



Scottish Arts Council
30 November 2004

CFO Review Summary

1 Introduction

- 1.1 Two years ago we undertook a review of our Core Funded Organisations, aiming to put the majority on a three year funding status and so reducing process for client and staff alike.
- 1.2 Some organisations were awarded only one or two year funding status. This was often simply to allow closer monitoring of organisations which were going through changing situations, such as capital developments. In some cases, particularly in the Drama Department, there were concerns regarding artistic quality and a consideration of the portfolio of organisations for example in relation to work for children and young people.
- 1.3 These organisations have been reviewed again over the autumn, and the majority are recommended for continuation. The Committee and Officer recommendations for these CFOs outlined in Annex A.
- 1.4 Two organisations have given continued cause for concern and Council are asked to discuss and make final recommendations from the options outlined in Annex B.

2 Recommendation

- 2.1 Council are asked to approve the Committee and Officer recommendations for the CFOs outlined in Annex A and to discuss and make final recommendations from the options outlined in Annex B.

Jim Tough
Head of Arts
November 2004

**Reviews of Core Funded Organisations
Departmental Summaries and Recommendations**

Area Development Department

Introduction

The Area Development Department currently has 8 core funded organisations which fulfil a strategic geographic role either as arts centres and festivals (Eden Court Theatre (Inverness), Highland Festival, An Tobar (Mull) and An Lanntair (Stornoway) and the Lemon Tree (Aberdeen) or as regional development agencies (HI-Arts, Shetland Arts Trust, Dumfries and Galloway Arts Association). Of these, all were given three year funding that extends from 2003/04 to 2005/06 with the exception of Dumfries and Galloway Arts Association.

CFO Reviews

The Area Development Department undertook a review of Dumfries and Galloway Arts Association (DGAA) in September 2004 as it had received one year funding for 2004/05, pending the development of an Advancement proposal. The Advancement process which is still being developed and which involves a merger between DGAA and DGC Council arts service, together with the development of our 20:20 vision, will enable us to explore further options for how the arts can best be supported in Dumfries and Galloway in the long term.

Summary recommendations

DGAA (£103,000)

The organisation has a very strong record in terms of delivering some excellent projects. It continues to be a very significant arts organisation in the area and it is recommended for continued core funding.

Key Issues

There have been some concerns that the organisation needs to align its approach more clearly to the wider plans for the area. A more coherent planning approach could result from the proposed merger between the organisation and Dumfries and Galloway Council.

Caroline Docherty
Head of Planning and Area Development
November 2004

**Reviews of Core Funded Organisations
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Audience Development

Introduction

There is one CFO in Audience Development at present, Arts and Business.

CFO Reviews

The Scottish Arts Council has funded Arts and Business on a project basis for several years. The one year funding status was simply to allow a review of the first year of CFO status which was awarded in 2003.

Summary recommendations

.Arts and Business (£47,500)

Recommended for continued core funding.

Key Issues

Several key issues for the arts sector were identified in the annual review meeting, and a presentation of these issues could be useful informing Council's strategic overview.

Fiona Sturgeon
Head of Advancement and Audience Development
November 2004

Reviews of Core Funded Organisations Departmental Summaries and Recommendations

Dance Department

Introduction

The Dance Department currently has 10 CFOs. This includes the performing companies; Scottish Ballet, Scottish Dance Theatre and X-Factor, the dance centres; Dance Base, National Centre for Dance and citymoves dancespace and two national development agencies; Scottish Youth Dance and Scottish Tradition of Dance Trust. The other three CFOs are cross arts organisations with a strong dance programme; Tramway, New Moves International and Edinburgh International Festival.

Of the current 10, all but seven were given three year funding that extends from 2003/04 to 2005/06. In 2003, New Moves International was put on a two year funding extending to 2005/06.

CFO Reviews

The Dance Department undertook one review during September 2004, Scottish Traditions of Dance Trust.

Tramway was also on one year funding and was reviewed in September 2004, but the Visual Arts Department led on this organisation as it was without a lead officer in the time period between the departure of the previous Head of Dance and my commencement in post. The recommendations for Tramway are included in the Visual Arts Department's paper.

