

Witness Name: Dafydd Rhys

Statement No.:01

Exhibits: DR/01 - DR/17

Dated: 9TH September 2025

UK COVID-19 INQUIRY

WITNESS STATEMENT OF DAFYDD RHYS, CHIEF EXECUTIVE OFFICER, ARTS COUNCIL OF WALES

I, Dafydd Rhys, will say as follows: -

Introduction

1. This witness statement is provided in response to a Rule 9 request from the Inquiry, dated 28 February 2025, under Module 9, reference M9/R9R/ACW. This Request asks me to provide a written statement and provide relevant documentation in response to 6 areas:
 - Part A – Background and Context
 - Part B – Cooperation and Joint Working
 - Part C – Data and informing the economic response of the government
 - Part D – Covid 19 Financial Support Schemes
 - Part E – Long Covid
 - Part F – Lessons Learned and Reflections
2. The Rule 9 request specifies this statement should focus upon the period between the 1 January 2020 and 28 June 2022, the Inquiry's formal setting-up date.

3. I am also asked to provide specific documents relating to the following financial support schemes and or/any other economic interventions that were introduced during the stated period. The support schemes identified in the request are:

- Arts Resilience Fund
- Stabilisation Fund for Individuals
- Cultural Recovery Fund
- Freelancer Support Fund

Part A – Background and Context

4. In the first instance, and to set the context for the remainder of my Witness Statement, I would note that I was not in post, nor employed by the Arts Council of Wales during the stated period. During this time, I was the Artistic Director at Aberystwyth Arts Centre, an Arts Portfolio Wales organisation in receipt of core funding from Arts Council of Wales. Arts Portfolio Wales organisations, who, following our Investment Review 2023 are now referred to as multi-year funded organisations, are essential partners in helping Arts Council of Wales deliver its strategic priorities. These priorities are set out in the published Corporate Plan, which, during the stated period, was "For the Benefit of All" (DR/01 INQ000648220) and covered the period 2018-23.
5. The Chief Executive Officer during the stated period, Nick Capaldi, retired from Arts Council of Wales in September 2021. He was succeeded for a short period of time by Sian Tomos, Arts Council of Wales, previously the Director of Enterprise and Regeneration and member of the, then, Senior Leadership Team. Sian Tomos retired shortly after appointment for health reasons. Whilst a further recruitment exercise was arranged and conducted, the 3 remaining members of the Senior Leadership Team shared the additional responsibilities of the Chief Executive Officer role between them, with the, then, Director of Finance and Business Services taking on the role of Accounting Officer. This arrangement was approved by Welsh Government and in place until March 2022, when Interim Chief Executive, Mick Elliott, was appointed whilst the recruitment process for a permanent Chief Executive Officer was undertaken. I was appointed to the role of

Chief Executive Officer as a result of this recruitment exercise and took up my post on 17 October 2022. Mick Elliott's term as Interim Chief Executive Officer finished at the end of October 2022, following a short handover period.

6. Between the dates of October 2022 and the date of receipt of this Rule 9 request, all members of the Senior Leadership Team in place during the stated period have since left Arts Council of Wales and there is now a new Executive Leadership Team in place comprising of members who have been appointed from external posts.
7. Similarly, and as per the requirements of Arts Council of Wales's Royal Charter (DR/02 INQ000648221) Members of our Board of Council who would have been serving their respective term of office at the time, have also since, stepped down following the end of their second terms of office, which is the maximum any Council Member may serve. This also includes our Chair of Council, appointed by Welsh Government and who took up post in April 2023.
8. These circumstances have significant impact on the level of corporate knowledge and subsequent opinion I am in a position to provide in response to the questions asked of me in this Rule 9 request. Therefore, and as per the advice and guidance provide by the Inquiry in consideration of these circumstances, the remainder of my witness statement primarily focusses on the facts pertaining to the 4 Funds Arts Council of Wales implemented during the stated period, in direct response to the pandemic. Further information, including detailed guidance, was published at the time for each of these funds on our website. All information was published in Welsh, and English, including Easy Read and Large Print, and also in British Sign Language video format. Applications to all the funds were available through our online portal, and our Grants Team were on hand to offer support in the event of any queries.

Part D – Covid 19 Financial Support Schemes

9. Arts Council of Wales recognised there was an immediate need for urgent funding to the Sector, including arts organisations, creative individuals, freelancers and all employed in supporting roles to deliver arts activity. Therefore, in late March 2020 Arts Council of Wales closed its existing programme of lottery

funding opportunities and diverted these funds to set up an immediate fund to provide urgent support to the sector, particularly where it may be evidenced it was most needed. This was done in collaboration with the Welsh Government and was referred to as the Arts Resilience Fund.

