol o'u treth incwm i'w dyrannu i sefydliad dielw, anlywodraethol penodol. Yn yr Undeb Ewropeaidd mae'r fath ddeddfwriaeth yn bodoli mewn gwledydd yn Nwyrain Ewrop megis Hwngari, Lithuania, Gwlad Pwyl, Slofacia, Romania a Slofenia.

Enghraift: Yn 2007 ymgymeroedd y Ganolfan Hyfforddiant a Gwybodaeth Ddielw ag ymchwil ar y ddeddfwriaeth ganran yn y pum gwlad uchod. Casgliad yr astudiaeth oedd lle nad oedd traddodiad o roi na modelau dyngarwch i'r boblogaeth eu dilyn, gall deddfwriaeth ganran fod yn ffordd effeithiol i sbarduno rhoi.

16. **Trosglwyddiadau yn lle treth.** Caniatâ llawer o wledydd i'w trethdalwyr drosglwyddo eu heiddo, gan gynnwys celfweithiau, yn lle talu gwahanol drethi megis treth ystâd. Yn y bôn mae'r system o'r fath yn gweithredu megis 'creydd treth' yn hytrach na 'didyniad treth'.

Enghraift: Yn 2015/16 defnyddiwyd Cynllun Rhoddion Diwylliannol a Chynllun Derby yn Lle ym Mhrydain (a reolir gan Gyngor Celfyddydau Lloegr) mewn 36 achos. Derbyniwyd ystod eang o gelfweithiau a oedd yn werth bron i £50 miliwn. Yn eu plith oedd celfweithiau gan Syr Anthony van Dyck, Syr Joshua Reynolds a JMW Turner. Roedd hefyd gelfweithiau papur arwyddocaol gan John Flaxman, William Blake, Whistler a Goya a dau ddarlun gwych o adeg y Dadeni yn yr Eidal.<sup>37</sup>

<sup>37</sup> <http://www.artscouncil.org.uk/publication/cultural-gift-scheme-and-acceptance-lieu-annual-report-201516-0>

**17. Bondiau Effaith Gymdeithasol.** Y cymhelliant dros ddechrau sefydliadau celfyddydol yn artistig a chymdeithasol yn hytrach nac ariannol. Gall hyn feddwl bod byrddau yn aml yn wrth-berygl (yn ariannol). Yn ddiweddar, dechreuodd gwahanol fodelau o fuddsoddi ddod i'r fei sy'n seiliedig ar bosibiliadau ariannol a'r math o effaith gymdeithasol sy'n cydweddu'n agosach â'r sector celfyddydol.

Defnyddia bondiau effaith gymdeithasol arian ad-daladwy i gael enillion cymdeithasol yn ogystal â rhai ariannol. Yn y twf ym mudiadau menter gymdeithasol gwelwyd banciau a chronfeydd buddsoddi newydd yn llenwi'r gofod rhwng gweithgarwch masnachol ac anfasnachol. Rhydd cronfeydd arian ad-daladwy i sefydliadau celfyddydol gydag uchelgais i dyfu ac sydd hefyd am gael effaith gadarnhaol ar y gymdeithas drwy safon eu gwaith celfyddydol. Mae hyn yn atyniadol i fath newydd o fuddsoddwr sydd am gyfuno canlyniadau ariannol, cymdeithasol ac artistig. Disgwyl y buddsoddwyr hyn gael eu harian yn ôl, yn aml gyda llog, ac maent am weld newid cymdeithasol cadarnhaol hefyd o ganlyniad i'w buddsoddiad.

**Enghraift:** Drwy Gronfa Effaith y Celfyddydau gwerth £7 miliwn a ariannwyd gan Gyngor Celfyddydau Lloegr, Banc America Merrill Lynch a Sefydliadau Esmée Fairbairn a Calouste Gulbenkian, mae'r Gwaddol Cenedlaethol ar gyfer Gwyddoniaeth, Technoleg a'r Celfyddydau yn arbrofi wrth gymhwys o'r cysniad o fuddsoddi ag effaith gymdeithasol ym maes y celfyddydau a diwylliant yn Lloegr gan ddefnyddio benthyciadau heb eu diogelu yn offeryn buddsoddi. Hyd yn hyn gwnaed £5.4 miliwn o fuddsoddiad ar draws 16 sefydliad celfyddydol.

**18. Cynlluniau cyfranddaliadau cymunedol.** Gellir defnyddio'r ffurf hon ar gyfalaf cyfranddaliad y gellid ei dynnu i gefnogi ystod o weithgareddau cymunedol, o ariannu cynlluniau ynni adnewyddadwy a thrawsnewid cyfleusterau cymunedol i adfer adeiladau ym maes y celfyddydau.

**Enghraift:** Ariennir Cyfranddaliadau Cymunedol Cymru<sup>38</sup> gan Gronfa'r Loteri Fawr a chaiff ei ddarparu gan Ganolfan Gydweithredol Cymru. Rhydd gefnogaeth ledled Cymru a chydweithia'n agos ag Uned y Cyfranddaliadau Cymunedol. Nod y prosiect i godi ymwybyddiaeth o gyfranddaliadau cymunedol ar draws Cymru a chefnogi cymunedau drwy'r broses o ddyroddi cyfranddaliadau gan eu galluogi i ddatblygu gwasanaeth lleol a chyfleusterau wrth wraidd eu cymunedau.

<sup>38</sup> <http://communityshares.org.uk/node/5069>

**19. Cynlluniau cwpon neu ostyngiad pris.** Credyd yw cwpon sydd â gwerth ariannol penodol y gellir ei ddefnyddio at un diben arbennig. Yn y sector diwylliannol, defnyddir cwponau yn ffordd o sbarduno galw am gynnrych diwylliannol neu ganiatáu mynediad am dâl gostyngedig i ddigwyddiadau penodol.

Enghraifft: Nod cynllun gostyngiad Two Boroughs<sup>39</sup> y Fic Ifanc yw adeiladu cymuned leol o amgylch y theatr. Blaenoriaeth y theatr yw adeiladu perthnasau gyda chymdogion a thrigolion lleol. Mae'r cynllun yn agored i holl drigolion Lambeth a Southwark. Ar ôl cofrestru, gall trigolion weld sioe yn rhad ac am ddim yno a chymryd rhan mewn ystod o weithdai, yn y clwb theatr, mewn prosiectau a digwyddiadau drwy'r flwyddyn a hynny'n rhad ac am ddim.

**20. Bancio amser.** Amrywiad ar gynllun y cwponau yw bancio amser. Mae'n ffordd o gyfnewid i drefnu pobl a sefydliadau o amgylch un pwrrpas ac amser yw'r 'arian' a ddefnyddir. Am bob awr y rhydd ymgyfranogwyr yn y banc - drwy helpu eraill - gallant dynnu awr o gymorth cyffelyb iddynt hwy eu hunain.

Enghraifft: Cydweithia Bancio Amser Cymru<sup>40</sup> ag ystod o sefydliadau cyhoeddus ac yn y trydydd sector gan gynnwys ymddiriedolaethau datblygu, partneriaethau Cymunedau'n Gyntaf, landlordiaid cymdeithasol, grwpiau ieuenctid, gwasanaethau gofal cymdeithasol ac awdurdodau lleol i fwya fu eu posibiliadau i ymgysylltu ac ymwneud â'r bobl y gwasanaethant a'u hymrymuso.

**21. Cynlluniau bancio.** Sianelant y rhain gefnogaeth i'r sector diwylliannol. Gall cynlluniau bancio gynnwys cynlluniau benthyciad a rydd gyfraddau llog ffafriol i weithgareddau diwylliannol, neu unrhyw offerynnau eraill sy'n ffafrio gweithgareddau diwylliannol. Mae enghreiffiau yng Nghymru o gyrrff megis y Banc Elusennol sy'n mabwysiadu hyn.

Enghraifft: Crewyd Amgueddfa Towcester o ganlyniad i drosglwyddo'n llwyddiannus ased cymunedol. Y cynnig oedd troi hen dafarn goets Sioraidd a oedd yn eiddo i'r cyngor yn amgueddfa i ddiwallu amcanion cymdeithasol ac economaidd pellach yn y dref. Golygai hyn y gallai'r cyngor gynnig inni'r adeilad am bris llai na'r un y farchnad.

Rhoes y Banc Elusennol<sup>41</sup> fenthyciad eiddo a oedd yn gymorth wrth brynu'r adeilad. Gweithiai'r benthyciad isel ei log yn warant o hygrededd a chynlluniau hirdymor y sefydliad. Roedd hyn yn fod i gael grant o £50,000 oddi wrth Gronfa Dreftadaeth y Loteri ynghyd â grantiau llai eraill.

<sup>39</sup> <https://www.youngvic.org/taking-part/two-boroughs>

<sup>40</sup> <https://www.timebankingwales.org.uk/>

<sup>41</sup> <https://charitybank.org/social-impact>

## 6. Sylwadau a chasgliadau

1. Mae dadleuon cymhellgar dros gynnal lefelau o ariannu cyhoeddus a chroesawn y ffaith i Lywodraeth Cymru gefnogi'r syniad yn fater o egwyddor. Serch hynny, cydnabyddwn, yn y cyni sydd ohoni, na ddylai hyn fod ar draul archwilio ffyrdd newydd o wneud buddsoddi cyhoeddus weithio'n galetach neu helpu sefydliadau celfyddydol i archwilio ffyrdd newydd o gynhyrchu incwm. Ymrwymwn i ddiwallu'r amcanion hyn a darparwn yn weithredol nifer o raglenni datblygu
2. Ychwanega cefnogaeth breifat – megis nawdd ac arian oddi wrth ymddiriedolaethau a sefydliadau – werth ond rhaid cydnabod y gall y fath gefnogaeth fod yn gyfnewidiol a chyfyngedig o ran amser. Yn fwy na hynny, mae arian preifat mewn llawer o wledydd yn Ewrop yn lleihau'n gyflym yn y wasgfa economaidd.
3. Nid yw cefnogaeth breifat ar ei phen ei hun yn rhywbeth i'w roi yn lle sail gadarn ariannu cyhoeddus cyson. Ychydig iawn o ffynonellau o arian na ddaw gan y cyhoedd sy'n cynnig rhywbeth rhagweladwy ac amgen i gefnogaeth gyson a geir oddi wrth y cyhoedd. Ychydig iawn o noddwyr preifat sy'n fodlon ariannu costau craidd y sefydliadau gan ystyried hyn yn gyfrifoldeb y Llywodraeth a'i asiantaethau ariannu cyhoeddus. Serch hynny, mae rhai noddwyr yn barod i roi buddsodiadau dros sawl blwyddyn mewn prosiectau penodol. Ar hyn o bryd, mae Llywodraeth Cymru yn peri bod arian i'r celfyddydau ar gael dim ond yn flynyddol. Byddai ariannu dros dair blynedd yn gwneud gwahaniaeth sylweddol wrth i sefydliadau gynllunio ymlaen a strwythuro ymgyrchoedd codi arian yn y tymor hwy.
4. Mae nifer bach o sefydliadau celfyddydol yng Nghymru yn cyflawni canlyniadau gwych ym maes cael nawdd, codi arian a dyngarwch unigol. Gallai Llywodraeth Cymru ystyried rhyw ffordd o nodi a dathlu cyflawniad arbennig yn ffordd o gymhell eraill.
5. Fel arfer cyfyngir ar lwyddiant mawr ym maes codi nawdd ac arian i'r sefydliadau mwy a all fforddio cyflogi eu codwyr arian eu hunain neu redeg adrannau datblygu. Cyflawnir y canlyniadau gorau fel arfer pan weithia codwr arian i un sefydliad yn unig gan gael ei drwytho'n llwyr yn athroniaeth, gweledigaeth a gwaith y sefydliad hwnnw. Weithiau cyflwynir dadleuon dros rannu codwyr arian (hynny yw, rhywun sy'n gweithio gyda phortffolio o sefydliadau) yn ffordd amgen ac effeithiol o ran cost. Serch hynny, ychydig iawn o dystiolaeth sydd i ddangos bod y sefyllfa hon yn llwyddo a gall yr her o wasanaethu sawl arglydd fod yn anodd iawn.
6. Mae codi arian yn fusnes cystadleuol iawn sy'n dibynnu i raddau helaeth ar gysylltiadau a rhwydweithiau proffesiynol codwyr arian unigol. Ond wrth ystyried strategaeth codi arian, nid yw pob ateb yn gweddu i bob achos. Ni fydd yr hyn sy'n gweddu i gwmni opera rhyngwladol mawr o reidrwydd yn gweithio i sefydliad cymunedol llai. Ac efallai na fyddai rhai mathau o weithgarwch diwylliannol yn elwa'n fawr o nawdd/codi arian traddodiadol. Os bydd y gost bosibl o godi arian yn fwy na hyn a godir, bydd yn well i sefydliadau ystyried strategaethau

eraill i amrywiaethu eu hincwm. Yng Nghyngor Celfyddydau Cymru rydym wedi nodi nifer o'r rhain yn gyfleoedd posibl am y dyfodol neu wedi archwilio rhai'n barod.

7. Mae codi arian mewn ffordd gynaliadwy i sefydliadau llai yn debycach o lwyddo os oes ganddynt synnwyr cryf o sut yr ymgysylltiant â'u cwsmeriaid a'u cefnogwyr. Pan berchnogir sefydliadau gan eu cymuned, mae'n debycach y gallant annog eu cefnogwyr i fuddsoddi amser, egni a/neu arian yng ngweithgareddau'r sefydliad. Dylai sefydliadau feddwl yn ddychmyglon am ffyrdd priodol o roi sy'n berthnasol i'w hamgylchiadau. Bydd y sefydliad hirben yn dod o hyd i weithgareddau cynhyrchu incwm sy'n gweddu â'i genhadaeth gyffredinol.
8. Ni ddefnyddiwyd bondiau effaith gymdeithasol ym maes y celfyddydau yng Nghymru. Gallent gynnig ffynhonnell newydd o fuddsoddi i sefydliadau sydd â darparu canlyniadau cymdeithasol yn eu cenhadaeth artistig. Dylid ystyried nodi buddsoddiad iro newydd y gellid ei ddefnyddio i efelychu Cronfa Effaith y Celfyddydau sydd ar gael i fusnesau creadigol yn Lloegr. Gallai'r berthynas bresennol Cyngor Celfyddydau Cymru gyda'r Gwaddol Cenedlaethol ar gyfer Gwyddoniaeth, Technoleg a'r Celfyddydau (rheolwyr y cynllun yn Lloegr) ddarparu sail am fwrw ymlaen tuag at gael cynllun tebyg yng Nghymru.
9. Mae llawer o ffyrdd o gynhyrchu arian na ddaw oddi wrth y cyhoedd gyda rhai ffyrdd yn fwy cymhleth a pheryglus nag eraill. Serch hynny, ychydig o sefydliadau yng Nghymru sydd â'r sgiliau a'r profiad i gynorthwyo gyda'r portffolio eang o bosibiliadau. Drwy ei raglen, Gwytnwch, a Gwasanaethau Datblygu Busnes eraill, mae Cyngor Celfyddydau Cymru yn ymroddedig i ddatblygu pwll mwy o gyngor arbenigol a thechnegol ar ystod o faterion busnes creadigol. Edrydd Cyngor y Celfyddydau ar gynnydd Gwytnwch a gweithio i ddatblygu ffynonellau annibynnol newydd o arbenigedd busnes. Archwilia'r Cyngor hefyd ffyrdd o wireddu ffordd fwy ymgyrchol o hyrwyddo rhoi corfforaethol ac unigol yng Nghymru.
10. Dylai datblygu arbenigedd busnes fod yn ymwneud yn llawn â thîm Diwydiannau Creadigol Llywodraeth Cymru (sydd â'r cyfrifoldeb o sefydlu gwasanaeth ymgynghori busnes newydd - Cymru Greadigol). Mae'r swyddogaethau ategol hyd yn hyn o dîm Diwydiannau Creadigol Llywodraeth Cymru a'r Cyngor yn adlewyrchu'r cysylltiad rhwng yr economi a diwylliant. Datblygiad o arwyddocâd strategol yw sefydlu Cymru Greadigol, corff sy'n gweithredu ar hyd braich o'r Llywodraeth. Fel yr â chynlluniau ar gyfer Cymru Greadigol yn eu blaen, bydd yn bwysig cael aleiniad agos a phriodol rhwng sgiliau ac arbenigedd y Llywodraeth a'r Cyngor.
11. Defnyddia'r ymgyrchoedd codi arian gorau amrywiaeth o wahanol offer i osgoi dibynnu'n ormod ar un ffordd o fynd ati. Er enghraift, mae rhai o'r ffyrdd digidol newydd o weithio, megis torfariannu, yn darparu modd poblogaidd o gael ffynonellau newydd o incwm i brosiectau penodol. Mae'n werth manteisio arnynt. Serch hynny, mae cyfyngiadau posibl, yn enwedig os yw apelio dro ar ôl tro i'r un bobl yn blino'r rhoddwyr.

12. Yn rhngwladol datblygwyd yn dda gefnogaeth gyhoeddus anuniongyrchol drwy gymhellion treth ond cymysg yw'r defnydd ohonynt mewn gwahanol wledydd gan sefydliadau diwylliannol a busnesau. Mae ymyrraeth gyhoeddus o ran arian cyfatebol, cymhellion cysylltiedig â threth neu anogaeth ariannol yn creu ymddiriedaeth ym mhwysigrwydd diwylliant ar gyfer noddwyr a rhoddwyr. Mae'r rhan fwyaf o gymhellion a/neu lwfansau treth y tu hwnt i reolaeth uniongyrchol Llywodraeth Cymru. Serch hynny, dylid ystyried pa posibiliadau (os oes) pe tai Cymru yn cael grymoedd i amrywio trethi yn y dyfodol.
13. Mae gan Frecsit goblygiadau posibl am hyfywedd ariannol artistiaid a sefydliadau celfyddydol. Estynnant y rhain y tu hwnt i faterion o hygyrchedd i arian Ewrop. Nodwn yn benodol ddau fater allweddol a ddylai fod yn rhan o negodi Brexit gan Brydain:
- *Symudedd artistiaid* – sail datblygiad artistig a chreadigol. Ni waeth sut y bydd y trefniadau yn y dyfodol, rhaid negodi unrhyw newidiadau yn y rheolau mewnfudo fel y bo symudedd rhesymol a phriodol o ran gweithwyr creadigol i osgoi rhwystrau gwrthgynhyrchiol sy'n ychwanegu costau a gorfodi cwotâu.
  - *Amddiffyn Eiddo Deallusol* – rhaid i Lywodraeth Prydain sicrhau bod gweithiau hawlfraint yn cael eu hamddiffyn yn gryf gyda gorfodaeth briodol mewn marchnadoedd rhyngwladol. Dylid ymgorffori amddiffyniad cryf i hawlfraint yn egwyddor allweddol mewn unrhyw negodi masnachol yn y dyfodol.

Cyngor Celfyddydau Cymru  
Awst 2017

## 1) Earned Income

In the year 2016/17, 59% of Chapter's total income was classed as earned income via the following means:

- Ticket sales £512,327 (20% of earned income)
- Hires and Rental income £336,968 (13% of earned income)
- Shop income (0.7% of earned income)
- Trading via Café Bar (66.3% of earned income)

This level of earned income has remained relatively stable with 60% earned income achieved in the previous year (2015/16) with the proportion between the various elements also remaining stable.

Competition is increasing for people's time and money. Various competitors (the likes of Tramshed and Capitol Cinemas) are adding further pressure and with the inception of pop up cinemas and art installations across the city and site specific theatre events in derelict buildings etc. continuing to increase – audiences continue to move away from the established arts centres.

We need to better understand our audiences to be able to develop our own programmes and, subsequently, new audiences. As of October 2017 we will be installing a state of the art new box office system with superior online booking, audience analysis, online donation and e-marketing functions. With an increased understanding of our audience data we will be able to develop new programming strands with a view to increasing footfall and revenue. 5 key audience development avenues have already been identified across Welsh language audiences, Young Adults (16 to 30), LGBTQI+, Children and Families and Access (Dementia and Mental Health).