Summary recommendations

Although Scottish Traditions of Dance Trust has not yet fully realised its potential, we believe that there is a definite role for the organisation in promoting and celebrating Scotland's dance traditions and as an umbrella agency able to promote and support a sector that is largely volunteer led. Our recommendation is that:

Core funding is maintained and given a 3% inflationary increase:	£30, 900
NCS Traditional Arts Funding, reduced by £10,000:	£45, 000
Total funding for 05/06:	£75, 900

This will give the dance department an increased budget of £25,000 to support other traditional dance projects.

Key Issues

Council is asked to note the need to stabilise the funding to Scottish Ballet at an appropriate level that ensures their ability to continue to build on the reputation it has secured for the quality of its work since the re-launch in 2003. (Including the recent TMA Award for Outstanding Achievement in Dance). It should be recognised that the national, high profile companies, Scottish Ballet and Scottish Dance Theatre are central to a strong and vibrant dance sector in Scotland

Anita Clark
Head of Dance
November 2004

Reviews of Core Funded Organisations Departmental Summaries and Recommendations

Drama Department

Introduction

Drama has 29 CFOs in 2004/05 including the National Theatre of Scotland, with a further two due to come on to Core Funding in 2006/07. These are Lung Ha's and Giant Productions both of which work in areas of special needs. Eight Drama CFOs were reviewed in September, due to the date on which they became CFOs, or because of concerns raised at the previous review. 7:84, Borderline and Suspect Culture fall into the latter group. These three companies had been advised that their funding would not be terminated for **budgetary** reasons. Committee recommendations are shown overleaf.

CFO Reviews

The reviews of Mull Theatre Company, Scottish Youth Theatre (SYT) and Theatre Babel and Suspect Culture were thought to be satisfactory, and should continue on Core Funding for two years.

Summary Recommendations

Mull Theatre (£)	Recommended for continued core funding
Scottish Youth Theatre (£)	Recommended for continued core funding
Suspect Culture (£)	Recommended for continued core funding
Theatre Babel	Recommended for continued core funding
Theatre Workshop (£)	Recommended for continued core funding
TOSG (£)	Recommended for continued core funding
7:84	To be discussed under Annex B

There is concern about Theatre Workshop's anticipated revenue deficit of some £60,000 by 31 March 2005. An offer of funding for two years should be subject to receipt of proposals to address the deficit. It was agreed that Theatre Workshop's support should be reviewed in 2005 under the 20:20 Arts Vision in light of its valuable strategic role.

Borderline has good attendance levels, but there are concerns about the quality of their work. Committee were advised of the good artistic and audience outcomes of the current tour, and agreed to recommend two-year funding, and that Officers should meet formally with the company every 6 months to review the quality of the work.

Committee was concerned about the past ability of the Board of TOSG to effectively manage the company and the lack of clear and rigorous planning and implementation for the company. Committee recommended one year funding in view of the concerns noted.

In addition to the CFOs under review, the Byre Theatre gives cause for concern about whether it is able to continue as a producing theatre within the core funding currently available. Committee agreed that officers enter into urgent discussions with officials of Fife Council about ways in which the Byre could be supported to continue as a producing theatre in the coming two financial years

Key Issues

Council is asked to note that the producing building based theatres, such as the Byre, are finding their production capacity has been diminished as a result of a number of external

factors. There funding is lower than similar theatres in England. Research into such comparisons and the relevant funding, artistic, and demographic contexts is recommended.

David Taylor
Head of Drama
November 2004

Reviews of Core Funded Organisations Departmental Summaries and Recommendations

Literature Department

Introduction

The Literature Department currently supports 10 Core Funded Organisations. All of these organisations have a national remit and programme of activities. With the exception of the two national language organisations (Scottish Language Dictionaries and Scots Language Resource Centre), all are central to the membership and remit of the Literature Forum for Scotland.