Arts Resilience Fund

10. On 7 April 2020 Arts Council of Wales published information on the Arts Resilience Fund. Through the implementation of lockdown at the outset of the pandemic, the sector saw an immediate and significant detrimental impact on its income overnight, as activities and performances were suddenly cancelled and venues closed. This fund provided support for both individuals and organisations to help them in the early days of the pandemic.
11. Together with the Welsh Government, Arts Council of Wales reallocated money from existing budgets to create an urgent response fund of £7.0 million with £5.1 million coming from National Lottery derived sources.
12. In addition, Arts Council of Wales also changed the funding requirements for those individuals and organisations who had already received funding, to help alleviate pressure on them and allow them to reallocate monies already allocated for activity that had now been cancelled, to help meet ongoing costs and current commitments, including salaries and other operational costs.
13. Of the £7m reallocated for this purpose, the intention was to allocate at least £1.5 million to individuals with the balance of £5.5m earmarked for organisations. However, it was noted at the time that Arts Council of Wales would monitor the demand on these budgets, and adjust these allocations if needed, so that as many people as possible could be supported.
14. Given the limitation of the funds and the urgency of their need, potential applicants were asked to consider carefully if they could utilise other options available to them to help support this funding being directed to those most in need.
15. One of the strands of the Arts Resilience Fund was the **Urgent Response for Individuals** (DR/03 INQ000648222). Arts Council of Wales published the

Guidelines for this fund on 9 April 2020, and it launched on 14 April 2020. A second round was launched on 28 April 2020. This fund was to offer support to individual artists and freelancers facing immediate financial hardship through sudden loss of work, allowing applications of up to £2,500 to help support pressing needs.

16. In consideration of the likely urgency to access this funding, and the pressures potential applicants were currently dealing with, Arts Council of Wales introduced a light touch approach, aiming to turn applications around within three weeks of the closing date. A copy of the Guidelines is enclosed with this Statement.
17. In addition to the £1.5 million Arts Council of Wales had set aside for this fund, we announced on 23 April 2020 that the Freelands Foundation contributed a further £0.5m to support this fund, bringing Arts Council of Wales's allocated funding for artists and freelance creative practitioners to £2m. Arts Council of Wales awarded 407 applications totalling over £908k across 21 Local Authority areas in Wales, under this fund.,

Stabilisation Fund

18. On 21 April 2020 the Stabilisation Fund for Organisations (DR/04 INQ000648223), with a budget of £5.5m, opened to applications for arts organisations working in the not-for-profit arts sector in Wales who were experiencing immediate financial difficulty due to loss of income or were suffering cashflow pressures resulting from the Coronavirus/COVID-19 pandemic. Priority was given to those organisations facing the most immediate and acute financial challenges. Grants of up to £35,000 were made available to be used within six months of receiving the grant. Arts Council of Wales also published Frequently Asked Questions (DR/05 INQ000648224) and Additional Clarifications (DR/06 INQ000648225) for this fund. Arts Council of Wales awarded 119 applications totalling over £3m under this fund, across 20 of the 22 Local Authorities in Wales.
19. On 29 May 2020, the **Stabilisation Fund for Individuals** (DR/07 INQ000648226) opened. This fund was aimed at individuals who were looking at ways of developing their practice or changing the way they work and need support to help them do this. Grants of between £1000 and £10,000 were

available and decisions made within 4 weeks of the deadline. For individuals, who for any reason, including religion or faith, were unable to accept lottery money, Arts Council of Wales committed to allocating money for these applications from not Lottery income sources. Again, Arts Council of Wales also published Frequently Asked Questions (DR/08 INQ000648227) and Additional Clarifications (DR/09 INQ000648228) for this fund. Arts Council of Wales awarded 229 applications totalling over £1.56m and across all 22 Local Authorities under this fund.

Cultural Recovery Fund

20. We delivered the Cultural Recovery Fund in partnership with Welsh Government. We liaised closely with Welsh Government throughout this process to identify any duplicate applications and reduce the risk of double funding. We continued to report weekly to Welsh Government with progress on all grants and payments made.
21. **Cultural Recovery Fund 1** opened on 17 August 2020. As part of the Welsh Government's £53m emergency fund, Arts Council of Wales invested £27.5m to help organisations stay afloat as they faced the financial pressures of Covid-19. This fund was jointly administered by Welsh Government and Arts Council of Wales and was split into 2 parts: Covid-19 Revenue Support for Arts Organisations and Covid-19 Capital Support for Arts Organisations.
22. Applicant organisations could be not-for-profit and commercial but had to be able to demonstrate they offered publicly accessible arts activity in Wales, and that they had been significantly affected by Covid-19. The central purpose of this fund was to sustain organisations facing the threat of closure and help them to resume activity in 2021 and beyond.
23. Those receiving support from this fund were, in return, expected to deliver something back to the Welsh public through the Welsh Government's 'Cultural Contract' (DR/10 INQ000648229). The 'Cultural Contract' was designed to encourage organisations to transform the future reach and impact of their activities, improve the diversity of their boards and workforce, provide new opportunities for freelance artists, commit to fair rates of pay, and improve

environmental impact. The cultural contract was designed to ensure that, as organisations adapted to new ways of working, they ensured that public investment was deployed with a cultural and social purpose. A Combined Impact Assessment (DR/11 INQ000648230) was also completed and published for this fund.