## 2) Philanthropy

In 2016/17 through Fundraising activities Chapter raised £250,000 from non-public sources and a further £140,000 from public (Arts Council of Wales Lottery and Big Lottery). These figures do not include ACW revenue support (which

accounts for 15% of Chapter's overall income). In total, non-public funding accounted for 6% of Chapter's overall income in 2016/17. With public funding involved this figure rises to 9% (not including ACW revenue).

To compare, in 2015/16 non-public funding accounted for 4.4% of total income and with public funding involved this figure increased to 7.3%.

So in the last 12 months we saw an increase of 1.6% for non-public funding and a decrease in public funding of just 0.1%.

With Fundraising costs at £54,000 a year, in 2016/17 this translates to £4.6 non-public money generated for every pound spent. Including public funding into the equation we generate £7.2 for every pound spent. The UK average in 2015 (the last year of complete data compiled) is £3.7.

Chapter's non-public funding comes from three sources – grants from charitable trusts and foundations; donations and sponsorship from businesses; and donations from individuals. Trust income is still the largest portion of this representing 58% of non-public funding received; with individual giving at 25% (figure is higher than usual due to one major gift which has slightly skewed the data – the percentage is usually around 13% and Corporate support at 17%).

In 2016/17 Chapter received its first major gift from an individual. The remainder of individual support has come from two smaller 'crowdfunder' style campaigns, a regular giving programme and a membership scheme. We see this as an area of growth although face a constant challenge of demonstrating the arts as a charitable cause and one which should be supported. This is where the role of public bodies such as the Arts Council of Wales is invaluable.

Corporate support has remained steady with one large sponsorship deal, a series of one off company donations and a lower level membership scheme aimed at generating use of Chapter's hires spaces.

Sponsorship has been harder to secure with many companies responding that their CSR / Social pots have been drastically reduced (Legal & General / Deloitte to name a few). We lack the national profile and access to national audiences to give larger companies the profile they want through sponsorship deals (the likes of Coca-Cola, British Airways etc) so the focus of our sponsorship deals is around staff engagement with Cardiff branches of national companies or those with headquarters in the city. Many companies respond to say that their support is

directed at the numerous sporting teams also based in the city. The Arts can be a harder case to argue however we have had success securing support towards education work, and work with vulnerable adults.

In terms of Trust income we still have a range of one off grants and some longer-term (2 or 3 year) grants. The majority of funding goes towards our Education work, with Capital and Theatre work also receiving sizeable contributions. A few core grants have been received but largely Trust income is project focussed. Relationships with London based Trusts are strong, with Chapter's reputation reaching further afield. While the number of Wales based Trusts – or those with a preferred focus on Wales – are relatively few, we have been able to access a few – specifically Moondance and the Colwinston Charitable Trust. Again the support from public bodies such as Arts Council of Wales is invaluable, as Trusts like the reassurance of seeing public support there, and for funders who are not local, this public support is often the first sign that a project has a local need and should be funded.

A constant struggle we face arises over Chapter's recorded level of overall income and we are ineligible in many cases to apply for funding as guidelines specify turnover must be under a certain amount. This is where Chapter's Trading income works against us as, although the figures look impressive on the balance sheet, the majority of this income goes back out again in the running of the organisation, it doesn't all find its way into project budgets. So in reality, much of our project activity relies on external support. This feeds back into our attempts to raise the profile of Chapter's charitable activity so we can confidently make the case for support.

We have recently become aware of a scheme in England aimed at building an organisation's fundraising capacity through a new 18-month national training intensive designed to accelerate your revenue-generating capabilities. The Building Resilience: Fundraising and Revenue Diversification Programme, a new initiative from Arts Manager International in partnership with Cultivate and BOP Consulting, provides participating organisations with 18 months of group training and individual support, designed to increase financial resilience with an emphasis on fundraising. We wondered whether there would be appetite from ACW and Welsh Government in creating a similar scheme here.

We have also participated in and benefitted from the Arts & Business Creative Internship scheme that is doing great work to encourage more people to take up

Fundraising as a profession. We would encourage more support for schemes such as this that have provided us with a valuable additional resource to our Fundraising capabilities.

### 3) Investment

Chapter owns 100% of the issued share capital of Chapter Trading Ltd and Chapter Bay Ltd. The principal operation of these companies is the operation of a café bar at the main Canton site and in Cardiff Bay (Sio).

We do not have tax relief on trading profits, as these are either absorbed by a management charge or gift aided up to the charity. In 2016/17 £5,000 was gift aided to Chapter from Trading and any Sio profits will be treated in the same way at the end of this year (17/18).

For any future capital site developments, we will explore the option of Capital Gains tax relief.

Gift Aid of £1,300 was claimed on donations in 2016/17.

In terms of direct investments made by Chapter, the only ones we have been able to make to date have been as a result of public funding through the WCVA Social Business Growth Fund and its support towards Sio. This venture has been started to help us diversify income streams and grow our earned income.

Without grant support this is not an area we would be able to explore and we do not hold resources to invest in other areas.

We would welcome support on securing ethical investment from a ‘business angel’ via UnLtd or Clearly So towards clearly defined projects.

Another area where we would welcome support would be in terms of reducing the amount of debt Chapter has. Reducing debt would free up funding which would perhaps allow us to invest. For example, with the loan we have on one of our buildings. Without a loan in place, we would be able to sell a building which is rapidly becoming a liability for us, and to which the loan is attached, and use the full amount received to build a low cost alternative and leave money which could be put into reserves and secure Chapter’s future sustainability.

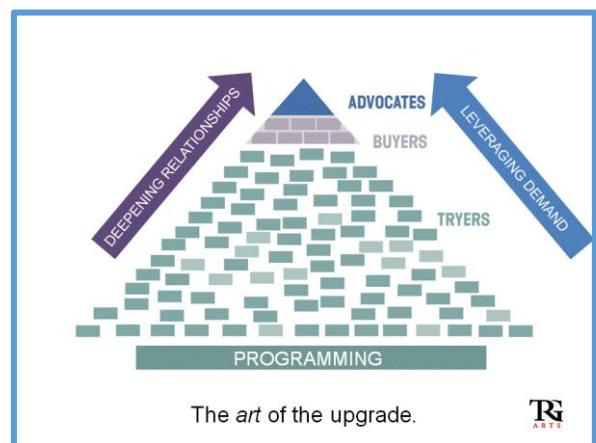
TRG Arts welcomes the Culture, Welsh Language and Communications Committee's Inquiry into Non-public funding of the arts. This submission is specifically in response to the call for International examples of innovative approaches to raising non-public funding of the arts.

The Results Group for the Arts (TRG Arts) is a data-driven consulting firm that teaches arts and cultural professionals a patron-based approach to increasing sustainable revenue through increasing earned and philanthropic income.

Since its founding in 1995, TRG Arts has gained a reputation for transforming the business models of non-profit and commercial entertainment partners, initially in the US and Canada. TRG Arts is an industry pioneer in areas including dynamic pricing, audience loyalty development, database modelling, and the subscription model.

Recently, TRG Arts has expanded. In 2015, the TRG Arts Center for Results, a venue for arts and cultural professionals to learn best practices was opened in Colorado Springs. In 2017, TRG Arts established an office in London to support its rapidly growing portfolio in the UK and Europe. TRG Arts now has 40 team members working across North America and Europe, each skilled in teaching arts professionals — from the executive leader to the marketing and development departments to the box office — how to build deeper and stronger relationships with patrons and grow sustainable revenue.

TRG Arts' core competency is building patron-centric loyalty programmes such as subscription and membership for arts organisations and museums. We believe that, in an era of declining government and foundation support, strong *loyalty programmes* will become the backbone of *sustainable revenue* for arts organisations. It will be crucial for organisations to grow their percentage of 'patron-generated revenue', e.g. that which comes from individuals in the form of ticket sales, memberships and



*TRG Arts' signature loyalty counsel moves patrons from less loyal "Tryers" to deeply invested "Advocates."*

donations.

TRG Arts believes traditional fundraising tactics must be taught within a context of growing loyal relationships with patrons. Major donors almost always begin their relationship to organisations by booking tickets. In a healthy organisation, the marketing team brings in new ticket buyers and members, and the fundraising team then leads those patrons through the traditional process of identification, cultivation, solicitation and stewardship. TRG Arts' loyalty counsel helps fundraising professionals identify which ticket bookers are "donor-ready" and which current donors are poised to upgrade, so that patrons receive the right solicitation considering their holistic, historical investment with the organisation.

Over more than twenty years TRG Arts has gathered a robust toolkit of best practices, which is constantly updated. We are obsessed by results and we view our clients as partners, championing the meaningful gains we make together.

We share much of our learning freely with the sector and our website is packed with relevant case studies. Our first client in the UK, the New Wolsey Theatre in Ipswich, reported a 31.5% increase in Box Office revenue in their first season using TRG Arts techniques. We are delighted to have just embarked on our first long-term working relationship with a Welsh organisation, Theatr Clwyd who join our UK portfolio which now also includes Northern Stage, Sheffield Theatres, Nuffield Southampton Theatres and Birmingham Royal Ballet.

While we are driven by our beliefs in the transformative power of arts and culture and the value of effective Government subsidy to the arts, through our work we have seen that positive and profound change to the business model of arts organizations can lead to artistic innovation and the ability to better inspire entire communities.

TRG Arts would be delighted to share more detail on the way we work and to discuss what the impact of implementing some of our practices might have for audiences and arts organisations in Wales by giving a presentation to the Culture, Welsh Language and Communications Committee as part of this enquiry.

The effectiveness of efforts to increase non-public funding of the arts in Wales by bodies including the Arts Council, local authorities and artists and arts organisations themselves. This funding would include: earned income; philanthropy; investment.

There is a fundamental danger in allowing sponsorship and investment from companies who will seek to use the arts as way to further their public image and agenda. The greatest risk is posed by the attempts of fossil fuel organisations to rectify their environmental image by investing in the most key of British institutions. Oil giant BP have sunk money into the British Museum, the Royal Opera House, National Portrait Gallery, Royal Shakespeare Company and the UK City of Culture Programme in Hull. On the surface this may seem like a British company making a generous donation, but such investment is aimed at improving BP's image so they can continue to harm our environment. Their investment of culture was particularly pertinent at the time of the Gulf of Mexico oil spill with investments helping to rebuild their image. Whilst Wales looks towards investing in renewable energy infrastructure, such as the tidal lagoons in Swansea and Cardiff Bays, opening up the arts to mass corporate sponsorship will be a route BP will identify to strategically influence policy with soft power. There must be consideration of how corporations will seek to gain political influence from their investment in culture, therefore measures must be in place to ban corporations from investing in culture to gain political influence or to lobby. Investments that have a conflict of interest through soft power must also be considered and prevented through an ethical screening process. From the outset, the committee needs to establish that funding practices like that of BP are not welcome in Wales and that their lobbying will not be allowed.

Superstar Performance Tax is idea that should be explored where if a superstar performer is playing at the principality stadium, or liberty stadium a levy should be placed on that performance to benefit the arts directly through a small percentage of ticket sales taken from the promoter's fee. Over the past year, we've seen Beyoncé, Rihanna, Coldplay and Justin Bieber play in Cardiff making millions of pounds in ticket sales if a percentage of that were to go to music education services it could provide much needed instruments or teachers.

There are also moves which the Welsh Government could make to empower community enterprise. With groups like the Creative Republic of Cardiff taking control of venues as community cooperative spaces we could see the process of asset transfer to communities being easier, and spaces could be earmarked as potential cultural venues given priority for community ownership over property development.

To get musical instruments for school and community services the Welsh government could have a mutually beneficial relationship with local music shops in which in return for providing instruments for services to borrow or have the businesses would be promoted and given tax cuts. Music shops and instrument repair shops could also become instrument recycling points where those who don't use instruments anymore could donate them for school and community services. The repair shops could fix these instruments up in return for a tax break and the instrument donor could be given a voucher in return to spend in music shops and record shops across wales.

## International examples of innovative approaches to raising non-public funding of the arts.

In Portland, Oregon in the United States public arts funding is distributed through the Regional Arts and Cultures Council (RACC), who are not only given a budgetary provision but are direct recipients of the city's art tax. The Portland Arts Tax requires citizens to pay a flat annual rate of \$35 to go towards arts non-for-profit organisations and to pay for arts education provision in schools administered by the RACC. The Tax was enacted after a ballot measure referendum to introduce it which 178,725 residents voted in favour of the measure, 62% of the electorate. This only covers so much provision and the subsequent funding focuses on education.

Another major initiative enacted by the RACC is the Work for Art programme where to aid in providing arts funding to the city workers donate some of the pay check to the arts as a tax-deductible donation. The scheme allows donors to choose to give to a community or education fund and is matched by private donors and public donors. Donors of \$60 or more are given an arts card entitling them to 2 for 1 tickets to events by beneficiaries. In the period of 2015–6 donations totalling \$912,000 were raised from the programme. Businesses who have been set up to allow their employees on the payroll make contributions also are invited to take part of friendly arts competitions like a Battle of Company bands with prizes for the bands involved. This programme has recognised that when someone make an altruistic contribution that they are a stakeholder and should be allowed to participate in the processes. The programme looks for ordinary citizens to donate for their love of culture not because of a vested corporate interest.

In terms of monetising the outputs of the Arts Council Wales portfolio organisations there are many opportunities to be explored to ensure companies and productions are sustainable. In 2016 BOP Consulting produced a report for the British Council entitled *Opportunities for China-UK Collaboration in Museums and Theatres* which suggests a wide variety of ways China funds the arts. The report talks about the development of extra-performance products by the National Centre for Performing Arts (NCPA): ‘Although derivative products are not common in Chinese theatres, they have been effective in promoting the NCPA brand and grabbing the attention of younger audiences. NCPA director Mr Chen Ping states that derivative products are “a type of cultural service of our audience”. Often people want to take home memories of their performances and whilst some

companies like National Theatre Wales have done this it could spread throughout NPOs as a way to build a cultural brand for Wales. Derivatives were pioneered in China by the Shanghai Museum: ‘its derivate products are developed by a dedicated design team, sold on site and at three other off site stores, and will be sold online from 2017’. Interestingly the report points out that to meet running costs ‘raising ticket prices is not an effective solution, as the average ticket already costs between one tenth and one third of the monthly average wage in China’ showing that there need to be more strategic thinking in how to generate revenue, not to merely price audiences out of culture. One example of how to meet this challenge was presented by the Guangzhou Grande Theatre who broke even in their first year of operation because: ‘its in-house management team lowered operational costs and expanded audience reach, for example curating a series of performance programmes designed for Spring Festival to attract the wider public’. Whilst it is nonsensical to impose unnecessary austerity on arts companies there can be sustainability audits to ensure house keeping costs are kept low through measures like energy efficiency. The key take away is building accessible and successful programming to attract wider audiences and speak to their experiences.

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee  
Cyllid Celfyddydau nad yw'n Gyhoeddus / Non-public Funding of the Arts  
CWLC(5) ART10  
Ymateb gan Plaid Werdd / Evidence from Welsh Green Party

Wales Green Party are submitting this response to the questions raised by the inquiry into non-public funding of the arts in Wales.

- The effectiveness of efforts to increase non-public funding of the arts in Wales by bodies including the Arts Council, local authorities and artists and arts organisations themselves. This funding would include: earned income; philanthropy; investment.

Sponsorship:

BP have recently committed to a five-year investment programme of £17.5 million in for a range of projects at the British Museum, the National Portrait Gallery, the Royal Opera House and the Royal Shakespeare Company. However, after the successful 'Liberate the Tate' campaign last year, BP announced the company will end its Tate sponsorship after 26 years.

Since the sponsorship schemes curated by big oil companies have been made public, the backlashes against Tate and the British Museum have made it apparent the public opinion is not in favour of the British arts being sponsored by companies such as BP.

Should the public funding of the arts in Wales be reduced from the currently budgeted £31.7 million, sponsorship from companies that do not support Wales' economic aspirations to invest in renewable energy, and the goals for the environment set in the Wellbeing of Future Generations Act, should not be accepted. It is equally important that, money should not be accepted from sources that conflict with our democracy.

At a time when Wales is looking to make investments in renewable energy, such as Swansea Tidal Lagoon, it would be detrimental to our democracy to accept sponsorship from companies that conflict this aim as sponsorship schemes are used by companies as PR stunts and can also open doors to lobbying behind closed doors. It is important that both public and non-public sources of funding are treated in a transparent manner, and should the level of non-public funding of the arts be increased, measures need to be taken to keep the public informed of the funding sources.

## Sponsoring organisations to employ full-time fundraisers:

Establishing alternative funding streams to public funding is a challenge that arts organisations across the field of arts, from theatre to visual art are increasingly facing. Many organisations employ full-time staff in charge of filling funding applications. In order for an organisation to be seeking their own funding it is necessary for them to have at least one full-time staff member dedicated to seeking further funding. For organisations that do not currently employ this type of staff, public funding could be used to sponsor organisations to employ staff to ensure that going forward, they are fully equipped to seek for extra funding themselves. This kind of sponsorship would long term ensure the development of more autonomous and less dependent forms of financial support for the arts.

- International examples of innovative approaches to raising non-public funding of the arts.

## Professional marketing and exporting of Welsh arts:

In April, Scotland launched a high-profile initiative to promote business and arts collaboration. The programme was launched by Fiona Hyslop, the Cabinet Secretary for Culture, Tourism and External Affairs, and offers grant funding of between £1,000 and £40,000, matched by business sponsorship to the same value.

There is scope that Wales' many SME businesses would be interested in affordable sponsorships if the scheme was promoted to mutual benefit across and outside Wales. Combining the promotion of Welsh business with the promotion of Welsh art would be an immeasurably better idea than accepting sponsorship from multinational companies that are not rooted in Wales.

In order to gain interest and funds both within Wales and outside Wales, it is important that funds are allocated long-term to promote Welsh arts both internationally and within the UK. Scotland has a high profile with an internationally acclaimed and well-known art school, Glasgow School of Art, and has programmes that enable the promotion of the arts produced in Scotland both within Scotland and outside, such as Made in Scotland.

Wales could benefit from further research into the ways in which Scotland has raised and continues to raise the profile of Scottish arts.

Whilst there may be a role for commercial sponsorship of any cultural activity, this should **not be used** to reduce the total state support for the Arts, but rather to allow state funding to be redeployed elsewhere.

#### International Examples: Creating a national brand

Wales must make use of its existing level of talent to promote and market its arts better as well as further afield. It is also paramount that Wales finds its feet in terms of branding and marketing its cultural strengths in the field of arts. Finland's efforts to brand its design talent for exporting in recent years have proven extremely fruitful in terms of both importing an interested audience ("design tourism") as well as exporting the products designed in Finland to other countries for sales. In 2012 Helsinki was appointed the World Design Capital, which increased the awareness and interest towards Helsinki as the centre for Nordic design, particularly in Asian markets such as Japan, South Korea and China. For Cardiff, bidding to be Europe's Capital of Culture in 2023, for example, should form a part of a strategic plan to increase the awareness of and revenue from the Welsh arts, rather than come as an after-thought following calls from artists and others working in the field.

For a small country like Wales, creating and maintaining an international network would aid in creating a long-term marketing strategy that capitalises on Wales' cultural and artistic heritage. This would also mean thinking of arts in line with tourism development: inviting and increasing tourist flow, promoting art that focuses on Wales' cultural history and present would also enable creating products that people can purchase to take home as memories of the performances they have seen and experiences they had whilst visiting Wales. As Finland has found, cultural history can and needs to be packaged in a way that appeals to current tastes and design standards. It is equally important that marketing strategy is created in advance of any events and product development taking place. The comprehensive report that followed Helsinki's year as the World Design Capital, notes that the international media strategy focussed on creating a communications network in the target cities of London, New York, Stockholm and Berlin (<https://www.hel.fi/static/liitteet/kanslia/blogit/WDCHelsinki-FinalReport-Finnish.pdf>). This was then successfully exploited to promote long-term development projects for which the year as a World Design Capital provided a platform for. The report emphasises the importance of approaching the different international medias early and maintaining the connection throughout the year.