CFO Reviews

In September 2004 reviews were undertaken of the following four Core Funded Organisations which are currently on a two-year Funding Agreement ending in March 2005:

- The Association for Scottish Literary Studies
- The Gaelic Books Council
- Scottish Book Trust
- Scottish Language Dictionaries

All four organisations, as part of the national infrastructure of Literature organisations, are performing to a very high standard, have made considerable achievements in the past two years, and demonstrate evidence of growth and development, within limited resources.

Summary recommendations

The Association for Scottish Literary Studies (£39,717)

Notable successes in the publishing and conferences programme, and in development of international work. Continued funding at the level previously agreed is recommended.

The Gaelic Books Council (£156,127)

Substantial progress in the current year under a highly conscientious Chair, Board, and staff, with some targets exceeded, notably the new *Ur-Sgeul* Gaelic fiction imprint. Continued funding at the level previously agreed is recommended.

Scottish Book Trust (£150,359)

Profile and dynamism of organisation has increased sharply under new CEO and impact of new building, and is run with ambition and energy. Continued funding at the level previously agreed is recommended.

Scottish Language Dictionaries (£93,488)

Organisation has advanced considerably in fields of outreach and electronic publishing, with major achievements of the online Dictionary of the Scots Language and the Scuilwab. Continued funding at the level previously agreed is recommended.

Key Issues

Committee is asked to note, in general, the strategic long-term need to continue the consolidation of the infrastructure of National Literature Organisations in the context of the continued sustained and coherent growth of Literature in Scotland.

Committee is asked to note, in particular, the issues raised in relation to the funding gap faced by Scottish Language Dictionaries in 2005/06, and concerns raised by Specialist Advisors viz-à-viz the organisation's status within the culture portfolio as the leading national lexicographical body with a remit central to education.

Dr Gavin Wallace
Head of Literature
18 November 2004

Reviews of Core Funded Organisations Departmental Summaries and Recommendations

Music Department

Introduction

Music Department currently has 19 CFOs, including three national companies (Scottish Opera, RSNO and SCO). During the CFO review that preceded the 2003/04 budget, the Music Department had stood down another 4 organisations that previously enjoyed CFO status.

Of the current 19, all but five were given three year funding that extends from 2003/04 to 2005/06.

Music department is also to take on Proiseact nan Ealan as an additional CFO from 2005/06 but this is currently being transferred from Area Development and not under review this year.

CFO Reviews

Music Department undertook four reviews during September 2004. The four CFOs reviewed were those which had received two year funding from 2003/04, namely:

- Theatre Cryptic
- Royal Scottish National Orchestra (RSNO)
- Paragon Ensemble
- Scottish Music Centre (SMC)

One other CFO, Glasgow International Jazz Festival, had been given one-year funding for 2004/05 with the agreement that it would undergo a major review (with SAC in conjunction with Glasgow City Council) during 2004/05. This process, delayed by various factors, has still to take place.

The detailed assessment papers containing conclusions of each review meeting and the recommendations on each CFO have been studied by Performing Arts Committee.

Summary recommendations

Theatre Cryptic £154,400 for 2005/06

Operating well and increasing activity, Theatre Cryptic is recommended for continued core funding.

Royal Scottish National Orchestra (RSNO) £2,877,231 for 2005/06

The orchestra has undergone significant and fundamental change through Advancement. The problem of an accumulated deficit and perceived shortfall of necessary funding should be addressed by the Scottish Arts Council and others in partnership with the RSNO. In the expectation that they will present a balanced budget for the year, the RSNO is recommended for continued core funding.

Scottish Music Centre (SMC) £126,433 for 2005/06

The Centre faces a fundamental challenge in moving to the new City Halls site. It should be required to focus on this top priority and to simultaneously redefine its aims, objectives and structure. It should produce a revised operational plan to deal with these and other issues.

SMC is recommended for core funding for 2005/06 subject to the production of a viable plan but its progress should be reviewed in detail in the autumn of 2005.

