



**Scottish Arts Council
Empire Rooms
Edinburgh Festival Theatre
Tuesday 28 September 2004
10.00 – 14.00hrs**

Minutes

Present:

John Scott Moncrieff	Acting Chair for this meeting
Joanna Baker	
Arthur Cormack	
Bob Downes	
Steve Grimmond	
Jennifer Hawksworth	
Louise Mitchell	
Roy McEwan	
Ben Twist	

Visitors:

Richard Smith	Cultural Commission (for item 2)
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Staff in Attendance

Graham Berry	Director
Jim Tough	Head of Arts
Liz Sams	Head of Funding and Resources
Anita Clark	Head of Dance
Sylvia Dow	Head of Education
Nod Knowles	Head of Music
David Taylor	Head of Drama
Gavin Wallace	Head of Literature
Moira Gibson	Head of External Relations
Pat Hymers	Executive Manager
Carol Warner	Executive Manager
Michelle Jordan	Senior Communications Officer
Neil McInnes	Communications Officer - Media
Irene Watson	PA to Director (Minutes)

1. Apologies for Absence and Declaration of Interest

- 1.1 Apologies for absence had been received from Dale Idiens, John Mulgrew, Annie Marrs and Arthur Herman. John Scott Moncrieff was chairing this meeting in

Dale Idien's absence. Members were reminded to declare an interest when appropriate. Roy McEwan declared any interest with regard to discussions relating to the Scottish Chamber Orchestra.

2. Cultural Commission Presentation

2.1 The acting chair welcomed Richard Smith from the Cultural Commission to speak to Council on the work of the Commission.

2.2 Mr Smith said that the Scottish Arts Council was one of the key stakeholders of the Cultural Commission. He explained the consultation process being undertaken and that they were keen to keep debate flowing. The process would be on a 3 strand, 3 phase basis. The first phase, stakeholder consultations, would end at the end of September and was important to flesh out key issues and opportunities. He stressed that no stakeholder would be held to ideas and initiatives outlined in their first submission and that future debate may change some of the issues raised initially. Stakeholders would be given the freedom to make changes. The commission would engage with stakeholders with questions which would influence the debate.

2.3 Public consultations were also being held; they plan to kept the process as open as possible but have no plans to publicise submissions, with only the commission knowing the source of ideas.

2.4 The commission has limited resources, both in time and funds and will be using stakeholders to keep the debate open as long as possible.

2.5 In response to questions from Council Mr Smith advised that

- public consultation was taking place through public meetings and their website and they were expecting the debate to get sharper as time went on.
- Stakeholder would be free to change their minds at any stage of the process
- Stakeholders and others will be able to see why the final recommendations had been made
- Depending on the number of submissions received would depend on who in the commission read them, but the secretariat will read all of them.
- Public meetings would be held all over Scotland with invitations lists obtained from stakeholders, and notification of meetings in local press and possibility of return visits.

2.6 Mr Smith stressed the importance of the Scottish Arts Council taking a leadership role in the debate. There were a number of powerful stakeholders with strong opinions. Difficult questions would be asked of the Council. Specific areas for debate may include cultural co-ordinators; there were a number of strong opinions about how they could be used and the commission was interested in exploring their potential. Questions were expected on how capital planning could be more strategic and better managed as well as questions relating to the national companies.

- 2.7 Mr Smith asked that the Scottish Arts Council submission be bold and positive. He felt that earlier versions were defensive. When asked about how much detail of the mechanics of ideas were required Mr Smith suggested that the Council looked at the bigger picture.
- 2.8 The Acting Chair thanked Mr Smith for his presentation and said he was confident the Scottish Arts Council could rise to the challenge given by the Commission.
- 2.9 Mr Smith left the meeting at this point and it was agreed to bring forward item 4 the Discussion on the Submission to the Cultural Commission.

4. Scottish Arts Council Submission to the Cultural Commission (S/C04m5p4)

- 4.1 The Head of Arts advised that the Mr Smith had not seen a version of our submission; the document to which he referred was the 20:20 vision document.
- 4.2 The Director stressed that the Scottish Arts Council was looking at the bigger picture and our submission would be putting forward radical ideas. Some of the areas Mr Smith raised in relation to cultural planning, the national companies and individual artists were included in our paper.
- 4.3 Head of Arts explained the process to date from which a list of themes had emerged. Senior staff and some Council members had attended a workshop led by Prof Ian Brown in early September which had drawn together these themes. He had then prepared a paper on which committee members had been invited to comment. Council was invited to comment at this meeting.
- 4.4 There was a great deal of discussion on the structure of the submission with Council stressing the need for big ideas to be strong, aspirational and more emphasised. They considered some aspects like regional planning forums and entitlements and rights to be still woolly and needed clarification.
- 4.5 Council made a number of suggestions including
- An investment model which could change the approach to structuring organisations in the future.
 - Education in its widest form was seen as an important sector and the first year of children's education should be centred on culture, with education also being given a higher in the executive summary
- 4.6 Council agreed with the need for a Minister of Culture and MSPs, business leaders and others needed to change their idea of culture – a complete change of mindset similar to what had happened with people's perception of drink driving and smoking; to ensure a step change in ensuring cultural change in Scotland.
- 4.7 The Scottish Arts Council's strong points were that it covered a number of areas and supported new work – allowing artists to experiment. It also had a national overview. Council was keen to ensure that the Scottish Arts Council should be the leader in the proposed National Cultural Partnership, noting too that we were already leading in aspects of creative industries.
- 4.8 The re-affirmation of the arms length principle was stressed.