Cultural diversity needs to be protected and promoted in the face of a dominating global artistic culture. This is especially important when looking to sell and package culture in such a way that will create more revenue to fund arts in Wales. Ensuring that arts organisations follow on a path paved by National Theatre Wales creating productions that Welsh people care about or that are topical in our own society, such as We are still here, about Port Talbot's steel works, is paramount to ensuring that the public continues to enjoy and benefit from the arts in Wales if non-public funding is increased.

#### Building a national instrument bank:

In Finland, local libraries have since 2012 expanded from lending just books. For example, various libraries across the country now lend out winter and summer sports equipment. The service is free to the user and funded through the public grants libraries get from the state. Funds are allocated locally to ensure local demand is met but not exceeded. It is possible to use this type of extended library model to create a national but localised instrument bank in Wales.

The Welsh Government needs to encourage the growth of local arts associations made up of practicing artists across Wales. We also ask The Culture, Welsh Language and Communications committee to ensure that local arts associations, where they exist, are given opportunities to represent on regional arts boards instead of local government officials. Only by enabling the arts community to take charge of their own financial positions, will the arts in Wales become truly sustainable, both economically and culturally.

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee  
Cyllid Celfyddydau nad yw'n Gyhoeddus / Non-public Funding of the Arts  
CWLC(5) ART11  
Ymateb gan Arts Development UK / Evidence from Arts Development UK

Mae ADUK yn croesawu'r Pwyllgor yn ymchwilio i lwyddiant y sector celfyddyd yng Nghymru i gynyddu eu cyllid nad yw'n gyhoeddus, dosbarthiad cyllid celfyddydol nad yw'n gyhoeddus yng Nghymru, a nodi modelau rhyngwladol o arferion gorau y gallai Cymru eu hysgogi yn hyn o beth.

Mae ein haelodaeth yn cynnwys gwasanaethau celfyddydol awdurdodau lleol, sefydliadau portffolio Cyngor Celfyddydau Cymru, ymddiriedolaethau diwylliannol, ymgynghorwyr diwylliannol, artistiaid a sefydliadau celfyddydol – y rhai sydd ar y rhyngwyneb rhwng y celfyddydau a'r gymuned. Mae ADUK yn cefnogi ei haelodau i nodi ffyrdd cyllido nad ydynt yn gyhoeddus trwy gynnwys adran 'Gwybodaeth am Gyllid' yn ein E-zine wythnosol a'r adran Ariannu ar ein gwefan. Rydym hefyd yn darparu cyfleoedd i'n haelodau rwydweithio'n rhanbarthol a chenedlaethol, i fynychu ein rhaglen o seminarau a chynadreddau, ac i rannu sgiliau a gwybodaeth aelodau eraill trwy ein Banc Sgiliau a Gwybodaeth ar-lein.

Credwn fod y sector yng Nghymru yn chwilio am gyfleoedd i gynyddu incwm, dyngarwch a buddsoddiad. Drwy sgwrsio gyda'n haelodau, fodd bynnag, credwn hefyd fod angen gwybodaeth, cyngor a chymorth pellach ar y sector diwylliannol i nodi a sicrhau'r cyfleoedd hyn yn effeithiol. Mewn marchnad ariannu gystadleuol gynyddol, lle mae grantiau'n anodd eu cyrraedd heb brofiad codi arian sylweddol, mae yna nifer o sefydliadau heb amser neu brofiad i wneud cais, neu sydd angen ystod o fecanweithiau cymorth i gyflawni adnoddau ychwanegol i gefnogi cynyrch celfyddydol a chreadigol .

Mae Rhaglen Gydnerth Cyngor Celfyddydau Cymru yn cefnogi eu cleientiaid portffolio i gynyddu eu hincwm, ond beth am weddill y sector celfyddydol? Mae Celfyddyd a Busnes yn cyfrannu rhywfaint at gefnogi'r sector cyfan trwy gyrsiau hyfforddi sy'n cwmpasu meysydd fel codi arian, nawdd a datblygu busnes. Maent hefyd yn cynnig Cynllun Banc y Bwrdd lle mae sgiliau pobl mewn sefydliadau busnes sy'n aelod o'r sefydliad yn cael eu cyfateb i gryfhau sgiliau Bwrdd sefydliadau celfyddydol sy'n aelod. Mae yna hefyd rhaglen o cyfleoedd wybodaeth ac hyfforddi ar gael gan Celfyddydau Gwirfoddol Cymru. Ar wahân i'r rhain, mae angen i'r sector diwylliannol ddenu cefnogaeth unigolion busnes hynod fedrus a gwybodus sydd heb eu defnyddio'n ddigonol ar hyn o bryd.

Mae gan gleientiaid portffolio CCC anghenion gwahanol i grwpiau celfyddydol cymunedol lleol, ond i'r sector fod yn gynaliadwy ac yn wydn, mae angen mynd i'r afael ag anghenion pawb sydd yn ddo. Mae angen cefnogaeth i lawer o grwpiau cymunedol i gynhyrchu refeniw o aelodaeth a gwasanaethau / gweithgareddau eraill, y gellid wedyn eu defnyddio i gael gafael ar hyfforddiant, gan gynyddu eu sgiliau marchnata a hyrwyddo. Mae rhai gwasanaethau'r celfyddydau awdurdodau lleol yn cynnig cymorth, cyngor a chyfeirio at grwpiau o'r fath. Rydym yn ymwybodol bod y sector diwylliannol yn gefnogol i'w gilydd; foddy bynnag, pa fwy gallwn ni ei ddysgu gan sectorau eraill?

Mae gwybodaeth, cyngor a chefnogaeth yn allweddol i'r sector, a gellir eu cael trwy hyfforddiant, rhagleni cefnogi cyfoedion, rhannu sgiliau, a dysgu o arferion traws-sector a sector-benodol o fewn Cymru a thu hwnt. Beth yw'r enghreiffiau o bob cwr o'r byd o wledydd sydd â demograffeg a daearyddiaeth debyg i Gymru? Beth yw statws eu sector celfyddydol a'i ffynonellau o arian nad yw'n gyhoeddus?

Er bod cynyddu incwm hunan-gynhyrchol ar gyfer y sector yng Nghymru yn bosibl, mae'n frwydr o fewn gwlad sydd â phocedi dwfn o amddifadedd. I'r mwyafrif, mae cyfleoedd i ymgysylltu ag a chymryd rhan yn y celfyddydau yn rhad ac am ddim neu am gost isel, gyda llawer yn cael eu cymhorthdal gan arian cyhoeddus. Mae llawer yn disgwyl y bydd y cyfleoedd hyn yn parhau i fod yn rhad ac am ddim neu'n gost isel, gan ostwng y cyfleoedd incwm a enillir trwy werthu tocynnau a ffioedd cyfranogi.

Credwn fod angen mynd i'r afael â'r gwerth cymdeithasol a roddir ar y celfyddydau fel bod pobl yn barod i dalu i ymgysylltu â darpariaeth y celfyddydau a chymryd rhan ynddynt. Mewn cymhariaeth, mae'n ymddangos bod gwerth cymdeithasol a roddir i chwaraeon yn ei alluogi i ennill incwm trwy'r dulliau hyn. Yn economaidd, mae'r galw yn erbyn y cyflenwad yn y sector chwaraeon yn ymddangos yn gytbwys; ydy'r cyflenwad yn gorbwyo'r galw yn y sector celfyddydol neu a oes angen creu galw am y celfyddydau yng Nghymru sy'n galluogi cyfreithiol i gynyddu incwm a enillir yn y sector? Er enghraift, mae lleoliadau megis Canolfan Mileniwm Cymru (CMC) yn gallu ennill incwm trwy raglennu sioeau gerdd boblogaidd yn y DU; eto, mae gwaith cerddorol newydd yn anodd eu gwneud a'i werthu. Mae gan y rhaglen sioeau gerdd boblogaidd adnabyddiaeth, enw da, a brand cryf sy'n creu galw am eu cyflenwad yng Nghymru. Sut allwn ni gyfieithu hyn i waith cerddorol newydd? Gellir gofyn y cwestiwn hwn hefyd at ffurflaiadau celf eraill.

Cred ADUK, er bod dyngarwch yn fod y gall y sector gynyddu ei nawdd cyhoeddus, byddwn yn cwestiynu pa mor realistig yw hyn mewn gwlad sydd â lefel isel o gyfoeth o'i gymharu â gweddill y DU. Er hynny, pe bai'r sector yn gallu profi gwerth y celfyddydau a'i gyfraniad i'r sector, gall hyn ysgogi rhoi i'r sector. Ar wahân i ystumiau ariannol, gallai'r sector elwa o ddengradd yn nhermau amser, cyngor ac arbenigedd gan y rhai sy'n fedrus o ran gostwng dibyniaeth ar arian cyhoeddus.

O safbwynt buddsoddiad yn y sector, unwaith eto, fel gydag incwm a enillwyd a dyngarwch da, mae angen presenoldeb a phroffil mwy ar draws y gymdeithas. Beth yw'r cymhelliad dros fuddsoddi yn y sector y tu hwnt i feysydd (e.e. digidol) a allai olygu bod elw yn bosibl? Er mwyn i'r sector gael buddsoddiad cynyddol mae angen iddo dynnu sylw at ddychwelyd gwerth chweil. Efallai y bydd hyn yn bosibl i sefydliadau mwy o fewn y sector, ond beth am sefydliadau'r celfyddydau cymunedol a darparwyr mwy lleol?

Credwn fod angen hyrwyddo a chefnogaeth i ffynhonellu a diogelu cyllid gan ymddiriedolaethau a sefydliadau, gan godi ymwybyddiaeth o'r potensial i ariannu'r ddarpariaeth trwy gyfrwng llwybrau nad oes modd eu cyrraedd ar hyn o bryd. Wrth gyrchu arian ar gyfer Gŵyl Grai / Rawffest, Gŵyl Celfyddydau Ieuengtud Cymru, rydym wedi gwneud cais i nifer o ymddiriedolaethau a sefydliadau ledled y DU gyda chyfradd lwyddiant isel. Mae gan RawFFest broffil cynyddol a byddai'n debygol y bydd ymddiriedolaethau a sefydliadau yn ei gefnogi ond realiti'r sefyllfa yw bod angen cymaint o amser ac adnoddau, gyda dim ond dychwelyd cymedrol o'r ardal hon. Mae llawer o waith i'w wneud o hyd i brofi'r gwaith ac amlinellu manteision cyllid gan ymddiriedolaethau a sefydliadau i'r sector celfyddydau yng Nghymru. Ochr yn ochr â hyn, rydym hefyd wedi cynnal ymgyrchoedd Crowdfunding, ac ar y ddau achlysur cynhyrchu lefel isel o gyllid. Rydyn ni'n siŵr bod llawer o bobl eraill wedi cael anawsterau hefyd i gyrchu arian trwy'r ffyrdd hyn. Roedd yn bwysedd ar adnoddau i gwblhau ceisiadau ac ymgymryd â'r ymgyrchoedd, a phob un yn arwain at sicrhau swm cymharol fach o gyllid. Gyda hyn yn feddwl, sut mae sector sydd eisoes yn teimlo nad oes digon o adnoddau yn mynd i ddod o hyd i'r gallu i ymgymryd â hyn, am yr hyn sydd, ar hyn o bryd, yn ymddangos yn gyfradd lwyddiant isel iawn?

Mae Gŵyl Grai / Rawffest yn gydweithrediad rhwng ADUK, Youth Arts Network Cymru (YANC), Newport Live!, Venue Cymru a CMC. Ar y cyd, mae Gŵyl Grai / Rawffest yn gallu cael gafael ar arian na allai fod yn hygyrch i bartneriaid fel

sefydliadau unigol. Mae cydweithio pellach yn y sector yn cynnwys ClymuCelf / ArtsConnect, rhwng gwasanaethau celfyddydau awdurdodau lleol Rhondda Cynon Taf, Bro Morgannwg a Caerffili, Ymddiriedolaeth Ddiwylliannol Awen (Pen-y-bont ar Ogwr), Ymddiriedolaeth Hamdden Merthyr Tudful, a Arts Active (Caerdydd). Mae cydweithio wedi golygu bod y sefydliadau hyn wedi gallu pennu'r adnoddau i gael gafael ar arian ar gyfer mentrau ar y cyd.

Mae yna botensial hefyd i ddysgu o fodelau megis IndyCube, gan alluogi'r rheini yn y sector sydd â pherchnogaeth o adeiladau i: a) ennill incwm trwy rentu eu lleoedd; B) datblygu cydweithrediadau newydd, trwy ddarparu'r manau hyn i artistiaid a sefydliadau celfyddydol ac annog rhwydweithio. Er bod potensial yn hyn o beth, mae'r cafeat bod artistiaid a sefydliadau celfyddydol weithiau'n disgwyl bod lle yn cael eu rhoi fel cyfraniad mewn partneriaeth, megis yr hyn mai Gŵyl Grai / Rawffest yn disgwyl gan CMC yn ei wyl yn 2018.

At hynny, mae'r adnodd dynol o fewn y sector, er ei fod ar adegau'n gweithio o dan bwysau neu o ganlyniad i adnoddau ariannol cyfyngedig, yn cael profiad sylweddol o weithio mewn partneriaeth neu godi arian o ffynonellau allanol i sicrhau bod y pen draw yn cwrdd. Mae swyddogion y celfyddydau yn aml yn fedrus ac yn brofiadol yn y potensial o gynhyrchu incwm a gweithio gydag adnoddau ariannol cyfyngedig i gynhyrchu canlyniadau proffesiynol. Mae swyddogion y celfyddydau hefyd yn ymarferwyr profiadol iawn wrth gefnogi agendâu trawsbynciol, gan ddefnyddio'r celfyddydau i gynorthwyo gwasanaethau datblygu eraill megis addysg, iechyd, adfywio, gwasanaethau cymdeithasol, cefnogaeth i bobl hŷn ac atal troseddu, gan weithio'n aml mewn ardaloedd difreintiedig â chymunedau y mae eraill yn eu canfod yn anodd ei gyrraedd. Gallai swyddogion celfyddydol llywodraethau lleol a'r rhai sy'n gweithio o fewn sefydliadau celfyddydau werthu ar eu harbenigedd wrth gynghori cyrff nad ydynt yn ymwneud â'r celfyddydau, megis Byrddau lechyd a Chymdeithasau Tai, ar sut i ddefnyddio'r celfyddydau i gwrdd â'u hamcanion a chyflawni eu deilliannau. Fodd bynnag, y cafeat i hyn yw bod eu harbenigedd yn aml heb eu gwerthfawrogi gan y rhai mewn sectorau eraill, ac mae canfyddiad cyffredin y gall unrhyw un ddyfeisio prosiectau celfyddydol, beth bynnag fo'u profiad, eu hyfforddiant a'u harbenigedd. Fel y nodwyd yn flaenorol, mae angen mynd i'r afael ag ymwybyddiaeth gwerth y celfyddydau i gymdeithas, a gallai Llywodraeth Cymru chwarae'r rôl wrth geisio rhoi gwylod am y sector celfyddydau.

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee  
Cyllid Celfyddydau nad yw'n Gyhoeddus / Non-public Funding of the Arts  
CWLC(5) ART12  
Ymateb gan Prifysgol Metropolitan Caerdydd / Evidence from Cardiff Metropolitan University

With over 400 graduates joining the economy as artists, designers, makers and creative economy professionals each year, Cardiff School of Art and Design is one of Wales' major stakeholders in and contributors to Wales' creative and commercial sector.

We are fully committed through our formal curriculum and extra-curricular activities to ensuring that our students leave us with strong employability related skills and a clear understanding of the attributes needed to pursue their chosen careers. As well as addressing their practical and intellectual skills, they are also supported through Cardiff Met EDGE – the development of their Ethical, Digital, Global and Entrepreneurial skills.

Through EDGE, we feel that they are well equipped to face many challenges but we also recognise that the wider environment created by Welsh Government, UK Government and local authority policy makers needs to be an enabling one for them to succeed and contribute to the Welsh economy.

We believe that it is important for Wales to have a thriving creative economy and to have an innovative and successful business sector, for which investment in the arts and culture is vital. Investment supports new work and ideas that might not otherwise come to fruition and these then impact on other sectors and national priorities. This helps brand Wales as a forward-looking nation and one that welcomes investment and new business, making it a desirable place to live in and visit. Public funding of the arts is therefore an important aspect of public expenditure with measurable and qualitative impacts.

However, as important as monetary investment in the sector is, the power of the Welsh Government and other policy makers to create an enabling environment where the arts and culture can thrive is of equal importance.

We very much want to see the promotion of joined up policy and practice by Welsh Government and local authorities; for these governing bodies to act as enablers for creative activities and view a collaborative approach as fundamental to their overall commitments to economic development, health, sustainability, skills, community cohesion and tourism. The encouragement of partnerships between arts

organisations, education and business by Welsh Government and the Arts Council of Wales is therefore important, as it can seed cultural and business innovation.

Bodies such as the Arts Council of Wales also have a role to play in offering advice, guidance and training to enable artists and practitioners to have the skills to be self-supporting.

For example, Cardiff School of Art and Design has been delighted to partner with the Arts Council of Wales, Chapter Arts Centre and g39 in the Wales in Venice Invigilation Plus programme. This programme is enabling eight of our students and new graduates to invigilate at the Wales Pavilion at the Venice Biennale and develop their own creative initiatives with mentoring support. This has required the investment of time and money by the University, and so enabled cost savings on the part of the Arts Council, but it means that our students and new graduates have had a hugely valuable insight into the international arts arena. They have gained skills that have already been shown to kick-start their careers and broaden their intellectual thinking and artistic practice. This kind of collaboration helps build Wales' capacity as a creative centre and helps persuade the talent that we have nurtured over the past three years to stay in Wales where they are well connected to the professional networks who can help them as they emerge as artists and creative practitioners.

While we support the current investment in the arts by Welsh Government, we also believe that it has a vital role in encouraging this co-operation between like-minded organisations who want to contribute the Wales' cultural and economic growth.

## 1. Introduction

- 1.1. Art Fund welcomes the invitation to contribute to the Culture, Welsh Language and Communications Committee's inquiry into non-public arts funding.
- 1.2. Our response is focused on our areas of expertise and as such as we submit evidence of Art Fund or Art Fund-assisted initiatives to increase non-public funds to museums and galleries.
- 1.3. For further information, please contact Karen Wright, Art Fund's Policy and Public Affairs Manager, at [kwright@artfund.org](mailto:kwright@artfund.org).

## 2. Who are we?

- 2.1. Art Fund is the national fundraising charity for art. In 2016 we gave over £4.7m to help museums and galleries acquire works of art for their collections, with £217.8k of this awarded to museums and galleries in Wales. We help museums share their collections with wider audiences by supporting a range of tours and exhibitions. For example, we assisted Tate to acquire Constable's *Salisbury Cathedral from the Meadows* and funded the Aspire partnership to tour the work across six UK venues, including National Museums Cardiff in 2014. We also award grants to support the training and professional development of curators. We are independently funded, with the core of our income provided by 123,000 members who receive the National Art Pass and enjoy free entry to over 240 museums, galleries and historic places across the UK, as well as 50% off entry to major exhibitions and subscription to Art Quarterly magazine. In addition to grant-giving, our support for museums includes Art Fund Museum of the Year (won by the Hepworth Wakefield in 2017) and a range of digital platforms, including our crowdfunding platform Art Happens.

### 3. Examples of innovative approaches to raising non-public funding for the arts

- 3.1. Alongside a climate of economic uncertainty and public funding cuts<sup>1</sup>, museums and galleries are increasingly expected to boost their income by becoming more commercially minded and by attracting philanthropy. We are therefore pleased to share with the Committee three examples of Art Fund or Art Fund-assisted projects which support museums to diversify their funding streams.
- 3.2. It should be noted however, that while there is both opportunity for – and a real benefit of – increasing private funding for the arts, we recognise that these alternative income streams will not be sufficient to substitute the vital contribution of public funding.