24. As this fund was administered jointly between Arts Council of Wales and Welsh Government, Arts Council of Wales managed funds for theatres, arts centres and concert halls, galleries, organisations producing and touring arts activity and organisations providing participatory arts activity. Welsh Government managed funds for grass roots music venues, heritage sites, local museums, libraries and archive services, events and festivals, independent cinemas, and individual freelance creative professionals. This ensured appropriate resources were available to arrange the administration of these funds and provided clarity for applicants in their route to application, thus helping to minimise the risk of duplication.
25. **Covid-19 Revenue Support for Arts Organisations (DR/12 INQ000648231)** – a budget of £25.5m was allocated for this fund and it was for arts organisations based in Wales (both profit and not for profit) who had been affected by COVID-19 and who were trying to sustain themselves until they could resume publicly accessible activity in 2021 and beyond. Grants of up to £1.5m were made available to support activities up until September 2021. Arts Council of Wales awarded 280 applications totalling over £26.8m under this fund, and across all 22 Local Authorities in Wales.
26. **Covid-19 Capital Support for Arts Organisations (DR/13 INQ000648232)** - a budget of £2m was allocated for this fund for organisations on the same basis as above. Organisations could apply for grants up to £50,000 towards one-off capital expenditure, including PPE, minor works to make buildings safe and equipment to help organisations adapt working practices to facilitate more remote working. Arts Council of Wales awarded 56 applications totalling over £1.9m under this fund.

27. **Cultural Recovery Fund 2** (DR/14 INQ000648233) opened on 6 April 2021 and was part of the Welsh Government's overall Cultural Recovery Fund 2 of up to £30m. This fund was designed to help organisations stay afloat during a period of acute financial pressure due to COVID-19. We also recognised that ongoing restrictions on the resuming of activity caused by social distancing rules added to the uncertainty and helping to address these pressures was the central purpose of this fund. It did not duplicate the business rate relief support, funding made available to local authorities via the Local Government Hardship Fund, or any other form of Welsh Government COVID-19 related non-repayable funding. Organisations could apply for up to £1.5m, depending on their published turnover level 20/18/19 annual accounts. Arts Council of Wales awarded 127 applications totalling in excess of £8.6m under this fund.
28. **Cultural Recovery Fund 3** (DR/15 INQ000648234) was only able to support arts organisations. Museums, libraries and cinemas were directed to Welsh Governments and Creative Wales' separate guidance to see if they were eligible to apply to their fund. The purpose of this fund was to support Wales based organisations that were in genuine difficulty, at risk of closure or where jobs would be lost, unless further support was provided. This required organisations to also consider the use of any reserves they may have had as an alternative to applying to this fund. Any risk of closure faced by an organisation, however, had to be as a direct result of the ongoing impact of Covid-19.) The purpose of this fund was to help organisations survive, was not compensation for temporarily reduced profits. Under this Fund, organisations could apply for up to £100,000. Arts Council of Wales awarded 72 applications to this fund, totalling over £4.1m, and covering 19 local authority areas in Wales.
29. **Freelancer Support Fund** – I am advised this fund was not offered by Arts Council of Wales. Arts Council of Wales's support for freelancers was directly addressed through the Urgent Response Fund for Individuals and, later, the Stabilisation Fund for Individuals, both of which are covered above in paragraphs 15 and 19. Additionally, support for freelancers was also one of the areas of consideration for organisations when applying to our Cultural Recovery Funding. I am advised that it is our recollection, that at later stages in the pandemic, support for freelancers was assigned to Local Authorities.

Overall Timeline

30. Tuesday 14 April 2020

We launched the first round of applications to a new fund offering support to individuals facing immediate financial difficulty and hardship – our Urgent Response Fund for Individuals.

Tuesday 21 April 2020

We opened for applications to a further scheme – a Stabilisation Fund for Organisations.

Friday 29 May 2020

We opened for applications to a Stabilisation Fund for Individuals.

Thursday 30 July 2020

Welsh Government announce Cultural Recovery Fund of £53 million.

Monday 17 August 2020

Arts Council of Wales opens its Wales Cultural Recovery Fund for applications.

Monday 22 March 2021

Welsh Government announce Cultural Recovery Fund of £30 million.

