

Statement Pursuant to Standing Order 21.20 by the Minister of Culture, Welsh Language and Sport, Alun Pugh

In May 2004 I authorised a notifiable transaction under Standing Order 21.16 to guarantee the increase in the Principality Building Society's ("Principality") loan to Arts Council of Wales ("ACW") under the Collectorplan scheme from £250,000 to £500,000. It was intended that the loan and guarantee would last for a period of 3 years from 1 August 2004 to 31 July 2007. The Principality has agreed with ACW to extend the repayment period of the £500,000 loan for a further two years to 31 July 2009. I propose to approve the extension of the Welsh Assembly Government's guarantee of such loan for another two years.

The Collectorplan scheme makes contemporary works of art affordable to individuals . It does so by providing them with an opportunity to benefit from an interest free loan to buy contemporary Welsh art and craft. A total of 82 galleries in Wales currently participate in the ACW's Collectorplan scheme which assists UK residents aged 18 and over to buy original works of art and craft by living artists. Anyone visiting one of the participating galleries and wanting to buy an item for sale, can obtain interest free credit of between £50 and £2,000 towards any one purchase or a group of purchases. The item(s) could include paintings, silverware, ceramics, sculpture, jewellery, print, photography or textiles.

Purchasers are required to find a minimum deposit of 10% of the total cost of the work(s) of art they propose to buy. Gallery staff would guide purchasers through the paperwork and submit an application to ACW on their behalf. The loan will normally be approved within 7 to 10 days. Loans range from £50 to £2,000 and are repayable over terms of between 10 to 15 months depending on the amount of the loan. The minimum monthly repayment is £10.

The extension of the Principality's loan for Collectorplan will allow more galleries to be registered with the scheme and allow a greater number of loans to be made. There will be no changes to the amounts and terms of the loans being made available to purchasers. The expanded scheme will benefit artists working and displaying their work in Wales, galleries in Wales and people wanting to own works of art. It is an excellent example of the public and private sectors working together to increase the accessibility of the arts to the public.

This is a notifiable transaction under Standing Order 21. 20. The notifiable transaction involves the incurring of a contingent liability as defined in Standing Order 21.23, namely, the guarantee of a loan from the Principality to ACW to enable ACW to extend its Collectorplan scheme.

ALUN PUGH

Minister for Culture, Welsh Language and Sport