#### **Sheffield Museums' *Going Public* project**

- 3.3. Sheffield Museums launched their *Going Public: International Art Collectors in Sheffield* project in 2015 to examine how UK museums outside of London can better attract philanthropy. The project continued in 2016 with Art Fund support, and we are also supporting the return of the project in 2017.
- 3.4. Findings from *Going Public* reveal that philanthropy must be part of a sustainable and mixed funding economy, and should be considered additional to – rather than replacing – public funding. Other findings include the need for curators to develop the fundraising, stakeholder management, and advocacy skills required to attract philanthropy (and also to make the case for public funding), and the necessity for museums to build fruitful relationships with and beyond the cultural sector.
- 3.5. Despite the project demonstrating that there is real interest from high net worth individuals to support museums, *Going Public* found that further work is needed to clarify the routes to philanthropy. Although the UK has a relatively sophisticated range of incentives to encourage charitable giving, they are, as highlighted in the 2014 Charities Aid Foundation report [Give Me a Break](#), often

---

<sup>1</sup> The Museums Association's [Museums in the UK 2017](#) report highlights that local authority revenue spending on culture, heritage, libraries and leisure services in Wales fell by 26% in real terms between 2010 and 2016. The report also discovered that 64% of museum respondents in Wales reported a cut to their public income in 2015/16.

archaic, more complicated and fragmented, and therefore levels of awareness of the various methods of tax-efficient giving remain relatively low. Art Fund is working with a wide range of stakeholders looking at ways to simplify and clarify the routes to philanthropy and make giving more efficient and attractive.

### **Art Fund's Art Happens crowdsourcing platform for museums and galleries**

- 3.6. Art Happens is the UK's first free online crowdfunding platform designed especially for museums and galleries. The platform stems out of our desire to share our 100+ years of fundraising experience with museums to fundraise for a project. Since its launch in 2014, 29 museums and galleries have successfully raised over £475k to stage exhibitions, create new commissions and make important restorations. Moreover, however, by taking part in Art Happens, our partner museums have developed vital fundraising, digital marketing and networking skills that will continue to benefit them far into the future.
- 3.7. Recently, the Nantgarw Chineworks Museum raised £15,410 from 119 funders through Art Happens to recreate William Billingsley's secret recipe for his fragile Nantgarw porcelain.

### **Art Fund's Art Tickets – aggregated ticket management system for museums and galleries**

- 3.8. Following a successful beta phase of our prototype ticket management system, Art Tickets, we have now secured funding to upscale the system to offer a new way for hundreds of museums to harness the opportunity afforded by online sales. The idea for Art Tickets was born out of our internal research (which surveyed 220 UK museums and galleries who sold tickets for permanent collections, exhibitions or both) which revealed that just 10% of museum tickets are sold online and that 45% of charging museums have no online ticketing capability – thus missing out on a vital source of income and audience intelligence.
- 3.9. We are therefore launching our scaled-up Art Tickets system to better support the sector, and provide a cost efficient way for museums to sell their tickets to customers, foster the sharing of data between institutions, and build a database of museum ticket buyers for use in cross-marketing or generating additional income for museums.

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee  
Cyllid Celfyddydau nad yw'n Gyhoeddus / Non-public Funding of the Arts  
CWLC(5) ART14  
Ymateb gan Celfyddydau Gwirfoddol Cymru / Evidence from Voluntary Arts Wales

Mae Celfyddydau Gwirfoddol Cymru yn croesawu'r cyfle i ymateb i'r ymgynghoriad hwn yngylch cyllid celfyddydau nad yw'n gyhoeddus. Mae'r ymateb hwn yn seiliedig ar ein profiad diweddar. Nid yw'n cynrychioli arolwg cyfundrefnol o gyllid celfyddydau y sector gwirfoddol yng Nghymru.

Mae'r rhan fwyaf sy'n cymryd rhan mewn gweithgareddau celfyddydau a diwylliant yn gwneud hynny yn eu cymunedau eu hunain. Mae tua 4,000 o grwpiau celfyddydau, crefftâu a threftadaeth amatur ar draws Cymru, gyda thua 650,000 o bobl yn cymryd rhan yn rheolaidd yn y grwpiau hyn (ffigyrâu Llywodraeth Cymru). Mae'r gweithgareddau creadigol hyn, sy'n hanfodol ar gyfer llesiant ac ansawdd bywyd y bobl a'r cymunedau, yn bennaf yn hunangynhaliol ac yn derbyn dim ond ychydig iawn o gyllid cyhoeddus uniongyrchol.

Mae'r gallu i gynyddu llawer ar incwm, buddsoddiad ac – yn bennaf – dyngarwch, mewn sector sy'n dibynnu ar wirfoddolwyr a dim ond ychydig o gyllid, felly yn weddol isel.

Er enghraift, model cyffredin ymysg grwpiau celfyddydau perfformio gwirfoddol sy'n derbyn dim arian cyhoeddus uniongyrchol, ydy tâl aelodaeth, gydag incwm o berfformiadau/gwerthiant tocynnau wedi'i ychwanegu ato. Mae hyn yn talu ar gyfer llogi'r lleoliad a chostau rhedeg, a thalu am artist proffesiynol o bryd i'w gilydd (er enghraift, arweinwyr grwpiau) ac yn cynnal nifer o grwpiau celfyddydau gwirfoddol.

Ond, mae grwpiau o'r fath yn dibynnu ar leoliadau, cyfleusterau, rhwydweithiau a chefnogaeth lleol: isadeiledd sy'n cefnogi diwylliant lleol. A dyma pryd fydd grwpiau yn teimlo ergyd lleihad mewn cyllid cyhoeddus.

Mae grwpiau celfyddydol wedi bod yn addasu i gyllid cyhoeddus sy'n lleihau ers peth amser. Mae adroddiad Swyddfa Archwilio Cymru ar *Y Modd y mae Awdurdodau Lleol yn Ariannu Gwasanaethau'r Trydydd Sector* (Ionawr 2017) yn datgelu mai 'Diwylliant a Gwasanaethau Cysylltiedig' ydy'r unig faes o wariant Awdurdod Lleol Cymru sydd wedi lleihau yn nhermau go iawn a thermau arian rhwng 2001–02 a 2013–14 (tud. 13): lleihad o 35.5% mewn termau go iawn.

Mae'r Celfyddydau Gwirfoddol wedi ceisio cefnogi'r sector gwirfoddol ac amatur er mwyn cynyddu amrywiaeth ei ffynonellau cyllid. Mae gennym ni amryw o gyfarwyddiadau gwybodaeth am ddim, gan gynnwys 'Sut i ysgrifennu cais llwyddiannus am gyllid', 'Gwneud cais i gronfeydd ymddiriedolaeth', 'Cymorth Rhodd', 'Ariannu torfol ar gyfer grwpiau celfyddydau a chrefftau gwirfoddol', 'Menter gymdeithasol', 'Ymddiriedolwyr a chodi arian' a 'Codi arian yn lleol'. Rydym ni'n aml yn rhannu gwybodaeth am nifer o ffynonellau a mecanweithiau cyllid trwy ein cyfryngau cymdeithasol a thrwy ein cylchlythyr sydd ar gael ledled Prydain.

Mae Celfyddydau Gwirfoddol Cymru yn clywed cymaint am yr angen am grantiau bach gan y grwpiau rydym ni'n cydweithio â nhw. Gall y rhain fod gan noddwyr artistiaid penodol neu gyffredinol; o ffynonellau cyhoeddus neu ymddiriedolaethau a sefydliadau elusennol. Mae Arian i Bawb yn parhau i fod yn noddwr pwysig o weithgareddau diwylliannol lleol, yn ogystal â rhaglen grantiau bach Cyngor Celfyddydau Cymru, ond mae angen hefyd am grantiau bach iawn. Yn ddiweddar, bu i'r Celfyddydau Gwirfoddol redeg prosiect, *Sgyrsiau Agored*, er mwyn gwella ei ddealltwriaeth o weithgareddau creadigol gyda chymunedau a diwylliannau pobl Groenddu, Asiaidd ac Ethnig Lleiafrifol. Un o'r darganfyddiadau oedd angen am 'grantiau bach iawn' gyda phrosesau ymgeisio haws, er enghraift, caniatáu i bobl ymgeisio trwy fideo. Mae hyn wedi deillio o brofiad Celfyddydau Gwirfoddol Cymru yn gweinyddu grantiau bach iawn (rhwng £100 a £250) er mwyn galluogi pobl i gymryd rhan yn Wythnos y Celfyddydau Gwirfoddol, er mwyn talu am gostau deunydd, llogi lleoliad a gwaith hyrwyddo. Mae dathliad y Gwanwyn o greadigedd ymysg yr henoed yn cynnig model tebyg. Gall ychydig o gynnydd mewn buddsoddiad yn y maes hwn gynhyrchu canlyniad sylweddol a chyflwyno nifer fawr o bobl sy'n cymryd rhan at fanteision gweithgareddau diwylliannol creadigol.

Mae'r sector treftadaeth yng Nghymru wedi manteisio o'r rhaglen Catalydd Cymru penodol, sy'n darparu sgiliau codi arian i bawb sy'n gweithio yn y sector treftadaeth, gaiff ei darparu gan WCVA.

O ran buddsoddiad, mae Celfyddydau Gwirfoddol Cymru wedi bod yn edrych ar y posibilrwydd o ymddangosiad sy'n seiliedig ar gelfyddydau o Bond Llesiant Cymru, math o fuddsoddiad cymdeithasol sy'n defnyddio cyllid cyhoeddus, yn hytrach na'r cyllid preifat gaiff ei ddefnyddio gan Fondiau Effaith Gymdeithasol eraill. Rydym ni'n credu bod posibilrwydd sylweddol i fentrau sy'n seiliedig ar gelfyddydau drwy ddefnyddio arian ad-daladwy, yn arbennig ym maes rhaglenni celfyddydau ac iechyd.

## Gwirfoddoli

Yr adnodd ychwanegol, ar draws yr holl fudiadau celfyddydau, diwylliant a threftadaeth, wrth gwrs ydy'r cyfraniad hanfodol tuag at waith gwirfoddol.

Mae Celfyddydau Gwirfoddol Cymru wedi bod yn edrych ar rôl gwaith gwirfoddol yn y celfyddydau. Dydyn ni ddim yn ymwybodol o drosolwg ystadegol o waith gwirfoddol yn y celfyddydau yng Nghymru, ond mae'r canlynol yn cynrychioli dangosydd cychwynnol o'r raddfa a chyfraniad gwirfoddolwyr i fudiadau celfyddydau yng Nghymru, yr ydym ni'n credu ei fod yn debygol o fod yn sylweddol:

- Mae Cyngor Gweithredu Gwirfoddol Cymru (WCVA) yn amcan bod oddeutu 938,000 o wirfoddolwyr mewn mudiadau yng Nghymru (*Adnodd Ystadegol y Trydydd Sector 2016*).
- Mae hyn yn arwain at amcan bod gwirfoddolwyr yn rhoi 145 miliwn awr o'u hamser yn wirfoddol yng Nghymru bob blwyddyn, sy'n cyfateb i werth ariannol o £1.7 biliwn: sy'n cyfateb i 3.1% o Gynnrych Mewnwladol Crynswth Cymru (*ibid*).
- Mae tua 10% o'r 33,000 o fudiadau trydydd sector yng Nghymru yn gweithio ym maes y celfyddydau, diwylliant ac etifeddiaeth, a 1,915 (22%) o'r elusennau cofrestredig yng Nghymru yn cynnwys y diben elusennol o hyrwyddo celfyddydau, diwylliannau, treftadaeth a gwyddoniaeth (*ibid*).
- Yn 2015/16, roedd 1,353 o wirfoddolwyr o fewn y 67 sefydliad sy'n rhan o Bortffolio Celfyddydol Cymru (ffigyrâu Cyngor Celfyddydau Cymru).
- Cafodd 670 o gyfleoedd Celfyddydau/Diwylliant a Threftadaeth eu hysbysebu ar wefan Gwirfoddoli Cymru rhwng 1 Gorffennaf 2016 a 1 Gorffennaf 2017.

Mae gwahanol dueddiadau gwirfoddoli yn dod i'r golwg, er enghraifft, gwirfoddoli ar-lein neu ficro-wirfoddoli (er enghraifft, archifo casgliadau etifeddiaeth ar-lein), ac mae lleoliadau diwylliannol â mwy a mwy o ran mewn cynlluniau bancio amser (er enghraifft, menter Sherman 5, a Get the Chance, sy'n gwobrwyd ymatebion beirniadol ar gelfyddydau a diwylliant gyda chredyd amser).

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee  
Cyllid Celfyddydau nad yw'n Gyhoeddus / Non-public Funding of the Arts  
CWLC(5) ART15  
Ymateb gan Arts Alive Wales / Evidence from Arts Alive Wales

Arts Alive (working and public name Arts Alive Wales – AAW) is a Powys based arts educational charity, working in contemporary visual arts, crafts and literature. It serves rural and post-industrial communities in Mid and South-East Wales. It has a recognised profile for arts participation, including Arts and Health activity, focused on individuals and communities that face barriers to arts access. It became a Portfolio Client of Arts Council of Wales (ACW) on 1 April 2016.

AAW received no public funding from national or local government before 1 April 2016. Its sustained growth was built on a well-diversified income base of project-funding from trusts and foundations, underpinned by unrestricted income from earned and philanthropic sources. It sought investment funding from ACW to realise its ambitious artistic and organisational plans for the region, and to realise the potential for compelling contemporary arts and culture in rural Wales.

AAW's investment funding from ACW (£75k in 2016/17; £77k in 2017/18) has been used to increase staff capacity and resource, including a new post of Digital Manager, and has already helped leverage multi-annual funding for two further staff posts from trusts and foundation funding (£50k per year for three years).

AAW's has a strong organisational culture and ethos, and its responsibility and duty to use ACW public funding to leverage other income is a core principle of its strategic plan. Its Board and senior management team are committed to retaining and growing income diversification to ensure the long-term sustainability of the organisation and the arts in rural Wales.

### The context within which AAW operates

AAW operates in mid and South-East Wales, working with individuals that experience deprivation across a range of indicators. Rurality exacerbates the challenges faced by the communities it serves. However, AAW's proximity to the English border and to cities of South Wales offers potential access to more affluent audiences as compared to colleagues who work in arts organisations based in mid / North Powys and West Wales.

## **AAW Financial Model**

AAW's development strategy and financial model is aligned to its organisational, strategic and artistic aims and objectives. The quarterly funding slate and accompanying narrative report, form a key part of Board of Trustees monitoring.

The AAW financial model assumes a balance of contributed and earned income streams including trusts and foundations, lottery, and philanthropic fundraising. It has set itself a target of matching public funding to non-public funding in a ratio of 1:3. Specifically, AAW aims to leverage twice its ACW investment with funding from trusts and foundations, and to match the investment in terms of earned income and philanthropic fundraising.

Earned income and philanthropic fundraising raise unrestricted income, enabling AAW to invest in researching, piloting and evaluating activities. Unrestricted income therefore supports innovation and creative risk-taking, as well as contributing to the costs of professional development for staff and artists.

### **Trusts and Foundations**

Welsh organisations are underfunded from major Trusts and Foundations compared to their English counterparts and ACW investment means that AAW can approach key funders with greater confidence. Its strategy for Trusts and Foundation funding falls into two strands:

1. Activity funding – direct activity in accordance with AAW's artistic policy
2. Funding for support costs (employment costs and overheads)

As indicated above, AAW has already had success in approaching Trusts and Foundations for support costs, and is currently piloting and evaluating activity projects, particularly in the digital sphere, to strengthen the quality of its approach to further significant funders over the next 24 months.

### **Earned income**

AAW currently earns income from letting space at its Crickhowell venue and from running a creative programme of classes and events. It has a track record of securing commissions from partner organisations either as discrete projects or to match fund larger project work. It is investing staff time in developing new earned income streams including sponsorship and arts services, building upon its 2016/17 Nesta funded Digital Innovation Funded project.

## **Partnerships**

ACW investment has helped further promote AAW to partner organisations who support its activity with either cash or match funding. Partners include Landmark Trust, Brecon Beacons National Park Authority, Abergavenny Food Festival, Green Man Festival, Canal & Rivers Trust, Monmouthshire Housing Association as well as local businesses.

## **Philanthropic Funding**

AAW holds a biennial fund-raising fine art auction, with an associated individual giving campaign. The event raises unrestricted income enabling AAW to invest time and resources in strategic planning and development. Art sales of over £120k have generated £70k of core income over four events held since 2009. The event helps AAW connect to its audience, promotes the artists with whom it works and is an opportunity to demonstrate the impact it is making for the individuals and communities with which it works.

## **Skills and context**

AAW's income base and its potential for earning income is built upon the expertise and knowledge of its human resources (artists, board, volunteers as well as staff), its physical assets (eg venue) and the unique environmental, social, cultural and historical context of the region within which it operates

All AAW staff members are expected to contribute to development strategy and activities to enable the organisation to meet its aims and objectives. ACW's resilience programme is offering AAW additional expert advice to support its strategic business planning. AAW also relies upon a small bank of professional advisers, including expert fundraisers, to support its strategic development.

## **Financial security and Artistic risk**

The strategic plan which AAW is now pursuing has been facilitated by its strong financial plan and sound governance. Non-public arts funding has arguably enabled the organisation to take greater creative risks but like many small arts charities, the organisation's ambition was constrained by its limited capacity. Public funding has unlocked AAW's potential.

## **Conclusion**

Non-public funding has been a highly beneficial financial resource for Arts Alive Wales, without which it would not have secured ACW investment. Arguably AAW

has been able to take greater creative risks with the unrestricted funds it has earned or fund-raised than would have been the case with public funding.

Public funding of the arts is essential, because it places visible value on the fundamental role of the artists, culture and the arts in society and in the lives of individuals and communities. However, all financial resources come with responsibilities and obligations. Public funding should be used to generate other non-public resources, whether these are cash or in kind.

The huge role and value of unpaid volunteers, is one ‘in kind’ contribution which is scarcely recognised within the ecology of Welsh arts organisations.

Whilst recognising the difficulty of quantifying their value, the 2015 Charity Statement of Recommended Practice for accounts, acknowledges this and recommends that notes to the accounts acknowledge their benefit and contribution.

Welsh arts organisations often lack the skills and capacity to generate new income streams, and AAW applauds initiatives such as the Resilience programme, which offer support for strategic development. Further cash funding to invest in the professional development of staff would be welcome and would enhance the sector’s confidence and creativity.

AAW recognises that as a micro-business with five (soon to be six) employees, it is supporting a modest cost base compared to bigger arts organisations. The fundraising target it has itself – that public funding forms no more than 25% of its overall income – reflect its understanding of its own specific operating conditions.

It is of vital importance that this consultation is based on an acknowledgement that the object of the exercise is *not* to reduce WG's financial commitment to the arts, but how best to facilitate the sector's ability to increase earned income / non-public funding through its existing public subsidy.

*1/ "the success of the arts sector's efforts to attract more non-public funding"*

### Strategic planning

Core funding affords you the ability to plan strategically; without adequate core funding you lose this ability, and with it the ability to attract alternative sources of funding. G39 has attracted non-public funds from various trusts and charities, but these have been predicated on our ability to develop long term relationships with them. With the combined stability of our modest core funds and a 10-year lease on a large-scale venue we have been able to secure project partnerships with high profile UK art agencies such as Artangel and Jerwood, both of which brought significant investment.

Organisations that rely largely or wholly on project funding face another challenge, specifically that they are often obliged to assign earned income as match funding and are therefore unable to accrue significant reserves.

### Scale of operation

The consultation must also recognise the wide ranging scale of arts organisations operating in Wales and what this means for developing an approach to alternative sources of funding. Wales's artistic culture is delivered by a mosaic of organisations of different scales and crucially, with different functions. Small organisations serve a different role and function differently from their larger, more hierarchical counterparts. It is not feasible to develop a one-size-fits-all approach for business development across all arts organisations, for example: a) the capacity to generate significant earned income increases exponentially with scale of organisation; and b) there are threshold levels of annual turnover below which it is acknowledged [needs citation] that certain business models (eg gallery with cafe) are more of a burden than an asset.