Paragon Ensemble_ £103,000 for 2005/06

The company is facing the short term difficulties caused by the resignation of its Artistic Director. It is recommended for core funding for 2005/06 on the grounds that it is committed to an artistic programme that it must carry out and that it is currently seeking entry to the full Advancement programme. The ensemble should be required to produce a revised business and artistic plan for 2005/06 in order to access the core and should be reviewed in detail in the autumn of 2005.

Glasgow International Jazz Festival £25,750 for 2005/06

It is recommended that funding for 2005/06 - as earmarked in the 2004/05 and 2005/06 Council budget paper of January 2004 – should be withheld, pending the outcome of the major review process in partnership with Glasgow City Council. Funding of for 2005/06 should be released and committed, subject to the outcome of the review, at the level earmarked but with no guarantee of continuation in 2006/07 at this stage. The company should then be reviewed closely in autumn 2005 to ascertain CFO status.

Key Issues

CFO portfolio of Music is a historically assembled mix of large scale and chamber classical music performing companies, traditional arts education organisations, youth music companies, classical music umbrella organisations, two festivals (jazz and classical) , a jazz promoter, a mixed media company and a service organisation. Most have a distinctly national role, although a small number of them might eventually be devolve-able to other locally based funders if the appropriate assurances were to be put in place.

This mix of CFOs has been accumulated through the historical development of Arts Council funding. However valuable, music CFOs clearly do not reflect the full reality of the music sector nor the extent of the realistic needs of various areas of music development.

The major classical companies (RSNO, SCO, Scottish Opera) dominate the budget and distort the perception of the potential and financial needs of other areas of music.

There are adjustments that may need to be done in some of the CFO core funding levels. The position of the RSNO, as noted above, requires consideration; and in future the needs of an information and promotional resource, through SMC or an altered structure, will undoubtedly require more funding to serve the public and the music industry more effectively.

But in general the Music department will wish in future to prioritise an increase in flexible, project-based funds to pursue the strategy of developing the 'level playing field' of provision throughout musical styles and areas of musical activity.

Chief amongst those priorities are the need for more support for a range of financially able and experienced promoters across Scotland; the very pressing need for project funds to support creative groups/performers of all kinds (which are currently facing decline) to bring fresh programmes and new music to audiences through those promoters ; and the need to extend and strengthen touring (to the mutual benefit of audiences, promoters and artists) on a national level through TuneUp and other smaller touring initiatives.

Nod Knowles
Head of Music
November 2004

Reviews of Core Funded Organisations Departmental Summaries and Recommendations

Visual Arts Department

Introduction

The Visual Arts Department currently manages a portfolio of 28 core funded organisations. During the CFO review in 2003/04 a number of organisations were awarded one and two year funding. This was due to the particular development needs of these organisations, several of whom were involved in capital projects, transitional working and / or advancement.

CFO reviews

Visual Arts Department therefore undertook 16 reviews during September and October 2004.

An Tuireann, Skye	2 year funding
Artlink Central, Stirling	1 year funding
Crawford Arts Centre, St Andrews	1 year funding
Edinburgh Sculpture Workshop	2 year funding
Edinburgh Print Workshop	2 year funding
Glasgow Print Studio	1 year funding
Glasgow Sculpture Studios	1 year funding
The Modern Institute, Glasgow	2 year funding
New Media Scotland	1 year funding
Peacock Visual Arts, Aberdeen	1 year funding
Portfolio Magazine	2 year funding
SSW, Lumsden	1 year funding
Stills, Edinburgh	1 year funding
Transmission, Glasgow	2 year funding
Talbot Rice Gallery, Edinburgh	1 year funding
Tramway, Glasgow	1 year funding

Summary recommendations

An Tuireann £96,000

Continue to support artists and audiences well and strategically important within overall visual arts infrastructure, recommended for continued core funding.

Artlink Central £25,000

Consolidating activity and developing more strategic approach to programme with good partnership support, recommended for continued core funding.

Crawford Arts Centre £48,175

Developments in programme, education and audience development have been significant. A newly identified opportunity to work more closely with Fife Council and to develop a strategic role in relation to Fife wide provision offers good potential. Having been on notice during 2004/05 it is now recommended that Crawford continue to receive core funding.