Tuesday 6 April 2021

Arts Council of Wales opens its Wales Cultural Recovery Fund 2 for applications.

Wednesday 12th January 2022

Arts Council of Wales opens its Cultural Recovery Fund 3 for applications.

Part E – Long Covid

31. The impact of pandemic on the Sector has been significant and already well documented and evidenced in the public domain. The Sector has seen a number of individuals leave to take up work in more stable environments, outside of the arts. A number of arts organisations and venues had to close their doors for a significant time during the pandemic, and some were in real danger of closing permanently, as a result of loss of income through reduced audiences and activity, particularly whilst social distancing arrangements remained in place.
32. In November 2020, Arts Council of Wales published the document, **Responding to Covid 19 – Resetting the Dial** (DR/16 INQ000648235).

33. We did see a return to the arts, albeit not to the pre-pandemic level, and we saw particular pressure on venues as audience numbers failed to return. We continued to advocate the need for large-scale emergency funding for the sector with Government. Cultural Recovery Funding rounds 2 and 3 were crucial to the financial survival of many.
34. Delivery of a second and third round of the Cultural Recovery Fund, in partnership with the Welsh Government, helped sustain organisations until they could resume publicly accessible activity at pre-pandemic levels. Alongside the Cultural Recovery Fund the Cultural Contract was introduced, designed to encourage organisations to adopt new commitments to ensure public investment is deployed with a social purpose.
35. Since then, and outside of the stated period, I have commissioned an **Economic Impact Assessment** (DR/17 INQ000648236) on the work of Arts Council of Wales on the Welsh economy and Welsh jobs, that covers the period from 2019-2024. A copy of this report is provided. Amongst the key findings of the report evidence shows that, despite a dip in 2021/22 when for every £1 invested by Arts Council of Wales, £1.01 went back into the economy, this figure had increase significantly to £2.51 per £1 in 2023/24.

Additionally, and in response to the instability in financial security now experienced within the sector, particularly amongst freelancers, the Arts Council of Wales has ensured that career pathways offering fair pay is intrinsic to its core development work and funding and is in support of the Welsh Government Cultural Contract priorities.

Part F – Lessons Learned and Reflections

36. Please refer to the information provided above in paragraphs 9-27 in response to this area. The approached Arts Council of Wales took in the application requirements of each of its separate funding streams outlined in these paragraphs was in consideration of the challenges individuals and arts organisations were facing during this period. Therefore, the Arts Council of Wales endeavoured to make the application process as light touch as appropriate, whilst maintaining the necessary accountability for the deployment of public funds, to minimise these challenges for applicants.

37. Paragraph 31 refers to the Arts Council of Wales' published response to the pandemic - 'Resetting the Dial' - and how it would help support the sector to recover.
38. In addition, and outside the of the stated period, more recent work we have undertaken has included consideration of how we may continue to offer a simplified, but appropriate, grant application procedure, to ensure that as many as possible are able to access our opportunities for funding. Arts Council of Wales has recently undertaken an internal review of its existing processes and is now developing policy in this area.
39. Similarly, I am aware that, during the pandemic, the artists and organisations found new, innovative ways to deliver work, including increased use of online engagement and streaming. Continuation of these ways, coupled with increased in person engagement and participation, has removed physical and capacity related barriers for many and has allowed more people to attend and enjoy arts activity and events.
40. Similar, for example, Arts Council of Wales, through its Arts and Health programme and in support of funding from the Welsh Government, developed an initiative called the Cultural Cwtsh. The Cwtsh was designed in partnership and consultation with Health Education Improvement Wales, Social Care Wales, the Welsh NHS Confederation, the Arts and Health Coordinators within each Health Board as well as focus groups of healthcare workers. This was a new website that aimed to use the restorative power of the arts to support the wellbeing of healthcare workers in Wales. The Cultural Cwtsh was full of creative ideas and fun activities and designed to lift spirits and boost the wellbeing of staff working across the NHS and the Social Care sectors in Wales. Through short, accessible videos, in Welsh and English, professional artists from across Wales would bring alive a whole range of different creative activities that include craft, painting, writing, drawing, dancing, singing, film and photography. Responsibility for this website now rests with Public Health Wales under its Hapus programme and can be accessed here. [Home - Hapus](#)

41. It is therefore important that we do not lose sight of these developments but continue to ensure artists and art organisations are supported to utilise these further and integrate them within their creative offer and programmes as routine. Such an approach will significantly support our vision of the arts being part of the daily lives of the people of Wales, connecting us to each other, integral to our wellbeing, and inspiring us for now and generations to come.

Statement of Truth

I believe that the facts stated in this witness statement are true. I understand that proceedings may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief of its truth.

Personal Data

Signed: _____

11th September 2025

Dated: _____