A further consideration that should be taken into account is the **instrumental value** of the arts. This is widely understood and the sector helps delivery of many policy

decisions taken by the Assembly, passed on through the Arts Council of Wales to its clients. All publicly funded arts organisations are in the process of implementing key strategic targets connected with the Welsh language, accessibility and diversity, art in schools and education – the list goes on. With this remit as a central tenet of any agreement that involves public funding many organisations focus their energies on delivering these targets.

### Non-financial philanthropy

There are already philanthropists who support the arts. These philanthropists do not give money, but give the resources that they have to offer. They are volunteers – they are the people who give time, who turn up, who keep things going. Some are highly skilled (eg charity trustees). They all play a crucial role and are essential to the arts in Wales.

The consultation should also identify the value of current support for the arts from non-public sources that can not be evidenced in financial reports, eg rent reduction and rates relief. People who work in the arts are skilled at working economically, driving a hard bargain and making small amounts of money go further.

### Excerpt from our proposal for the Arts Council of Wales' Resilience Programme

#### G39's value perception

*Out of necessity g39 has grown with an economic model that places significant emphasis on non-financial investment (eg voluntary input by participants and staff) as well as other cost-reducing exercises such as recycling and reusing materials. While this means that g39 is perhaps one of best examples in Wales of an organisation that drives maximum value and output from financial investment, it has also resulted in poor understanding internally (and perhaps externally) of the equivalent financial value of our overall output. When there is an opportunity to earn income we often are not well equipped to maximise it.*

*How our value is perceived externally is also likely to be a barrier, by stakeholders and audiences / participants. Our sustained output gives the appearance that we are adequately resourced, but our dwindling reserves tell a different story.*

...

*To become less reliant on project funding we need to:*

*Develop the means and confidence within the organisation to realise potential income streams and pursue a more sustainable model*

*We need to bring about an attitudinal shift that makes financial exchange a commonplace part of engaging with g39's activities (but not necessarily the default method of value exchange). This shift needs to be implemented with a confidence that filters throughout the organisation as a whole so that the exchange of money (in both directions) is acknowledged as a positive action and not a squeamish or unpleasant matter. The organisation needs to improve its own perception of its value, and that of its services and experiences.*

## *2/ "The distribution of non-public arts funding in Wales and how this compares to the rest of the UK"*

We believe the consultation should be framed by *measuring* the availability of non-public funds. To that end, the questions that we believe need addressing are:

- What existing philanthropists and alternative sources of funds are there within Wales?
- What do they support?
- What level of private funding is currently available to the arts in Wales?
- What is the appetite for financial patronage of the arts in Wales?

A supplementary question would be to ask why the vast majority of philanthropic funding in the UK is centred on London, with fewer sponsors spread regionally in England, and the fall-off of these sponsors particularly notable in Scotland, Northern Ireland and Wales.

## *3/ "international models of best-practice that Wales could emulate"*

Canada is particularly good at encouraging a mix of public and non-public subsidy of the arts, but there is an agency (similar to Arts & Business) that is actively engaged in delivering it in each region. They also understand the differences more clearly between different scale orgs (funded by the town/ city, by the region, by the country depending on the remit they have the ambition to perform).

The government must be fully committed to its role in securing alternative funding for the arts. Ideas:

Alternative education – student loans / bursaries for non-accredited training (or make accreditation easier for non-institutional training)

Develop more diverse ways for meeting corporate responsibility (not just percent for art – eg Tesco's bag tax). WG could be using a carrot for the businesses – provide incentives for businesses to support arts. Percent for art exists not because developers/ architects love art, but because it is a regulatory obligation.

## Ein profiadau a'n meddyliau am y ffyrdd o gynyddu cynhyrchu incwm

Ein cylch gwaith fel elusen yw darparu gwasanaeth, sydd fel nifer o wasanaethau cyhoeddus ddim o natur a fyddai'n ennill adenillion ar fuddsoddiad gan gwmni masnachol. Mae tipyn o'n gwaith yn digwydd o fewn cymunedau lleol ac ysgolion ble na fyddai dychweliad ariannol yn realistig.

Gyda thîm o staff o 4, mae'n rhaid i ni dreulio ein hamser yn ddoeth, gan sicrhau ein bod yn cyflawni ein pwrpas a chreu gwaith o ansawdd uchel. Heb rôl arbenigol yn y tîm staff, mae'r amser a roddir i edrych am nawdd masnachol, chwilio a cheisio am nawdd oddi wrth Ymddiriedolaethau a Sefydliadau a rhoddion dyngarol oddi wrth unigolion, yn cyfartalu i oddeutu 15% o un aelod staff llawn amser. Mae llwyddo cael incwm yn llwyddiannus oddi wrth un o'r ardaloedd yma yn cymryd amser i ymchwilio cydweddiad possibl, ymroi a meithrin perthynas, ac fel y cyfryw rhaid i'r dychweliad ar yr amser a roddir gennym gael ei bwys o'n ofalus.

Er mwyn cynyddu incwm enilledig drwy werthiant tocynnau, mae yna nifer o ffactorau sy'n cyfrannu. O brofiad personol, wedi bod yn rhaglennwr lleoliad, mae lleoliadau yn parhau i dalu ffioedd ar lefel fel yr oeddent 10 mlynedd yn ôl i'r cwmniau sy'n cynhyrchu'r gwaith, megis Theatr na nÓg. Gyda gostyngiadau a cholled mewn nifer o achosion o ariannu Awdurdod Lleol, mae'r lleoliadau yn gweithio i gyllidebau rhaglenni tynn. Mae ffioedd gwaranteedig yn dod yn gynyddol fwy prin gyda lleoliadau yn dewis lleihau'r risg drwy gynnig gwerthiannau tocyn rhannu gyda'r cwmni, yn golygu bod y cwmni cynhyrchu a'r lleoliad yn cymryd risg cyfartal. Golyga hyn i ni, ein bod yn gwbl ddibynnol ar lwyddiant marchnata'r lleoliad ar gyfer ein sioe a hwy yn gwerthu tocynnau ar ein rhan.

Mae gwerth enwol tocyn yn amodol ar TAW ac yna'n cael ei rannu gyda'r lleoliad letyol yn golygu byddai chwyddiant mewn gwerthiannau tocynnau gan £1 yn gweld gwir chwyddiant o oddeutu 49c wedi breindaliadau i ni.

Mae angen i docynnau cael eu prisio ar lefel sy'n addas ar gyfer y gymuned lle caiff y cynhyrchiad ei berfformio fel na fydd cost yn dod yn wahardol a'r celfyddydau ar gyfer yr elit yn unig.

Caiff llwyddiant pob economi lleol effaith anferthol ar faint gall aelodau o'r gynulleidfa eu fforddio a gall pris lleoliadau newid.

## Ein Hargymhellion

Yn yr hir -dymor, byddai angen adolygu rhwydwaith mewnol sefydliadau celfyddydau bychain i edrych ar y posibilrwydd o greu a chefnogi swyddi arbenigol newydd yn ogystal ag argaeledd o godwyr arian llwyddiannus yn y wlad i lenwi unrhyw swyddi newydd. Byddai o fudd i gwmniäau fel y ni, pe fyddai CCC yn gallu, fesul ei rhaglen Wrthsefyll, ddarparu adnodd rhanbarthol o'r natur yma yn debyg i gwmni Portffolio Cenedlaethol.

Byddai dadansoddiad o bob sefydliad portffolio gan arbenigwr gyda llwyddiant blaenorol o weithio gyda sefydliadau celfyddydol i gynyddu incwm yn cael ei groesawu.

Byddai dull cysylltiedig o fuddsoddi mewn datblygiad cynulleidfa yn cefnogi lleoliadau, yn gweld ymwelwyr yn mynchy eu lleoliad lleol yn fwy a gyda chefnogaeth buddsoddi trafnidiaeth, byddai cymunedau'n teithio i leoliadau eraill sydd ar y map fod yn lleol ond mewn gwirionedd maent yn amhosib i'w cael os yn ddibynnol ar gludiant cyhoeddus.

O ganlyniad, byddai lleoliadau yn generadu mwy o incwm nid yn unig ar werthiant tocynnau ond ar wariant ategol ac o ganlyniad yn cael mwy o hyblygrwydd yn y ffioedd sydd ar gael i dalu'r cwmniäau sy'n cynhyrchu'r gwaith.

## Nawdd Portffolio Cenedlaethol Cyngor Celfyddydau

Mae datblygiad o sioe newydd fel arfer yn cymryd rhwng 2-5 mlynedd o'r syniad cychwynnol, datblygiad o'r script, archebu lleoliadau, (fel arfer 1 mlynedd o flaen llaw) i greu'r cynhyrchiad terfynol. Mae cwmniäau yng Nghymru sy'n dibynnu ar nawdd CCC yn gweithio mewn ffordd ansicr gyda dyfodol ansicr oherwydd caiff grantiau ond eu rhoi ar sail flynyddol. Tra ein bod yn cynllunio ymlaen ar gyfer y 3-4 blynedd nesaf, nid ydym byth yn gwybod a fyddwn yn llwyddiannus yn parhau i dderbyn nawdd oddi wrth ein hariannwr pennaf hyd nes yr Ionawr ar gyfer gweithgareddau sydd i'w cychwyn yn yr Ebrill.

## Ein Hargymhellion

Gydag ymroddiad i nawdd tymor hirach dros gyfnod o 3 blynedd gyda Sefydliadau Portffolio Cenedlaethol fel Arts Council England, byddai sefydliadau'n cynyddu sefydlogrwydd, sicrwydd a'r gallu i gynllunio'n bellach ymlaen. Gydag ariannu wedi ei ddiogelu am dymor hirach, byddai hyn yn caniatáu i hyn i gael ei ddefnyddio fel arian cyfatebol ar gyfer ceisiadau am Ymddiriedolaethau a Sefydliadau ble caiff ceisiadau fel arfer eu cyflwynod 6–12 mis cyn bod eu hangen.

Fe allai hefyd gynnig mwy o sicrwydd petai fuddsoddwr posib yn gallu cael eu darganfod.

## Dull arloesol i godi nawdd di-gyhoeddus

Mae Theatr na nÓg wedi profi o lygad y ffynnon yr heriau a ddaw wrth amryfalu ein model busnes a chynhyrchu gwaith masnachol.

Wedi teithio gyda'n sioe gerdd newydd 'TOM' am flynyddoedd cynnar Tom Jones ym 2014, fe wnaeth y cwmni ail-gynllunio'r sioe i fod yn gynhyrchiad raddfa fawr i deithio'r DU yn 2016 gyda'r bwriad o eneradu incwm ychwanegol i gefnogi'r cwmni ac i fynd â'n gwaith i gynulleidfa ehangach.

Fe wnaeth 'TOM The Musical' deithio i 12 lleoliad, chwaraewyd 83 o berfformiadau i dros 41,000 o bobl a grosio dros £1 miliwn yn y swyddfa docynnau ond ni wnaeth greu elw. Rydym wir yn credu bod posibiliad o'r model yma'n ennill yr hyn a wnaethom fwriadu ei wneud o'n darganfyddiadau, a'r pethau wnaethom ei ddysgu ar ein taith gyntaf, i fydd theatr fasnachol. Mae'n farchnad hynod gystadleuol sydd â model busnes gwahanol iawn i'r hyn o gwmni cymorthdaledig fel yr ydym ni. Mae'n fodel risg uchel ac ond yn gweithio gyda buddsoddiad cyfalaf arwyddocaol.

Roedd y daith ond yn bosib gyda buddsoddiad o gronfeydd cyfalaf o £300,000, cyfuniad o fenthyciad banc a buddsoddiad oddi wrth Gyngor Celfyddydau Cymru. Yr hyn wnaethom ei ddarganfod yn ystod y broses o chwilio buddsoddiad oedd nad oedd buddsoddwyr o Gymru yn gyfarwydd gydag arferion o gynyrchiadau theatraidd. Mae'r anhawster yma o gydweithio'n agos gyda'r sector preifat yn gymhleth oherwydd nad oes cwmniau DU enfawr gyda'u pencadlys yng Nghymru.

Tra y byddem wrth ein bodd yn teithio gyda sioe o'r raddfa yma eto, byddai'r her o ddod o hyd i fuddsoddiad cyfalaf eto yn wahardol a'r swm o amser a

fuddsoddwyd yn hyn a'r cread o'r cynhyrchiad yn naturiol yn cymryd blaenoriaeth dros ein gwaith arall gan nad oes tîm digon mawr i redeg y ddau ar y cyd. Mae hyn yna'n arwain at y cwestiwn pa un ai a ydym yn gallu cyflawni ein pwrras fel elusen a chyflawni llwyddiant masnachol.

## Ein Hargymhellion

Gallai Llywodraeth Cymru, drwy bortffolio Datblygiad Economaidd Ken Skates, edrych ar ddatblygu grŵp bach o fuddsoddwyr cychwynnol ac annog hwy i gymryd rhan drwy gynnig cymhelliannau dros gyfnod o dair blynedd.

## Y casgliad

Nid ydym yn dymuno bod yn negyddol am y posibiliadau o leihau dibyniaeth ar y pwrs cyhoeddus ond fel dengys ein hymateb ar raddfa ein gweithrediad a gyda'n cylch gwaith (Fel y rhoddir gan CCC) mae'n anodd canfod sut y gallwn innau'n unig gynllunio, datblygu a chyflwyno lleihad o'n harian a ddibynnwn arno.

Byddai ein tîm o staff a'n bwrdd yn hapus i weithio'n agos ymhellach yn y ddadl wrth iddi symud ymlaen.

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee  
Cyllid Celfyddydau nad yw'n Gyhoeddus / Non-public Funding of the Arts  
CWLC(5) ART18  
Ymateb gan Prifysgol Abertawe / Evidence from Swansea University

The consultation references "philanthropy", "earned income" and "investment" as potential ways of funding the arts outwith of public subsidy.

Realistically the only route to philanthropic giving is via charitable funds and trusts – established for the purpose of giving to "good causes" as few if any organisations have direct access to wealthy individuals. However all philanthropic giving is targeted towards specific purposes – the arts being just one. Arts organisations have generally been good at raising funds from such trusts, with the bigger organisations such as WNO having most success as they are able to employ expertise to research and access such funds – competition being extremely keen and most trusts and foundations operating across the UK.

However funding from trusts is unable to contribute either to general operating costs or even to general programmes of work. They are really only available to support specific, additional projects and initiatives and therefore inevitably will be a supplement rather than a replacement for public support.

In regards to "earned income" this is generated by sales of some kind – most usually tickets in the case of the performing arts – together with ancillary/associated trading – refreshments and merchandising. This is where it gets tricky as of course more "popular/populist" performances will generate more income in direct and indirect sales than activity of more limited appeal. So a Pink Floyd tribute band will earn more income from tickets and bar sales than a piece of new writing or contemporary dance.

Similarly, audiences for NT Live and RSC screenings tend to be much larger than for new live drama created in Wales which has neither the kudos of those brands or the star names. (Although of course both National Theatre and the RSC receive very large amounts of public funding and are able to attract philanthropic giving and sponsorship given the power, reach and quality of the brand). It would be a relatively easy step for arts centres and theatres to move away completely from programming and producing new, live theatre which is risky, ( i.e quality etc are unknown until the work reaches the stage) and which requires relatively high input of technical and marketing support and generates limited box office – in favour of

live screenings from London which have no risk and require virtually no technical or marketing effort.

Whilst this would reduce the need for public support, the "cost" to creativity and to Welsh talent would be immense.

The reality is that theatres present programmes which strive to achieve a balance between product which will guarantee an audience and at least cover most of the costs with that which is new and untested but which showcases creativity, ambition and innovation – but at a financial loss.

Increasing earned income is always one of the core goals for any business and arts businesses are no exception. The question is one of where the balance lies – increase ticket prices and exclude sections of the population? Increase the number of tribute bands and impoverish the diversity of the programme? Pay artists less and increase "profit"?

Business sponsorship also has a part to play but experience suggests that the major players will always reap the biggest rewards. Business expects maximum exposure for its support and this is best guaranteed by the national organisations who in turn attract biggest audience and most media coverage. Smaller scale sponsorship is of course valuable but in reality adds a small amount at the margins.

Arts Council funding is key to ensuring that the public have access to contemporary arts and culture – not limited (or at least less limited) by postcode or class. It also recognises the need for artists to at least be paid a reasonable (if basic) rate for the job and to be able to operate in a safe and inclusive environment.

It's not clear what is meant by "investment" in the consultation but surely this is the most appropriate description for public funding. It is investment in creative talent and in opportunities for audiences to experience and participate.

Artists and arts organisations are nothing if not innovative. If there are trust funds to be applied for, sponsors to be wooed and new platforms to market work and sell tickets then we can be certain that there will be creative people trying to exploit them.

We also understand that public budgets are under great stress and it is right that the basis for, and extent of, public funding of the arts should be scrutinised and the potential for other sources of funding explored.

However Wales is a small and essentially rural, post-industrial nation with a scattered population and a limited number of national or multinational businesses or high net worth individuals.

As a nation there is also the expectation for our own national cultural organisations as well as activity across the country – at regional and local level and in both languages. Limited budgets are therefore stretched even tighter than say in an English region with a similar population level.

I have 40 years+ experience of working in the cultural field – as art teacher; Regional Arts Association officer; presenter; producer and Chair of ACW. Investment of public funds (from taxation and Lottery) has been and remains a crucial element in securing a vibrant arts ecology – one which supports the creative voice and strives to make that voice available to all.

## 1. Introduction:

- 1.1. Ffilm Cymru Wales is grateful for the opportunity to respond to the government's inquiry and is alert to the wider context that frames this work, in particular the on-going squeeze on grant-in-aid (GIA) resources, now coupled with a significant decline in national lottery receipts.
- 1.2. The push to diversify income, is therefore not a 'nice to have', but an essential approach for any publicly funded arts organisation. This has been the case for several years now in the context of on-going austerity measures with many organisations, ourselves included, maximizing efficiency savings, improving marketing and reach, and fundamentally adapting business models.

## 2. About Ffilm Cymru Wales:

- 2.1. Ffilm Cymru Wales, formerly the Film Agency for Wales, was established in 2006 following a review of the cultural industries. As the external lottery delegate of the Arts Council of Wales (ACW) and British Film Institute (BFI), Ffilm Cymru Wales supports the strategic development of the film sector in Wales, in addition to devising, funding and delivering further projects, such as the **BIG Lottery-funded Film in Afan scheme ([www.filminafan.com](http://www.filminafan.com))**, and developing producers and services as an independent company and business in its own right.
- 2.2. Ffilm Cymru Wales does not receive any GIA from ACW or Welsh Government, but does receive c. £120k of GIA per annum (approximately 6.6% of annual income) via the BFI, which leverages lottery and third party funds from applicants, supporting the work of film education practitioners and film exhibitors (e.g. festivals, independent cinemas/arts centres and pop-up film provision).
- 2.3. Ffilm Cymru Wales' work is structured around supporting the production of new work and ensuring that it connects with audiences throughout Wales and beyond; and in training and education to encourage a new generation of film

talent and film lovers. We capture this work under the banner of Make, See, Learn.

- 2.4. In delivering this work we collaborate with a wide range of commercial and public partners in Wales, elsewhere in the UK and internationally.
- 2.5. The company is a social enterprise – a Community Interest Company – with profits recycled to further the company’s public good aims and objectives.
- 2.6. For more information please see [www.ffilmcymruwales.com](http://www.ffilmcymruwales.com)

### 3. Developing the sector:

- 3.1. The core business of Ffilm Cymru Wales is as a strategic financier supporting the development of the film sector and cultural engagement with film in Wales. As such we are distinct from the majority of ACW’s portfolio – and seen by HMRC as a financier rather than either a trading body or direct producer or exhibitor of content. This contrasts with arts venues or producing organisations that have a direct relationship with audiences/customers where they can sell seats, experiences, snacks, etc.. That is, Ffilm Cymru Wales is a B2B rather than B2C entity, moreover where the client business – whether it be a film production company, cinema, film festival or education practitioner – is seeking funds from us, rather than to pay for a service. We provide this service on behalf of ACW and BFI and circa 86% of our income of c.£1.8m is paid out to third parties in this way to benefit upwards of 70 applicant organisations per annum.
- 3.2. As a sector development body with its core service as a lottery delegate as described, Ffilm Cymru Wales has positioned itself to develop and add monetary value to public funds and diversify income streams in three ways:
  - Leveraging investment;
  - Providing training and financial facilitation to encourage changed behavior in the sector – particularly encouraging broader exploitation of intellectual property (IP) and increased audience reach;
  - Developing new products and services.