Edinburgh Print Workshop £110,000

Achieving excellence across programme, audience and sales development and recommended for continued core funding.

Edinburgh Sculpture Workshop £75,000

Continues to provide a excellent resource for artists and clear sighted plans for capital development, therefore recommended for continued core funding.

Glasgow Print Studio £100,000

Good resource for artists and excellent work in education and recommended for continued core funding.

Glasgow Sculpture Studios £55,000

Excellent resource for artists and development in education afforded by move to the Briggait, recommended for continued core funding.

The Modern Institute, Glasgow £50,000

Significant achievements in the promotion of artists' work internationally and strong profile with museums and collectors world wide. Recommended for continued core funding.

New Media Scotland £60,000

Strategically important and high quality across programme but issues around operational effectiveness and forward plan suggest a need to review funding status and therefore this organisation is not recommended for continued core funding. Discussed further in Annex B.

Peacock Visual Arts, Aberdeen £150,000

Excellence in programme, education and audience development with focus on strategic development that will enhance visual arts provision in the city. Recommended for continued core funding.

Portfolio Magazine £60,000

Have achieved significant increases in sales, distribution and advertising revenues while maintaining a clear commitment to excellence. Recommended for continued core funding.

SSW £70,000

Successful restructuring through Advancement and good pilot programme, therefore recommended for continued core funding.

Stills £110,000

Successful relaunch with significant developments in education and audience evelopment and renewed support to artists. Recommended for continued core funding.

Transmission £62,000

Ambitious programme and excellent support to emerging artists and placing work in an international arena. Recommended for continued core funding.

Talbot Rice Gallery

£55,500

Restructuring in light of retiral of Director has opened up possibilities for enhanced support from the University and a renewed focus on programme, education and audience development. Three year plan in progress and recommended for continued core funding.

Tramway £192,000

Revised plan in light of Bonnar Keenlyside review of operations and renewed commitment to international position. Tramway business plan will operate independently of any development of the building in relation to Scottish Ballet's proposed relocation Anticipated developments in staffing and allocation of a higher proportion of resources to programme are welcome. Recommended for continued core funding.

Key issues

Exhibition reports undertaken by external advisors highlights excellent to good standards of programming across these organisations.

Demand for education and outreach activity is significantly increased across those organisations that offer such programmes.

Audience development is a priority for many organisations with demand for additional esourcing to support this area.

Resources for programming are extremely pressured, with several organisations having limited core funds for this activity.

Issues of physical access and compliance with DDA need to be addressed by several organisations.

Amanda Catto
Head of Visual Arts
November 2004

CFOs for Further Consideration

New Media Scotland

Strategically, we have invested in NMS as a means to support the development of new media activity in Scotland, and in 2003/04 increased support (£60k total grant) to enable the organisation to clarify and consolidate its position and ensure maximum benefit to audiences and artists. We noted in the review process at that point that the subsequent year would be considered to be critical in addressing key development issues, and that progress on achieving agreed targets would be the basis of a decision regarding future funding status.

In the event New Media Scotland has had a challenging year/ 18 months. While issues of governance, structures and procedures are beginning to be addressed through the appointment of an Administrative Director the organisation recently lost its Artistic Director.

The organisations' mission and ability to deliver have been undermined by recent developments and it is unfortunate that progress on Board development / governance issues appears to have triggered a tension in the staff team.

Artistic programming must be at the heart of New Media Scotland and plans for addressing the current staffing situation are being developed with a view to the Scottish Arts Council being advised of immediate actions. In medium to longer term the Board is committed to reviewing its forward plan and consulting key stakeholders, artists and arts organisations on priorities for the future.

While there is still good potential for New Media Scotland to deliver a programme that will support artists and develop audiences for this area of practice there are elements of forward planning and operational effectiveness that need to be tested. It is crucial to maintain funding to the organisation during the coming year, when the revised artistic and operational plans will be implemented.