4.9 Council considered that the Scottish Arts Council could be confident in being able to advocate and champion the arts for Scotland and we would be doing ourselves a disservice if we were not bold and took the lead. Council wanted the word co-ordination removed and replaced with leadership. Council did acknowledge that this idea could be provocative and challenging to other agencies.

4.10 There was a suggestion that a further section on how to reach people using technology be added.

Action: Head of Arts

4.11 There was some discussion on how our submission could be publicised. The Commission's advice was they we did not make it public, but Council considered that it would be better if it was at some point, particularly as we were advocating taking a leadership role. Council accepted that there were political risks in this but we would be doing this in the spirit of open discussion – we had to word it strongly, but sensitively. Council also considered that making a copy available to CFOs would help them in their thinking.

4.12 There was some criticism that Council had not been involved enough at an earlier stage with the discussions surrounding the submission and whilst Officers accepted this it was also pointed out that the timescales over the summer had been very tight.

3. Minutes of Meeting Held on 31 August (S/C04m4)

3.1 The Minutes of the meeting held on 31 August 2004 were approved as a correct record:

Proposed: Louise Mitchell
Seconded: Arthur Cormack

4. Matters Arising (S/C04m5p1)

4.1 Item 4.5: Crafts website. Jennifer Hawksworth advised that this had eventually been activated.

4.2 Item 1.8: Executive Manager advised that the Minister could not attend the dinner on 11 November, but could manage 12 November in Glasgow. Council would inform the Executive Manager if they could manage this date.

5. Corporate Planning Timetable (S/C04m5p3)

5.1 The Director said that the announcement of the grant figure for 2006/07 and 2007/08 had been delayed and would be announced the following day. The budget for 2005/06 would be unchanged. The Director drew attention to the decline in lottery funds and the uncertainty of these funds post 2009, as well as the possibility of reduced funding to support a successful bid to host the 2012 Olympics. He reminded Council that they had approved a powerful corporate plan which would be rolled forward.

- 5.2 The Head of Funding and Resources highlighted the major risks with the strong likelihood of a reduction in the percentage given to lottery distributors. The lottery income position had worsened recently even allowing for the Olympic bid and she counselled against increasing lottery budgets. Budgets being finalised in January would be discussed at Council's November meeting. Council were advised that due to the long lead time to withdraw funding from CFOs, and the large percentage of our voted funding currently given to them, there was limited manoeuvrability for 06/07.
- 5.3 Council also noted that the reduction in lottery funding would impact on voted funds. The Head of Funding and Resources advised that the reduction would be in the region of £5million. Council were advised that funding had been made available for specific initiatives and officers were continually seeking pockets of funding from the Scottish Executive. The recent funding for the creative partnership project led by the Education department was mentioned.
- 5.4 Council stressed the need for them to have the correct level of information to allow them to make decisions at the next meeting. Officers were acutely aware of this and assured Council this would be the case.
- 5.5 Council raised concerns about being asked to rubber stamp decisions and being asked to give across the board inflationary increases. The Director advised that we were duty bound to give organisations inflationary increases, given the nature of their funding and how they operated, although he agreed that it would be good if we could allocate this strategically to new activity or a new organisation.
- 5.6 Council made it clear that they trusted Officers' recommendations, but they wanted to have some room for manoeuvre. Council finally approved the principles and timelines of the planning guidance with the caveat that they would be able to discuss cases where there were exceptional circumstances.

6. Annual Accounts and Report to Members (S/C04m5p4)

- 6.1 Head of Funding and Resources said that both the General Fund and the National Lottery Distribution Fund had received clean reports from the auditors. Council noted that administrative costs remained at the low figure of less than 8%.
- 6.2 Council's attention was drawn to the balance sheet for the General Funds and noted that minimum cash balances were held. £5million was held on reserve, some of which would be available for distribution to organisations once further liabilities and commitments were clear. A figure would be made available to Council at its November meeting for decisions on how it could be distributed.
- Action: Head of Funding and Resources**
- 6.3 Council noted that the Lottery balances had been further reduced to £37m with a target for a further £2m reduction.
- 6.4 Council noted that Roy McEwan had been missed from the list of Council members with an interest although he had declared this appropriately. It was also noted that it was not necessary for the General Fund list of interest and the National Lottery Distribution Fund list to be identical.

6.5 With regard to the report from the Auditors, the Head of Funding and Resources advised that the headings under the risk register would be revised to make them more informative and readable.

6.6 Council **approved** the Annual Accounts for the General Fund, **approved** the Annual Accounts for the National Lottery Distribution Fund and **noted** the Report to Members.

7. Any Other Business and Question Time

7.1 There was no other business. The acting chair raised concerns about audience figures, particularly those for the recent Scottish Ballet performances. Louise Mitchell mentioned recent RSNO concerts which had been hugely successful with their timing of the concerts and tickets prices being competitive.

Irene Watson
PA to Director
November 2004