## 4. Leveraging investment

- 4.1. The lottery finance that we provide requires co-finance to be able to draw it down. In the case of production funding, where we spend the majority of our funds, there has been an average of £7.52 of third party finance raised for every £1 of Ffilm Cymru Wales funding. That equates to a total of £51,182,655 of partnership funding to our production investment of £6,804,288 in the financing of 60 feature films, including 10 in the Welsh language.
- 4.2. Co-financing comes from many and varied sources including:
  - 17 films (28% of supported features) accessing financing from international co-production (totaling £3,997,604);
  - £5,100,673 raised from private investment incentivized through EIS, SEIS or VCT tax wrappers; and
  - £12,897,528 from the pre-selling of distribution rights in advance of production, including equity contributions from broadcasters such as BBC Films, S4C and Film 4/Channel 4.

## 5. Developing and adapting business practice

- 5.1. Over the last 5-years Ffilm Cymru Wales has researched, tested and developed its Magnifier approach to developing the sector – to make the most of good ideas. Magnifier is essentially about maximizing the value of intellectual property (IP) and market awareness to increase revenue and audience potential.
- 5.2. Ffilm Cymru Wales achieves this increased revenue and audience potential by:
  - The early and systematic identification of IP potential, backed up with funding and multi-disciplined networks that can enable exploitation. This has allowed producers to develop games, education assets, publications, soundtracks, merchandise and stage/tv adaptations, for example, with a third of supported projects having additional IP offered alongside their feature films.

- An environment that supports shared and accelerated learning – through the systematic gathering of data, case studies and research benefitting filmmakers who are introduced to cohorts of their peers and experts from varied disciplines.
  - The early and systematic evaluation of audience/market potential of projects, with distribution and marketing experts, backed up by flexible funding and working approaches that enable tailored market and distribution strategies to be seen through including the creation of teasers and proof of concept materials (including for crowdfunding/sourcing platforms), for example, that test and build markets and low cost.
- 5.3. Supported projects include sci-fi feature, *The Machine*, with its WJEC co-produced education resource, soundtrack and tv pilot series for Universal/SyFy channel; book adaptation, *Submarine* with its accompanying soundtrack; the animated feature, *Ethel & Ernest*, with its accompanying soundtrack and education resource; and horror feature, *Don't Knock Twice*, with accompanying VR game, released this month through Sony Playstation.
- 5.4. It is worth noting though that whilst potential sector income is increased and diversified in this way, as a public funder, Ffilm Cymru Wales is necessarily further down the recoupment waterfall than commercial co-financiers. There is a long lead in time from development to exploitation – often upwards of 5-years; and most independent feature films don't fully recoup their cost of production (hence the rationale of lottery funding being used to support new and emerging talent to offset market risk). Therefore, the benefits of this adaptive business model are first and foremost for the broader sector – including the independent production companies and talent we're supporting, rather than there being an expectation of significant additional financial resource for Ffilm Cymru Wales itself.
- 5.5. With this shared learning principle in mind, at corporate level we are increasingly collaborating with our colleagues across the national arts companies both at project level (where collaborations include the Port Talbot Passion Project/Gospel of Us and the current Save Our Steel revisiting of Port Talbot stories with National Theatre Wales; 2117 opera film collaboration film with WNO and their youth opera, or the collaboration in which all 8 of the national arts companies have come together to examine and exploit joined up opportunities to refine our work around audience development;

skills; international profile and shared research. One of the motivations behind the coming together of the national companies, was to explore the potential to diversify income, through increased potential scale and impact.

- 5.4 For information, including line-ups for previous Magnifier cohorts, please see: <http://www.ffilmcymruwales.com/index.php/en/company-details-and-contact/magnifier>

## 6. Developing new products and services

- 6.1. As noted above, when an arts organisation is set up and known for its provision of free at the point of use financial services as a lottery delegate of ACW and the BFI, and it has no direct customer facing business (as with an arts venue or production company), routes to diversifying its own funding – as opposed to encouraging diversification of income in the sector, as above – are limited. However, Ffilm Cymru Wales sees opportunities in developing new products and services particularly in the area of education and training, opening up earned income potential.
- 6.2. Ffilm Cymru Wales has supported third party education practitioners in the provision of lottery funding since our inception and are therefore mindful that any product or service that we might develop needs to be addressing a gap in provision and not in direct competition or undermining the sector we're tasked to support.
- 6.3. We are currently in the proof of concept stage of our work in this area, but early indicators are promising with potential to develop our Foot in the Door new entrant training programme into a trading activity, providing an improved employability service to Housing Associations, focusing on transferable skills (e.g. hair-dressing, carpentry, design, administration) that can apply across the creative industries, arts and broader sectors. We are also exploring the potential to reversion UK education resources (co-financed with WJEC and free at the point of use for schools) for international markets.
- 6.4. For more information on Foot in the Door see:  
[www.ffilmcymruwales.com/index.php/en/film-educators/foot-in-the-door](http://www.ffilmcymruwales.com/index.php/en/film-educators/foot-in-the-door)

## 7. Challenges:

- 7.1. As should be clear from the above, there is no complacency around the need for diversifying income, but equally no quick fixes or easy answers.
- 7.2. It would be remiss not to note the various challenges to diversifying income for film (many of which apply to the wider arts) including:
  - the public perception of what they will and wont pay for, and at what price point (with long traditions of free content/experience – from libraries and museums, to free or ultra-low cost on-line content);
  - Increased competition for consumer time;
  - Increased marketing power of competitors – with increasingly large/concentrated cultural ‘players’, who have access and resource to use big data in targeted marketing campaigns; Harnessing this is possible – e.g. when collaborating with a well-resourced broadcaster, but it is not a given for all arts organisations or projects;
  - Competition for philanthropic funds – where the arts can be pitted against health & education, for example, which may be seen as ‘more worthy’;
  - The creation of cultural work is time intensive and practitioners have developed their artistic approach over many years – the adaptation of business models has to operate within this broader context.
- 7.3. For film in particular, there is a lack of philanthropic funding, with opportunities tending to lie more with investment, which favours more established companies and commercial propositions. This is a challenge for the independent sector, and particularly the emerging indigenous companies and talent within Wales as they develop their track-records and business enterprise. Funding provided through Pinewood/Welsh Government is offered on commercial terms (Market Economic Investor Principle), which has historically favoured more established companies based outside of Wales.
- 7.4. Notwithstanding this challenge, as we have evidenced in Section 4, Ffilm Cymru Wales has leveraged significant private investment, alongside market pre-sales and international co-production funds, collectively contributing c.£22 million of the £51,182,655 in co-financing, leveraged by our £6.8m of

lottery investment. Our investment specifically prioritises Welsh talent – particularly writers, directors, producers and production companies for British qualifying productions (per national lottery requirements), whilst encouraging international collaboration.

## 1. Introduction

National Dance Company Wales (NDCWales) is grateful for the opportunity to provide a written submission to the Committee regarding its inquiry into non-public funding of the arts. NDCWales understands that the Committee is interested in how effective efforts have been to increase earned income, philanthropy and investment, with reference points to include both UK and international. This is especially relevant in the light of the reduction in grant in aid from Arts Council of Wales over the past seven years, and the reduction in support from a range of bodies, including local authorities, and the ongoing reduction in lottery receipts.

## 2. NDCWales – our aims

NDCWales is an internationally renowned contemporary dance company based in Cardiff, creating and touring dance works across Wales, the wider UK, and overseas. It commissions the best choreographers from around the world to create work here in Wales. Around two-thirds of its touring happens in Wales, across a range of scales, enabling audiences to access exceptionally high quality dance work.

Its current focus is on developing new audiences, and expanding the range of audiences that experience and enjoy dance in Wales, and beyond. To achieve this, it is diversifying its creation and touring model to reach a wider range of venues and create different types of work. For instance, this Spring it toured (along with 3 other companies) as part of the Family Dance Festival, performing mainly outdoors and free of charge, in 5 different locations in Wales. This Autumn it will mount its first small-scale tour for many years, visiting venues in Blackwood, Cardigan, Mold, Abergavenny, Llanelli and Cardiff, mainly reaching places where little or no contemporary dance currently takes place.

However, performance is only a part of its offer. It also delivers a range of participation opportunities in dance, to increase people's well-being, learning ability, self-confidence and means of expression. It has delivered a highly

successful ‘Dance for Parkinson’s’ programme in Cardiff for over two years, and this is expanding to Blackwood this Autumn. It is delivering a new UK-wide ‘Dance to Health’ programme in Swansea and Carmarthenshire for this Autumn, using academically proven dance techniques to improve the health and quality of life of people who have had a fall, or are at risk of falling. Its youth programmes – for both gifted and talented young dancers, and those new to dance, take place in schools and communities across Wales, and at its base in Cardiff Bay.

### 3. NDCWales – finances

NDCWales is very grateful for the support it receives from ACW – its core grant is key to its being able to raise funds from elsewhere, and to make common cause with new partners who have trust in working with the Company because of the confidence and badge of quality that the core grant represents.

The Inquiry highlights that the ACW grant – and most of the grants passed onto its Regularly Funded Organisations – increased by 3.5% in 2017/18. However, this masks the fact that the grant has dropped for most ACW clients over the past 6 years. For instance, since 2010/11, NDCWales’ ACW core grant has fallen in cash terms by 5%, or by around 21% in real terms. Despite this, the Company has become busier, delivers work to more diverse audiences and its turnover has increased by around 45% as a result of maximising other forms of income. However, its reliance on the ACW core grant is as strong as ever: without this, other funders would simply not have the confidence to invest in the long term.

The shift in model the Company is effecting – from being solely a ‘middle-scale’ touring company to a greater range of work created and delivered – has been matched by a shift in the Company’s reliance on public funding. In the year 2014/15 the ACW core grant accounted for over 85% of its turnover. In the current financial year (2017/18), the latest forecast indicates that the ACW core grant this year will account for 54% of the turnover; including other sources of public funding (Arts Council England, lottery sources, and other ACW support) shows that total public funding will represent 65% of turnover in 2017/18. This significant shift has been enabled primarily by increasing earned income, income from trusts and foundations, and individual giving.

## 4. Earned income

Earned income can be derived from several sources for an arts organisation – box office, fees paid by venues/promoters, hiring out equipment and spaces, earning fees for expert services and delivery, merchandising, delivering engagement and learning projects, and so on.

Compared to other parts of the UK, the fees which can be earned in Wales are relatively low; for instance, Welsh venues pay NDCWales around 40% less for their performances than in other parts of the UK, and they pay around a third of the fees paid by overseas venues. Studio hire rates are around 50% of comparator rates in, for instance, the West Midlands, which limits the amount the Company can earn by hiring out its facilities.

The low level of fees paid by venues in Wales reflect the relative size of venue catchment areas, whereby the number of available arts attenders is relatively low compared to elsewhere in the UK, both due to population density, and to demographics. To match this ticket prices vary across Wales – from rates in Cardiff which are comparable to any major UK town or city, to places such as Newtown and Milford Haven where ticket prices are, by necessity, around a third less. These venues report a highly price sensitive audience, limiting the amount they can earn at the box office, and accordingly the amount they can pay for a performance by a company such as NDCWales.

NDCWales' earned income is derived from the following primary sources:

- Touring income: fees paid by venues, festivals and other promoters for performances. This income has grown by 130% in 3 years. The increase has been enabled by giving more performances in the UK and the diversification of the programme, and by securing international engagements which pay higher fees than in the UK. This financial year international touring accounts for 55% of touring income, even though it represents just 10% of performances. The future reliability of this income is in doubt in the light of the plan to leave the EU as a high proportion (and the highest payers) of the Company overseas bookers are in the EU
- Box office and project income: primarily for community and learning activities delivered at the Dance House in Cardiff Bay, this income has risen by 29% over 3 years as a result of increased activity levels

- Fees earned on project delivery and hires: these are management and delivery fees charged on restricted projects and from hiring out studios and other facilities, increased by 115% in 3 years to the extent that the studios are full most days, and there's little further room for expansion.

## 5. Trusts and Foundations

The competition for Trusts and Foundations' income is more competitive than ever before. Since the reduction in core arts grants across the UK, arts organisations' operations focused on raising funds from these sources have increased significantly leading to lower success rates, and smaller grants being awarded. This is likely to become more competitive in the future, with a continuing decline in success rates, making it more expensive to raise each pound, and realistically putting major grants out of the reach of smaller organisations.

Trusts and Foundations' primary interest is in community benefit and impact; they are more likely to be interested in supporting new activity in unlikely places, than in supporting ongoing work with existing venues or groups. They are unlikely to support the creation of new work, or of touring at a high level. To be successful, bids must be deeply rooted in the organisation's core mission, and be innovative, exceptional value for money and able to demonstrate real and lasting impact. These funds are not easy to access, and require patience, expertise and the development of strong relationships based on mutual trust and understanding – not easy when you're based in Wales, far away from where many of these organisations are based and where trustees live and socialise.

In total the Company expects to raise around £120,000 from Trusts and Foundations this year (from £15,000 in 2014/15). Here are a few examples of NDCWales' key investments from Trusts and Foundations and their purpose:

- Small-scale touring and associated learning and participation programme: London-based Esmeé Fairbairn Foundation (EFF) has made a 3-year investment in the Company to support a new small-scale tour of Wales each Autumn, along with associated participation programmes. The award came as a result of close working with EFF's officers, not simply by making a written submission, but also exploring and explaining the Company's vision, building their

confidence in a company they were funding for the first time

- Dance for Parkinson's: this programme is funded by a range of smaller (mainly Wales-based) trusts who give between £1,000 and £10,000 p.a.
- Core support: there are a few England-based trusts who will provide support towards core costs, linked to existing community, touring and participation work
- Capital: in the past, the Company has been successful in raising funds for the part-funding of vehicles and other capital purchases from Trusts.

## 6. Individual Giving

2% of people in the UK give to the arts, compared to 20% to religious organisations, and 10% to overseas aid, (Charities Aid Foundation 'UK Giving 2017'). There are fewer regular donors to charitable causes in Wales than elsewhere in the UK, as shown by The Community Foundation's recent research. The tax regime to incentivise individual donations is not as generous as that in the US, for instance.

Traditionally, UK arts giving has been focused primarily on a few very 'well-heeled' art forms such as opera and classical music, which can request significant % donations on top of relatively high ticket prices. For a touring company, without control of the ticket-selling process, and in a country where the average ticket price in a price-sensitive part of Wales might be £14, there is limited scope for developing regular giving of small amounts, from which most UK arts organisations derive the majority of their individual giving.

NDCWales has recently launched an individual giving scheme with annual subscription amounts of £30 – £120 for an individual. This is linked to twice yearly events where additional funds are raised. In this financial year, the amount expected to be raised from individuals totals around £21,000. Given time and investment this figure could rise, but by its nature the growth is long term as it is dependent on legacies and gifts which come as a result of long-term relationships and an investment of time and care. In the case of a mid-scale dance company, it is unlikely to rival the importance of Trusts and

Foundations, or earned income.

## 7. Opportunities for collaboration

The national arts companies of Wales have created a joint action plan for working together, focused in part on developing new sources of joint funding, and diversifying those who engage with culture. These programmes of work – both at early stages of development – could help diversify income for these companies and for others.

The profile of the arts in Wales is relatively low in the corporate sector, and with individual donors of significant means. The Welsh Government might assist by helping to create a powerful and compelling brand for the arts and culture in Wales, targeted within Wales, in the wider UK and internationally, enabling competition on a level playing field for Wales-based arts companies to secure higher levels of investment.

Unlocking the power and potential of digital arts dissemination – thinking about ‘pay per view’, broadcast and other commissioning funds – is still in the relatively early stages of research and development. Arts organisations interested in this means of dissemination and income growth could work together to share experiences and knowledge, seeking out best practice elsewhere, and bringing back to Wales insight and expertise to share.

When touring to venues in Wales on all scales, the Company is aware of the importance of attracting and retaining talent, in marketing, earning ancillary income and fundraising. This is difficult in sparsely populated areas where there are few such jobs on offer, meaning that the local ‘pool’ of experience is small if it exists at all. Encouraging skills exchanges between organisations and improving access to relevant training courses (mostly in England) could help develop and retain staff.

This would require some central co-ordination and support.

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee  
Cyllid Celfyddydau nad yw'n Gyhoeddus / Non-public Funding of the Arts  
CWLC(5) ART21  
Ymateb gan Cwmnïau Cenedlaethol Cymru / Evidence from National Companies of Wales

## NATIONAL COMPANIES OF WALES

The eight organisations are those designated as national companies by the Arts Council of Wales, and in receipt of ACW funding. They include the following:

BBC National Orchestra of Wales  
Ffilm Cymru Wales  
Literature Wales  
National Dance Company Wales  
National Theatre Wales  
Theatr Genedlaethol Cymru  
Wales Millennium Centre  
Welsh National Opera

Some of the eight organisations have submitted individual responses to this call for submissions; others will only be represented here.

Since March 2017, the companies have sought to work together even more collaboratively, and are starting to look towards a future delivery around five areas of focus:

- To develop diverse and inclusive audiences
- To develop sector skills and continue professional development including the development of adaptive business models
- To develop international profile and market opportunities
- To develop communications and collective messaging
- To underpin these other four with data and research

This early stage collaboration is driven by the potential for devising and delivering more joined up opportunities, at scale and with even greater impact; it is bold and ambitious and will require the support and advocacy from Welsh Government to ensure they are as successful as they could be. The group are also researching

how to collectively diversify the nation's cultural attenders, making them more inclusive and diverse.

We want to highlight a range of issues related to increasing non-public funds for the arts and culture in Wales, and we have detailed these in sections below.

## PUBLIC FUNDING OF THE ARTS AND CULTURE IN WALES

We welcome the committee's inquiry into this area of focus, and look forward to its findings in due course. We would also like to stress that, underlying this need for increased and more diverse sources of non-public funds, there is a strong base of public investment which helps us return an even higher yield from those public funds. Without this level of public investment, we cannot hope to leverage further monies which support outreach, education and learning, community engagement, artist and sector development, as well as world-class production, touring and promotion.

Over the last five to ten years especially, we have all looked to make savings and efficiencies, as well as to increase and diversify our income (including but not limited to traded services, ticket sales, philanthropy and donations, crowdfunding, CSR/ sponsorship, investment, and charitable trusts and foundations). To put those savings and efficiencies in context: arts funding cuts from Welsh government most recently total £1.5m in 2016/17; local authorities have cut £56m from UK arts funding since 2009 (The Stage, Feb16); and there is an £18m decrease in funding for the arts from National Lottery funds (Arts Professional, Nov16). It is worth noting therefore that whilst there was a 3.5% increase in cash terms compared to the 2016–17 revised baseline, the longer term view is in the context of reductions in funding over several years prior, and that the increase awarded in this financial year only represents a partial reversal of crucial baseline funds.

As a specific example of this, since 2010/11, NDCWales' ACW core grant has fallen in cash terms by 5%, or by around 21% in real terms. Despite this, the company has become busier, delivers work to more diverse audiences and its turnover has increased by around 45% as a result of maximising other forms of income. However, its reliance on the ACW core grant is as strong as ever as without this, other funders would not have the confidence to invest in the long term.

Another example would be Literature Wales, which since 2011/12 has increased the income it raises from other sources. In 2011/12 the ACW revenue grant

represented 74% of LW's income. By 2015/16, this had reduced to 61%. In this period, the additional funding and income LW receives beyond its core grant has increased 122% (an additional £204,779 in 2011/12 and an additional £366,595 in 2015/16). LW's turnover has increased 20% in the same period (£1,070,194 in 2011/12 to £1,209,476 in 2015/16).