However, it is recommended that this funding **is on a project basis in 2005/06 with clear targets for delivery against plans**. This would send a strong signal about ongoing concerns while maintaining support for the development of new media practices.

7:84

There continue to be serious concerns about the poor quality of 7:84's work. (NB this does not refer to its outreach work.)

The Review indicated that the company was not meeting the Scottish Arts Council target relating to quality. Of the 13 evaluations received from officers and specialist advisors, 38% have been Good, 30% Competent and 30% Poor. These ratings are broadly reflected in press reviews. This is the first year of the tenure of the new Artistic Director.

The officer's summary report notes that;

There has been no substantial or convincing evidence provided through 7:84's current or previous applications, current or previous self-assessments, recent or previous review meetings that the company has significantly solidified or developed its artistic vision or is prepared to take on board any criticism of its productions. The company would argue that its overtly political nature makes it unique in Scotland and this in part means it should be supported. However, the issue is not whether SAC should prioritise political theatre, but whether it should support 7:84 specifically.

Managerially 7:84 has addressed most of the issues that were created or exacerbated by the period with no artistic director. Its relationships with some venues/promoters are a concern, but could be addressed. Its outreach work continues to be in demand and is of good quality.

However, given the poor quality of its work support for the company does not represent either value for money or best use of public money.

Strongly do not recommend funding.

Meanwhile the company's attendance figures are good, and provide popular work that venues are keen to programme. 7:84 would also argue that it fulfils a unique role as Scotland's only political theatre company.

7:84 achieves significant attendance levels and participation, as well as covering large parts of the country in areas where there are no Drama CFOs. They are funded primarily to tour and the participatory activity might be seen as a by-product of the professional touring activity. It should also be noted that other core-funded, and project –funded companies also tour widely. The **table in section 2.?** shows the relative attendances levels of the producing theatre companies under review in this round. The officers' reports on 7:84 point out that the prime reason for SAC funding of these companies is touring (i.e. "audiences").

It is increasingly difficult to argue for continued funding on the basis of quality alone, especially when taking into account the financial constraint in relation to offering secure funding to "newer" companies such as Grid Iron and Vanishing Point which are producing work of high quality that is innovative and socially relevant. In Grid Iron's case it has been in existence for 9 years and has subsisted on project funding.

Other issues that should be taken into account are the longevity of the company and the strength of its brand. Experience in touring is also a factor, although there is some evidence that 7:84's relationships with some venues are not as strong as they might be.

In considering the issues of quality in respect to 7:84, alongside their attendance levels, the tension between numerical success and artistic lack of excellence is thrown into profile.

More broadly, the discussion of these issues at committee raised a number of themes;

The need for the Scottish Arts Council to be confident and assertive in making the case for high artistic standards.

The officer's recommendation is very strongly expressed.

We need to take into account the "opportunity cost" continued funding to the current raft of funded companies has on developing and emerging companies.

How does Council see the balance between matters of quality and audience figures?

Are we confident that the case has been clearly made and is supportable under the intense and highly public scrutiny that withdrawal of funding would generate?

Has the call for high artistic standards been applied evenly across all CFOs?

Is this a case of an ebb in their artistic cycle, and the strength of the brand suggest that we should continue to support them through this phase?

The Performing Arts Committee agreed the third of the three options outlined below;

That 7;84 are funded on a project basis with funding guaranteed until end of May 2006. Their funding after that period will be addressed in the 20:20 Arts Vision review next summer, with a decision made in November 2005. This would be accompanied by a strongly worded statement about the issues of artistic quality which must be addressed during that review period.

That we do not recommend funding beyond the current commitment of end of March 2005.

That we continue on CFO status for 2005/06 and they are reviewed along with all other CFOs during 2005 as part of the 20:20 Arts Vision process. This could result in their receiving only 5 months notice of the ending of core funding- that is a decision might be made in late November 2005 that funding would end at 31 March 2005. This would be accompanied by a strongly worded statement about the issues of artistic quality which must be addressed during that review period.

Council is invited to discuss this issue and to decide from amongst these options.