## THE PICTURE IN WALES and THE UK

As companies resident in Wales, who also tour and co-produce work elsewhere, we see the levels of non-public funding in Wales as lower than in comparison to the rest of the UK. This is drawn from knowledge of those of us who are funded in Wales in addition to other/ UK funds (eg BBC NOW and WNO); and also from those of us connected into and affiliated with our sectors across the UK (eg membership of UK Theatre, Association of British Orchestras).

Out of the 12 UK nations and regions, Wales is ranked 10<sup>th</sup> in terms of overall wealth, with 23% of people living in poverty (ONS, *Economic Indicators*, 2016); in 2014 the average Gross Disposable Household Income in Wales was £15k pa, 82.5% of the average (ONS, *Economic Indicators*, 2016); Wales has 6.7% of UK VAT registered Businesses (ONS, *Business Activity Size and Location*, 2016). All of these mean that there is a lower potential for new avenues of private funding, than in Scotland or England. It is a challenge which has only increased over the last few years given the UK economic picture, and the outlook is not improving.

The Community Foundation in Wales published a report in 2014 detailing that Wales has the lowest % of household giving to charity at just 25.1%. This compares to 29.5% in Scotland; 46.2% in Northern Ireland and 30% in England, with the median donation in Wales being £7.32 as opposed to £10 in England. Only 2% of people in the UK give to the arts, compared to 20% to religious organisations, and 10% to overseas aid, (Charities Aid Foundation 'UK Giving 2017'). Given this, one has to be realistic on the levels of donations that can be achieved by an arts organisation within Wales – as well as factoring in the costs associated with managing these initiatives. Not to mention the competition on individuals to donate to other charities of UK significance, who also have large campaign budgets (cancer, children's, animal charities all securing the majority of these funds). We recognize that there is more that might be done in terms of potential individual support, as a long-term requirement to demonstrate how important arts/culture is as charitable cause.

There is only one FTSE 100 company based in Wales (Admiral Insurance Group), leading Wales to being frequently referred to as an economy of SME's (200,000 active in Wales). The combined turnover of the Wales Top 300 businesses in Wales is only £31.2 billion – compared to Scotland's £184.61 billion.

As one example in this area, NDCWales has recently launched an individual giving scheme with annual subscription amounts of £30 – £120 for an individual. This is linked to twice yearly events where additional funds are raised. In this financial year, the amount expected to be raised totals around £21,000. Given time and investment this figure could rise, but it is not expected to be a major part of the Company's income – and certainly unlikely to rival the importance of Trusts and Foundations, or earned income.

Overall therefore, our sense is that there are fewer sources of private funds (corporate and individual) in Wales.

## NON-PUBLIC FUNDING STREAMS

Whilst non-public funding will assist with the diversification of income and build financial resilience, as we have already laid out, Wales faces very specific challenges to securing such funds in comparison to its peer organisations throughout the UK.

Earned income can be derived from several sources for an arts organisation – box office, fees paid by venues/promoters, hiring out equipment and spaces, earning fees for expert services and delivery, merchandising, delivering engagement and learning projects, and so on.

Compared to other parts of the UK, the fees which can be earned in Wales are low; for instance, Welsh venues pay around 40% less than in other parts of the UK, and around a third of fees paid by overseas venues. Studio hire rates are around 50% of comparator rates in, for instance, the West Midlands, which reduces the amount earned by hiring out facilities. The low level of fees paid in Wales reflect the relative size of venue catchment areas, where the number of available arts attenders is relatively low compared to elsewhere in the UK, both due to population density, and to demographics. To match this, ticket prices vary across Wales – from rates in Cardiff which are comparable to any major UK town or city, to places such as Caernarfon, Newtown and Milford Haven where ticket prices are, by necessity, around a third less. These venues report a highly price sensitive audience, limiting

the amount they can earn at the box office, and accordingly the amount they can pay for a performance by a visiting company. Some of the national producing and touring companies, such as Theatr Genedlaethol Cymru, now struggle to secure fees from even some of the larger arts venues, and have to rely on box office splits, where the risk (in terms of income and loss) is almost entirely placed on the producing companies (as opposed to the venue).

It is also worth noting that all subsidised arts organisations need to scrutinise ethical and reputational risk considerations before engaging or accepting financial support from particular funding sources, be that sponsorship or other donations. The Committee must also be mindful not to compare arts organisations to each other, as there are a number of fundamental variations to an organisation's financial model – arts venues (receiving houses, producing houses), producing theatre companies (with buildings or without buildings) or organisations located in one place or working across the nation), where an organisation is within its business growth (start-up or established) – and its opportunities to secure alternative funds.

We eight, and only relatively few others (eg Royal Welsh College of Music and Drama, Theatr Clwyd, Amgueddfa Cymru), are able to operate effectively at a scale to potentially develop and attract this sort of private funding from corporates and other large donors. We need to be mindful of who we are approaching, when and how, so as not to over-ask against these potential pots, and in overt competition against each other. Likewise, to be successful we are likely to need very large-scale and innovative projects/ programmes which have ambitious outcomes and impacts. We would also note that income generation from philanthropy, investment and/or trading activities in itself takes expertise, resource (cash and people), and time. Some of our organisations are engaged with ACW's organisational development programme, Resilience, to build capacity, skills and knowledge in developing these opportunities further.

We would note especially that the competition for charitable trusts and foundations' income is higher than ever before. Since the reduction in core arts grants across the UK, arts organisations' operations focused on raising funds from these sources has increased significantly leading to lower success rates, and smaller grants being awarded. This is likely to become ever more competitive in the future, with a continuing decline in success rates, making it more expensive to

raise each pound, and realistically putting major grants out of the reach of smaller organisations.

Trusts and foundations' primary interest is in community benefit and impact; they are more likely to be interested in supporting new activity in unlikely places, than in supporting ongoing work with existing venues or groups. They are unlikely to support the creation of new work, or of touring. To be successful, bids must be deeply rooted in the organisation's core mission, and be innovative, exceptional value for money and able to demonstrate real and lasting impact. These funds are not easy to access, and require patience, expertise and the development of strong relationships based on mutual trust and understanding – not easy when you're based in Wales, far away from where many of these organisations are based and where trustees live and socialise.

With trusts and foundations, it would not be unusual for a substantive bid to take between 9–12 months of evidence gathering, staged applications, consultation etc before receiving a decision. This is something for which few organisations have the capacity, particularly if they are seeking to move into a new area of income generation from a range of other sources previously. It's also especially worth noting that these often exclude core running costs and prioritise new activity – rather than being available for core operational costs, or for substituting areas currently or previously covered by public funds.

Crowdfunding is often quoted as another potential area of income generation and fundraising. There can be a tendency to think it is an easy/ quick win, which it isn't and not repeatedly, but it does have value in testing ideas, raising awareness and seeing if there is a creative interest in the project, which can be very useful when building audiences. It is intensive in both time and resource, as communities of support have to be built, nurtured and communicated with. For example, Ffilm Cymru Wales is part of an international network of 40+ European film funds (cineregio), and none of the bodies observed significant sums coming from this source.

For some of us, there remain ongoing obstacles in terms of conflicting (and unclear) HMRC rules on VAT, Gift Aid, and sector tax reliefs which can cause problems for arts organisations across the UK.

There are some good practice examples which we would highlight however:

- National Dance Company Wales have taken part in international showcases like Tanzmesse in Germany, and as part of British Council Showcase at the Edinburgh Fringe to maximise international touring opportunities (also true of Theatr Genedlaethol Cymru and NTW as well)
- WNO have a successful traded service, Cardiff Theatrical Services, which designs and builds sets for the company but also for many other producing and touring organisations
- Theatr Genedlaethol Cymru continually raise funds from the hiring its comparatively significant technical resources to other organisations
- As a result of the ongoing implementation of Literature Wales' fundraising strategy, income confirmed from successful applications to private and third sector sources has risen from £50,500 in 2015/16, to £204,330 in 2016/17 – an increase of 304%. Also, following recent renovations and conservation works at Tŷ Newydd Writing Centre, Literature Wales secured a partnership with historic buildings holiday lettings agency Under the Thatch and renewed the site's wedding licence. During fallow periods, income from venue hire at Tŷ Newydd has risen from £815 in 14/15, to £8,085 in 2015/16, and a projected £23,097 in 2017/18.
- Since its inception, NTW has leveraged over £1.7 million from trusts and foundations based outside of Wales, all which has been spent within Wales and has also paid for a number of jobs for individuals throughout Wales, not just in Cardiff where the office is based. A recent independent consultation has confirmed that NTW is punching above its weight with regards to this rate of return, particularly in relation to the company's lean overhead business model and level of core ACW grant compared to other similar arts organisations throughout the UK.

## POSSIBLE AREAS FOR FUTURE FOCUS

We feel there is more that could be done to promote a collective value and sense of civic pride in supporting the arts and culture because they are important to the economic and cultural well-being of Wales. The current situation sees a more transactional approach to sponsorship, which makes it difficult to raise funds beyond the cost of delivering the actual benefits to the business. What messaging and profile-raising could be done to promote the responsibility of and value of

corporate support for the arts and culture, and could this be incentivised by a Government match-funding and/or future tax relief programme? General cross-government messaging (perhaps in partnership with the media and other partners) about the importance and value of the arts to our economy, well-being, creativity and education could be more consistently and publicly delivered.

The profile of the arts in Wales is relatively low in the corporate sector, and with individual donors of significant means. The Welsh Government might assist by helping to create a powerful and compelling brand for the arts and culture in Wales, targeted within Wales, in the wider UK and internationally, enabling competition on a level playing field for Wales-based arts companies to secure higher levels of investment.

Support from Welsh Government to enable a national/international messaging campaign to advocate for its extraordinary Welsh arts organisations and artists will provide invaluable endorsement and national pride. Highlighting how the arts are intrinsic to the success of the Wellbeing of Future Generations Act, the Creative Learning Through the Arts and the Government's new 2018 curriculum (which includes the Expressive Arts), and more within the Programme for Government, will contribute to creating a positive picture for potential funders to support and audiences to engage.

## MY WORK

I have been an independent (freelance) producer since 2002, and been the director of my own limited company since 2011. I generally say I do two things – make things, and make things happen. In ‘making things’, I work with artists, creatives, academics, stakeholders, audiences and more to create shows, festivals, tours, events, exhibitions, etc. In ‘making things happen’, I work as a consultant (scoping, feasibility, R&D, evaluation, etc) and facilitator (with networks, boards, leadership teams, senior management, staff, volunteers). I also undertake advocacy and campaigning, both in a paid capacity and as a volunteer.

Current and previous clients include Crafts Council, Royal Liverpool Philharmonic, University of Manchester, ATG (one of the UK’s largest commercial theatre organisations); plus the National Companies of Wales (WNO, WMC, NTW, Theatr Genedlaethol Cymru, Literature Wales, BBC National Orchestra of Wales, Ffilm Cymru Wales, NDCWales). I also work with and for award-winning individual artists and collectives, like Karol Cysewski, and Light Ladd & Emberton.

My work crosses the arts, culture and heritage, and STEM (science, technology, engineering and maths). Before moving to Wales in 2012, I was living and working from Manchester and West Yorkshire. Throughout my whole career I have worked across the four nations of the UK and internationally wherever I am based. I am a National Adviser to the Arts Council of Wales, on the board of Theatr Iolo, and a Fellow of the RSA.

I am also the co-founder of What Next? Cardiff, a local chapter of a national movement to articulate and strengthen the role of culture in society. We are made up of freelancers, companies and venues within the arts and culture sectors. Our aim is to find new ways of engaging with our audience and visitors: the ever-expanding millions who value and take part in the cultural work that happens day-in, day-out up and down this country. To date we have done this through beginning positive, informed and inclusive conversations with each other and community leaders, politicians, funders, academics and business people. What Next? is a movement, not an organisation or campaign. There is no central leadership structure and it is run primarily on a voluntary basis.

Through WN?Cardiff, I led on ‘Cardiff Without Culture?’, which successfully opposed Cardiff Council’s proposed cuts to the arts and culture budget, and positively engaged with the elected representatives and officials to build a more constructive view of how arts and culture could contribute to the city’s development. Also through WN?Cardiff, I co-created and hosted the Welsh Government Culture Hustings, the first of its kind and one of the largest held in Wales, with about 300 people present. Nationally, What Next? is also a founding partner of BBC Get Creative, a platform to showcase everyday creativity and culture, be that knit-and-nattering, or barbershop-singing.

## VARIETY OF INCOME STREAMS

Within these specialisms, I work across the subsidised, commercial and voluntary/third sectors, attracting a range of income sources – some National Lottery grants, some earned income (eg fees, ticket sales, teaching, running workshops), and some other sources (eg in-kind support, sponsorship, crowdfunding, investment). I bring my own and other private funds to ideas which might be primarily grant-aided projects, and often deliver work as a producer, consultant or facilitator for subsidised and commercial clients in a range of sectors in Wales, UK and beyond. Thus my income streams originate in the four UK nations and flow back to my base here in Wales.

I welcome the committee’s inquiry into this area of focus, and look forward to its findings in due course. I would also like to stress that, underlying this need for increased and more diverse sources of non-public funds, there is a strong base of public investment which helps us return an even higher yield from those public funds. Without this level of public investment, arts organisations cannot hope to leverage further monies which support outreach, education and learning, community engagement, artist and sector development, as well as world-class production, touring and promotion.

As a good example, ACW recently funded Light Ladd & Emberton to take our award-winning show CAITLIN to the Fringe as part of their Wales in Edinburgh strand. This is a show that was commissioned by the National Library of Wales in 2014, for the Dylan Thomas 100 celebrations, and has been in demand and touring on and off ever since. This includes a stint at Battersea Arts Centre, London for their A Nation’s Theatre festival with The Guardian. As a result of being selected as only one of 30 UK companies in the British Council Showcase, we are now planning a UK and international tour for the show in 2018 and beyond,

including to SW England, Yorkshire, Scotland (Dumfries, and Highlands), and to Chile, Brasil and Mexico. This will yield a high return for the artists and production team, leveraging an income from outside Wales on a show that is proudly made in Wales, and providing a return on previously invested public funds (in turn, making the show and artists less reliant on public funds).

I work very hard to ensure that we maximise income from a variety of streams in any given piece of work – cash match funds from a university, venue or other producing partner; ticket sales and crowdfunding from the public; in-kind support (eg free use of space, marketing and PR support); sponsorship and other investment from trust and foundations, organisations and stakeholders; Theatre Tax Relief claims when appropriate; merchandising; and more.

The Committee must be mindful not to compare arts organisations to each other, as there are a number of fundamental variations to an organisation's financial model – arts venues (receiving houses, producing houses), producing theatre companies (with buildings or without buildings) or organisations located in one place or working across the nation), where an organisation is within its business growth (start-up or established) – and its opportunities to secure alternative funds. This is also true for freelancers/ independents and SMEs, be they artists or producers, or small limited companies.

## SUMMARY

I hope that this has given you an insight as to how this sort of variety of sources of income plays into the sector at the very smallest scale – for independents and SMEs. The majority of these people and small companies have to have varied and successful 'portfolio careers'; we must continually bring our skills, contacts, experience, knowledge and more to bear in a range of ways to earn a living, of which public funding is usually only one component part.

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee  
Cyllid Celfyddydau nad yw'n Gyhoeddus / Non-public Funding of the Arts  
CWLC(5) ART23  
Ymateb gan National Theatre Wales / Evidence from National Theatre Wales (NTW)

It is welcome and timely that the Culture, Welsh Language and Communications Committee have launched an Inquiry into the challenges of non-public funding of the arts in Wales. Welcome, because it is imperative that the Welsh Government understand the complexities of funding challenges for the subsidised sector and its fragility. Timely, because we are all under extreme pressure to ensure every penny matters, achieving good rates of return on our nation's economic, political and social impact.

However, it is of concern that the terminology used within the Background Information of this Inquiry, which open with the lines, "The vast majority of the Welsh Government's budget allocations for the arts are for the Arts Council of Wales". Whilst the sentence itself is technically accurate, it misleads the reader into believing that this budget allocation is "vast", when it is in fact incredibly lean and that any further proposed cuts would have a detrimental impact on the sector.

In addition, noting that a 3.5% increase in cash terms compared to the 2016–17 revised baseline, is also taken out of context as the government's budget allocation has been cut for several years now. The increase awarded in this financial year only represents a partial reversal of crucial baseline funds.

Arts funding cuts from Welsh government (most recently £1.5m in 2016/17), local authorities (£56m has been cut from UK local authorities arts funding since 2009 – The Stage, February 2016) and the decrease in National Lottery funds (£18m decrease in funding for the arts – Arts Professional, November 2016) and Grant-in-Aid reductions are of huge concern for the whole sector. To that end, the full funding landscape needs to be understood by the Committee and not scrutinised in isolation to questions around earned income, philanthropy and investment alone.

Whilst non-public funding will assist with the diversification of income and build financial resilience, Wales faces very specific challenges to securing such funds in comparison to its peer organisations throughout the UK. It is also worth noting that all subsidised arts organisations need to scrutinise ethical and reputational risk considerations before engaging or accepting financial support from particular funding sources. The Committee must also be mindful not to compare arts

organisations to each other, as there are a number of fundamental variations to an organisation's financial model (arts venues (receiving houses, producing houses), producing theatre companies (with buildings or without buildings) or organisations located in one place or working across the nation), where an organisation is within its business growth (start-up or established) and its opportunities to secure alternative funds.

## The non-public funding landscape in which we work in Wales;

### Individuals

- There are limited pockets of wealth in Wales; as we also know much of Wales remains one of the poorest areas of the UK (with our local authorities eligible for the highest levels of intervention of the EU structural funds – another future financial concern for our nation with the implications of leaving the EU; and with 1 in 4 people living below the poverty line).
- The Community Foundation in Wales published a report in 2014 detailing that Wales has the lowest % of household giving to charity at just 25.1%. This compares to 29.5% in Scotland; 46.2% in Northern Ireland and 30% in England, with the median donation in Wales being £7.32 as opposed to £10 in England. Given this and the bullet point above, one has to be realistic on the levels of donations that can be achieved by an arts organisation within Wales – as well as factoring in the costs associated with managing these initiatives. Not to mention the competition on individuals to donate to other charities of UK significance, who also have large campaign budgets (cancer, children's, animal charities all securing the majority of these funds).
- With regards to High Net Worth Individuals, The Barclays Prosperity Map ranks Wales 11 out of 12 in the UK regions in terms of prosperity and calculates that Wales has 12,000 millionaires (and only 5 billionaires – none of whom now live in Wales), compared to 191,000 in London or 48,000 in Scotland. In 2008/9 Coutts identified 201 donations of at least £1m in the UK, totalling over £1.5billion – not a single one was from Wales, the only region in the British mainland not to feature.
- Total individual donations throughout the UK is between £7–£9bn per annum. This is broken down to only 2.6% per annum in Wales (£350m).

## Corporate

- There is only one FTSE 100 company based in Wales (Admiral Insurance Group), leading Wales to being frequently referred to as an economy of SME's (200,000 active in Wales).
- The combined turnover of the Wales Top 300 businesses in Wales is only £31.2 billion – compared to Scotland's £184.61 billion.
- Corporates are demanding more benefits from their arts sponsorship and in the case of one financial services company based in Cardiff, it has reduced its local CSR spend from £250k to £10k.

## Trusts and Foundations/Other Statutory Funding

- Since the financial crisis the number of Trust and Foundation applications submitted by arts organisations has dramatically increased, making the competition a lot harder. In addition, a Foundation's level of funds is dependent on how well its shares are performing, which has also been under pressure since the recession and the exit from the EU – resulting in less funds available to award.
- Leaving the EU will also preclude Wales from a number of European Cultural Funds that were once available to them, not to mention increase costs to our arts organisations for touring or artist exchange (NoFit State recently reported to the Creative Industries Federation that for the same European tour of Bianco it cost £46k more to mount the production in New York due to visas, carnets etc). This in turn will impact the sector's capability of increasing Earned Income through touring fees and box office income.

## Earned Income

- Survey data from the Audience Agency identifies that from a total population of 3,087,338 (2011 Census), a total of 1,319,178 are active Cultural Attenders. For NTW only 10.6% of this total attend Plays/Drama (139,833), who spend an average ticket price for theatre at £9.73 (2016/17 Audience Insight).
- Given the above statistics, the nation's geographic challenges and with 1 in 4 people living below the poverty line in Wales arts organisations need to be realistic around ticket price sensitivities, particularly the subsidised sector which strives to diversify and develop arts engagement by providing accessible ticket prices.

## Examples of Best Practice;

- A number of small arts organisations have been successful in generating funds from the public through Crowd Funding mechanisms. However, the levels of money are small (less than £5k) and does not build a resilient/sustainable financial model\*, as it only funds a specific short-term project – they also require a lot of time to create and manage. However, Crowd Funding is definitely complimentary to the income generation mix.

*\*Note: If long-term financial resilience is not supported and nurtured within the arts then full diversification of the sector is less likely to be achieved, making it more likely that only “the privileged few” would be able to make or experience work. This is one of the many reasons why investment is essential.*

- Throughout the UK, corporates tend to predominantly support arts venues who can provide year-round benefits packages to their staff from tickets, room hire and naming rights to spaces within the public realm. However, a good example of a more innovative approach is the Travelex Season at the National Theatre of Great Britain, where the company sponsors the subsidy of tickets. A great initiative that attempts to address the encouragement of diversifying its audiences within a socio-economic capacity.
- Other innovations or best practice comes from new technical functionality from creating contactless donations functionality, using VR to enable stakeholders to engage with work or real time updates (Greenpeace being the most technically advanced charity). Award recognition tends to acknowledge innovative communication campaigns which ignite a public's imagination and engagement, but the principles/mechanisms of giving is essentially unchanged.

## Some examples of NTW's success to increase non-public funding and its distribution include;

- Since its inception, NTW has leveraged over £1.7 million from trusts and foundations based outside of Wales. All of which has been spent within Wales and has also paid for a number of jobs for individuals throughout Wales, not just in Cardiff where the office is based. A recent independent consultation has confirmed that NTW is punching above its weight with regards to this rate of return, particularly in relation to the company's lean overhead business model and level of core ACW grant compared to other similar arts organisations throughout the UK.

- In addition, the company has secured a number of UK grants (i.e. London 2012 Cultural Olympiad, The Space and 1418 NOW), totalling over half a million in additional funding support for artistic activity throughout Wales – from Connors Quay to Laugharne and to Usk. All of which was spent on the local economy and employment, creating significant cultural experiences for Wales to be proud of.
- Out of the 50 productions NTW has created since its inception, 15 (30%) have been co-productions with other national and internationally significant cultural organisations and festivals, resulting in NTW securing co-production funds from organisations outside of Wales. In addition, these productions have attracted audiences throughout Wales, the UK and globally – all contributing to the local economy with regards to accommodation, food and transport costs.

## **Some Examples of how working together to ensure the arts sector in Wales is leading in its field, include;**

- The National Companies of Wales (as defined by the Arts Council of Wales) are currently researching whether a ‘collective National heft’ can attract funds within and outside of Wales to benefit the nation’s arts sector, such as developing the nation’s international profile and market opportunities. The project is in early discussions, but they are bold and ambitious and will require the support and advocacy from Welsh Government to ensure they are as successful as they could be. The group are also researching how to collectively diversify the nation’s Cultural Attenders, making them more inclusive.
- Support from Welsh Government to enable a National/International messaging campaign to advocate for its extraordinary Welsh arts organisations will provide invaluable endorsement and national pride. Alongside highlighting how the arts are intrinsic to the success of the Wellbeing of Future Generations Act, the Creative Learning Through the Arts and the Government’s new 2018 curriculum which includes the Expressive Arts, will all contribute to creating a positive picture for potential funders to support and audiences to engage.
- Central Government to remove barriers to giving such as changes to tax benefits, as per the United States of America, where donations receive 100% tax exemption would provide greater financial support for the arts.

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee  
Cyllid Celfyddydau nad yw'n Gyhoeddus / Non-public Funding of the Arts  
CWLC(5) ART24  
Ymateb gan Rose / Evidence from Rose

The Arts in Britain should be Lottery Funded especially the Eisteddfod. Theatres and Concert Halls should be Private Businesses which survive on ticket sales. Art Galleries should be part of National Heritage and Museums Funding. No artists should be given a living wage from tax payer's money for more than six months. Thirty million pounds a year would be a great help to hospital and schools. It does not raise people's spirits to see piles of scrap metal exhibited as Art – it makes people angry at the waste of money. People can find music they like very cheaply on radio or phones these days. Assembly members are elected to see that taxpayers money is spent wisely on essential services and keeping the economy healthy by attracting sensible viable businesses to Wales. The Arts Council grants should be scrapped along with the non-essential jobs of those who spend money on trivial temporary art installations in unexpected places in town or country – Brexit comes first!

## Background & Context – Reasons for Response

A&B Cymru has been promoting, enabling and developing mutually beneficial partnerships between business and the arts for almost 30 years. As the only organisation of its kind in Wales, its expertise and network is truly unique. Working across the country with businesses of all sizes and from a wide range of sectors, A&B Cymru is in the ideal position to provide in depth intelligence about business motivations, objectives and trends in supporting the arts.

Since its independence in 2011, A&B Cymru has also been working closely with both Wales and London based trusts & foundations, not just to support its own work, but to enable investment into arts organisations. More recently, this work has been extended to include individual philanthropists.

A&B Cymru's experience and success in diversifying its own income in order to ensure survival is illustrated by the reduction on its reliance on public funding from 66% in 2012 to just 17% in 2017.

The points outlined through this paper are drawn directly from the knowledge gained by working closely with businesses, individuals and trusts on a daily basis. To ensure the paper is useful, A&B Cymru has concentrated solely on these areas of its expertise.

## The Role & Reality of Private Sector Investment

A&B Cymru's definition of the private sector includes businesses, trusts & foundations and individual philanthropists. Each has an important role to play in helping to ensure the sustainability of the arts in Wales and there is still considerable potential to lever a higher level of investment from these sources than is currently secured. However, it is important that the approach to non-public funding of the arts is realistic. There is no single answer which will replace public sector funding and each organisation must strive to achieve a true diversity of income. This requires a substantial investment of skills, time and resource. Added to this, a number of key factors should be taken into account:

1. Motivation to support

**Business:** While many companies are minded to invest in the arts, it is not their core remit. To this end, when making decisions, potential sponsors will be looking at the bottom line objectives the arts can fulfil for them. For example, a business wishing to engage effectively with the community will want to do so because it will help the company's profile, reputation, recruitment and operation. It will partner the arts to help achieve these objectives in tangible and effective ways, not because of a philanthropic belief that it has a duty to support. The mistake that many organisations make is to approach potential sponsors from a viewpoint of "what are our funding gaps?" rather than "what needs could I fulfil for that company?"

Added to this, investment in the arts is viewed by business as "non-essential spend". It naturally follows, therefore, that it is among the first things to be cut when external forces result in a challenging time in the market.

Business partnerships with the arts are ever-changing and dependent on the economic climate, individual needs and current trends. Decisions are often taken at a London head-office level and out of the control of Wales-based staff. Many of the major sponsors of the past (e.g. Tesco, Legal & General, Barclays) no longer invest in the arts. However, A&B Cymru is constantly assisting businesses to sponsor for the first time, helping to ensure their experiences are successful in order to sustain support. This is a substantial task which takes much of A&B Cymru's staff time.

In addition to this constant change, motivations to partner the arts are also continuously shifting. For example, the ageing population has directly resulted in an increase in the number of businesses wishing to support projects which benefit older people. Similarly, there is currently a sharp increase in the number of companies seeking arts based training to address staff development needs. This kind of partnership has not been a priority for at least 2 years. However, in the past month alone, A&B Cymru has been asked to identify artist trainers to meet the needs of 6 of its business members.

**Trusts:** While many trusts & foundations have clearly defined priorities, others remain purposely broad so that decision making is highly subjective, allowing trustees to invest in projects for which they have a particular passion.

Competition for trust funding is fierce, though many London-based trusts still express a desire to invest more in Wales, stating that the number and quality of

applications remain low. This view is gradually changing as more skilled fundraisers emerge (see Skills Gap below) and an increased number of organisations secure support.

**Individuals:** Naturally, individual philanthropists are motivated by their own passions and will invest their wealth into projects and organisations in which they have a personal interest. While there is scope for the arts to secure substantial income from major gifts, accessing these individuals can be difficult. Securing donations is also a very different fundraising skill to negotiating a sponsorship deal or applying for a grant from a trust. This is just one of the reasons that underline the importance of ensuring Wales has enough skilled fundraisers working in the arts.

## 2. Core Funding vs Project Funding

The single biggest challenge facing any arts organisation looking to secure support is that no-one wants to be responsible for core-funding. The only minor exception is sponsorship which involves the delivery of agreed benefits in return for cash or in-kind investment. Beyond this, sponsors are not interested in how exactly their money has been allocated and so a contribution towards core costs is easier to ensure.

Generally though, business, trusts and individuals wish to invest in projects. It would therefore seem logical that public bodies with a remit to support the arts should explore the feasibility of moving away from project funding to focus instead on the essential staff and overhead costs needed to keep organisations operating. This would make a considerable contribution to the ability of arts organisations to secure funds from a range of partners.

Private sector funders are keen to ensure that no organisation becomes overly dependent on their support. This is illustrated by their reluctance to support projects for more than 3–5 years.

Added to this, however successful a project has been, private sector partners are averse to becoming “replacement” funders when a grant comes to an end. The arts therefore face the constant challenge of creating new projects in order to gain support and inevitably, effective and much needed projects are lost.

## 3. The Skills Gap

## The Creative Internships Programme

Securing a funding mix is crucial to the survival of the arts and organisations of all sizes now recognise that investing resources into this area is the only way to ensure sustainability. However, there is an insufficient number of skilled professional arts fundraisers in Wales. A&B Cymru believes that the only way to increase this vital pool of professionals in the long term, is to establish arts fundraising as a viable and attractive career path.

Through its Creative Internships Programme, A&B Cymru has been striving to achieve this ambition in a tangible and effective way for the past 5 years. The initiative places recent graduates into arts organisations as trainee fundraisers, providing in-depth training and development and enabling participants to begin their careers in the strongest possible position. The Programme has already proven itself to be a successful way of addressing a very real barrier to the sustainability of many arts organisations. To date, of the 16 graduates who have completed placements, 13 are now professional fundraisers in Wales.

However, as referenced above, even though the programme is still both hugely needed, one of the 3 funders who have supported the initiative since its inception has indicated that it would not accept an application for year 6 and that A&B Cymru needs to propose a new project in order to secure support.

## Career Progression

While the Creative Internships Programme is nurturing a new generation of fundraisers, there is currently no formal career progression for arts development professionals. As arts organisations increasingly need to secure high level income from a range of sources, the ability to access advanced fundraising skills is becoming crucial to success. A&B Cymru will review this skills gap over the coming months with the aim of establishing a new arm to the programme which gives junior and mid-level fundraisers the opportunity to develop their expertise and experience further.

### 4. Measuring Success

Until 2011 when A&B Cymru, Northern Ireland and Scotland became independent charities, an annual Private Investment in Culture survey was conducted across the UK. It was an invaluable tool in measuring and comparing not just investment levels but trends across each part of the UK. The individual charities no longer

have the resource to fund such an activity but finding a way to re-instate a similar model of measurement would be a truly worthwhile investment.

## 5. Partnership Working

### Shared resource

While many arts organisations understand that they need to find resource to employ a professional fundraiser, the majority of those operating in Wales are small companies who simply cannot afford the wages of a highly skilled full-time fundraiser. To this end, organisations must be open to employing a part-time fundraiser who is likely to be fundraising for other arts organisations at the same time. A&B Cymru has been promoting this way of working for a number of years and the idea is usually met with an initial level of mistrust and suspicion. However, in practice, each organisation quickly realises that their concerns about confidentiality or split loyalty were unfounded and that the sharing of resources can result in positive and useful partnership working.

### Strategic partnerships

A&B Cymru's ethos is based on the belief that true collaboration makes all involved stronger. Wales is a small country with limited resources and the only way to achieve its ambitions is for organisations to form mutually beneficial strategic partnerships. An example of this is Wales' urgent need to improve the provision of music tuition for children. It is widely agreed that without tangible action and increased investment, the future is bleak for music across the country. Welsh Government and Arts Council of Wales are already taking steps to achieve this ambition. However, despite a clearly stated need to secure private investment, no consultation with A&B Cymru has taken place at this stage. Meanwhile, the charity has been asked by a philanthropist to create a scheme which would provide free instrumental tuition for children living in poverty and plans are underway to deliver a pilot of such an initiative. A&B Cymru has also spoken to a number of trusts and businesses willing to contribute. It would be short-sighted of A&B Cymru to proceed with this project alone and so the charity is keen to discuss the potential of strategic partnership working with ACW.

A&B Cymru believes that this approach is the only way to ensure success with such major and far-reaching ambitions.

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / The Culture, Welsh Language and Communications Committee  
Cyllid Celfyddydau nad yw'n Gyhoeddus / Non-public Funding of the Arts  
CWLC(5) ART26  
Ymateb gan Opera Cenedlaethol Cymru / Evidence from Welsh National Opera (WNO)

## WNO – an overview

Welsh National Opera exists to bring the power, drama and raw emotion of opera to as wide an audience as possible in performances marked by an uncompromising quest for artistic quality.

As a national company with international status, we sit at the heart of music-making in Wales, reaching all corners of the country, and play a valuable role in the communities we serve in England. We work with our partners to discover and nurture young operatic talent, and provide the springboard for international careers. Touring is our lifeblood and we strive to present the highest quality work across our artistic programme, entertaining and inspiring audiences at our operas and concerts and providing transformative experiences through our youth, community and digital programme. Building on our 70 year history and our roots in the communities of South Wales, we aim to demonstrate to future generations that opera is a rewarding, relevant and universal art form.

## WNO - Finances

Welsh National Opera's turnover for the 2015/16 financial year was £17.7 million. We currently achieve an average of 46% of turnover from non-public funding. Of this around 35% is from earned income including box office and commercial income and 11% from fundraised income (sponsorship and philanthropic donations).

We receive public funding from both Arts Council of Wales (2016/7 £4.4m) and Arts Council England (2016/17 £6.123m): the latter enables our substantial touring activity in England).

## **WNO – Earned Income**

### **1. Box Office**

The majority of our earned income comes from our Box Office. Last year (2015/6) we brought in £2.3 million from this source and in 2016/17 it is predicted to be £2.2 million. This is a significantly lower percentage of income than that of the London opera companies, but similar to Opera North in Leeds. We need to grow this amount over the next five years and in our business plan we aim to get up back up to over £3 million from this source by 2021/22, a figure we last achieved in 2009/10. We aim to do through a combination of increased volume and gradual but sustained increases in pricing, in collaboration with the venues we tour to, whilst also ensuring that a good selection of tickets are available at affordable prices.

### **2. WNO – Commercial Income**

In 2015/6 we earned £229k in commercial income. This came from a variety of sources but mostly consists of fees for “commercial” concerts, co-production fees and set hires from European opera houses. Over the past six years our Artistic Director, David Pountney, has raised well over £1 million in co-production fees and set hires from his connections at international opera houses. Co-productions with other opera houses mean that the costs of building the sets and making the costumes are shared with one or two other organisations.

### **3. Cardiff Theatrical Services (CTS)**

CTS – a commercial subsidiary of WNO – is a scenery and set-building workshop employing 35 people. CTS not only builds the sets for Welsh National Opera but also for a variety of other arts organisations and commercial theatres. Its client list including many of the UK’s leading theatre, opera, musical, dance and performing arts companies, visitor attractions and exhibitions. Its turnover in 2015/6 was £2 million and contribution back to WNO was altogether £200k (total profit of £34k). The challenge for CTS is to build its business and ensure that it increases its margins.

## WNO – Philanthropic Income/Sponsorship

Fundraised income makes up 11% of total income for WNO. Fundraised income is broken down as:

Individual donations – 45%

Trust and foundation donations – 45%

Corporate sponsorship – 10%

Around 44% of fundraising income is raised in Wales and 56% in England.

It may at first glance seem surprising that less of our fundraised income is raised in Wales. But WNO is a touring organization so is likely to attract support beyond Wales. Also – as other submissions will no doubt be pointing out – the fundraising potential is significantly lower in Wales than other parts of the UK, notably London, and so we actively seek income beyond Wales.

On individual giving we have a base of regular income coming from our Friends (groups based in Cardiff and the areas we tour to) for which members pay an average of about £40 per year, and also from our Partners Scheme, which is individual giving at a higher level, from £200 – £3000 per year. In addition to these schemes, we create “syndicates” for particular new productions and commissions, who become closely involved with a production as a result of a significant donation.

The challenge is of course finding these individuals. A figure recently brought to our attention is that there are only 4,000 people who are above the threshold for 45% tax in Wales and fewer than 10% of taxpayers in Wales qualify for the 40% threshold. We are fortunate to receive grants from many different Trusts and Foundations, but this territory is becoming increasingly competitive as, over the past seven years all arts organisations across the UK have been encouraged to raise more of their own funds. Trusts and Foundations are usually the first port of call. There is also a tendency for Trust and Foundations to want to support new projects and work, and hence sourcing funding for regular, sustained work, is becoming more difficult.

Corporate funding and sponsorship is by far the lowest proportion of our fundraised income. It is an extremely difficult environment and statistics show that corporate funds to the arts have plummeted since 2008.

## Possibilities for increasing non-public funding

In terms of how Welsh National Opera, and indeed other organisations, could increase their non-public funding within the existing climate, there are several points and suggestions we would ask the Committee to consider:

- 1) WNO senses a general lack of corporate responsibility to support culture and the arts in Wales among those businesses that it encounters, which is very different to some parts of the UK. There appears to be an understanding and belief in the value of the arts but this does not translate into investment. Would it be possible to promote a collective value and sense of civic pride in supporting the arts because they are important to the economic and cultural well-being of Wales? The lack of this results in a transactional approach to sponsorship which makes it difficult to raise funds beyond the cost of delivering the actual benefits to the business. Could Welsh Government lead on a messaging and public profile campaign to promote the responsibility of and value of corporate support for the arts across all of its activities to change the face of business support for the arts – this could culminate in an annual event or awards process that recognizes business support for the arts at Government level. Could this be incentivized by a matched-funding programme? Arts & Business Cymru run a matched-funding programme which rewards business investment in several specific strands of work – this is valuable but also means that arts organisations could be tempted to create work to qualify for the funding rather than unlocking funding for important existing work. A system of more general matched funding to reward any new business sponsorship, long-term business sponsorship, corporate and social responsibility initiative and so on could encourage a greater number of companies to support existing activity.
- 2) For individual support, there is probably a long-term requirement to demonstrate how important arts/culture is as a charitable cause which could be introduced in schools and beyond.

- 3) There remain ongoing obstacles in terms of conflicting (and unclear) HMRC rules on VAT and Gift Aid which cause problems for arts organisations seeking to increase individual giving across the UK.
- 4) General cross-government messaging (perhaps in partnership with the media and other partners) about the importance and value of the arts to our economy, well-being, creativity and education could be more consistently and publicly delivered.
- 5) In terms of earned income, a key area of increased revenue for WNO could be through our wholly owned subsidiary, Cardiff Theatrical Services. CTS at the moment finds it difficult to secure work from the big studios, eg Pinewood in South Wales which have been supported by Welsh Government. It appears to us as if much of the freelance labour force they use is imported rather than using local workers. Could Welsh Government require or incentivize Welsh businesses to use local suppliers? This could enable us to grow the business, employ more people and potentially increase our existing use of apprenticeships.

Leonora Thomson

Managing Director

Welsh National Opera

Mae cyfngiadau ar y ddogfen hon