



**Council
Minute of the Meeting Held
on 30 November 2004 at 10 am
in the Meeting Room, Manor Place**

Present:

Dale Idiens Acting Chair
Joanna Baker
Arthur Cormack
Bob Downes
Steve Grimmond
Jennifer Hawksworth
Louise Mitchell
John Scott Moncrieff
John Mulgrew
Roy McEwan
Ben Twist

Visitors:

Gill Hedley, Contemporary Arts Society
Simon Cunningham, Scott Moncrieff
Chris Brown, Scott Moncrieff
Morag Arnot, Director of Planning and Communications designate

Staff in Attendance

Graham Berry Director
Jim Tough Head of Arts
Liz Sams Head of Funding and Resources
Helen Bennett Head of Crafts
Amanda Catto Head of Visual Arts
Caroline Docherty Head of Planning and Area Development
Sylvia Dow Head of Education
Nod Knowles Head of Music
David Taylor Head of Drama
Iain Munro Head of Capital
Fiona Sturgeon Head of Audience and Organisational Development
Jenny Attala Literature Officer
Michelle Jordan Senior Communications Officer
Pat Hymers Executive Manager
Sandy Blair Project Officer (for item 4)
Carol Warner Arts Development (for item 10)
Irene Watson PA to Director (Minutes)

1. Apologies for Absence and Declaration of Interest

1.1 Apologies were received from Arthur Herman and Liz Cameron

1.2 Louise Mitchell declared an interest with regard to the Scottish Music Centre, Joanna Baker with regard to Scottish International Festival and Arthur Cormack for Eden Court.

2. Minutes of Meeting held on 28 September 2004 (S/C04m5)

2.1 The Minutes of the meeting held on 28 September 2004 were approved as a correct record.

Proposed: Ben Twist
Seconded: Louise Mitchell

3. Council and Committee Programme for 2005-2007 (S/C04m6p1)

3.1 To address the concerns raised by Council about clarifying its role, amendments to the working pattern of Council and the Business Committee were proposed. Council welcomed the introduction of small working groups, noting that two had already been established; Planning and Scottish Opera monitoring. It was agreed that Council should approve remits for such groups and receive progress reports.

Action: Executive Manager

3.2 The Director advised that apart from the schedule of formal meetings there would be a number of dates scheduled for informal meetings. He also asked for Council's comments on having meetings in the Manor Place meeting room.

Action: Council

3.3 Council noted difficulties in achieving quorums for the business and audit committees and whilst an audit committee was a requirement this was not the case for the business committee. Council **agreed** that business matters should now be discussed by the full Council. However members asked that sufficient time was made available to fully discuss issues which may, on occasions, result in longer meetings.

Action: Executive Manager

3.4 The Director advised that due to the timetable for laying Annual Accounts at both the Scottish Parliament and Westminster it might not be possible to bring them to a full meeting of Council; if so he would convene a small group of Council members to review the final accounts.

3.5 In response to a question from Bob Downes about Council, the Director explained that it was set up by Royal Charter and there were no definitive guidelines. However, he said that Council should act in a similar way to a board of directors of a company and consider corporate issues such as finance, planning and overall policy as well as monitoring and implementation of decisions. The Executive Manager advised that the Management Statement prepared by the Scottish Executive was currently being updated. This document outlines the role of Council from the point of view of the Scottish Executive and he would ensure that Council received a copy when the new version was available.

Action: Executive Manager

- 3.6 Council **agreed** to the amendment to the schedule of dates with the next Council meeting being held in February 2005 rather than January 2005.
- 3.7 The Executive Manager advised that he would be organising a Council Away Day in April. He was investigating courses on governance and the role of boards and felt it would be useful given we would have a new chair and some new members.
- 3.8 Council **noted** the proposed programme of meetings for 2006-2007.
- 3.9 Joanna Baker raised her concerns about the poor attendance at the recent Performing Arts Committee. The Director explained that the new committee structure had been in place just over one year and a brief to review the system was currently being finalised. The use of specialist advisers would also be reviewed. Council would be informed of the outcome of the review.
- 3.10 John Mulgrew suggested that the education and young people agenda should be viewed as a corporate responsibility. Ben Twist said that these cross-cutting themes were high on the agenda when discussed at the Capital Committee. The need for a stand-alone committee was not felt desirable and Council was aware that a very ambitious education strategy had been adopted which had been informed by an education forum established by Council.
- 3.11 John Mulgrew stressed that education and young people was such a significant theme and it would be useful to have a breakdown of the budgets going to education and young people. Head of Arts explained that they were currently looking at how to reflect the corporate aims in the budgets.
- 3.12 Joanna Baker commented that artform strategies underpin our programme and they should be in the front of our minds and strategies are essential to what we are doing and are regularly reviewed by Council as well as Committees.
- 4. Capital Committee recommendations – Eden Court (S/C04m6p2)**
- 4.1 Arthur Cormack declared an interest in Eden Court and left the meeting for this discussion.
- 4.2 Prior to discussing Eden Court, Ben Twist, Chair of the Capital Committee reported on decisions taken by the Committee under delegated authority. These included awards to Langholm Village Hall and public art in the Cairngorms as part of landscaping of a car park. He also mentioned the project at An Lanntair in Stornoway and commented on the close working relationship between the Capital and Area Development departments to ensure that this project progressed successfully. A report on public art work has identified that investment in this could lever activity in using other people's budgets, eg roads. Artistic ideas, imagination and creativity could be built into a project at an early stage and he advised that the Capital department would be investing money in public art in the future.
- 4.3 Council was informed that the application from Eden Court was exemplary and the team leading the project was excellent. The Chair of Capital Committee stressed that this project was a long term investment and he highly recommended its

approval. Louise Mitchell questioned whether there was a likelihood of the project requiring further funding in the future, but the Chair of Capital Committee said that the committee had strongly interrogated the team on its business plan and he had every confidence in their ability to deliver. He was as confident as he could be as the Capital committee had been extremely tough with their questioning.

- 4.4 Steve Grimmond asked about risks in raising other funding and potential comeback to the Council. He was informed that Capital Committee had challenged the team on this and were confident that other funding would be forthcoming. The Head of Capital confirmed the current status of the partnership funding.
- 4.5 John Scott Moncrieff drew attention to the fact that the existing theatre was only 30 years old yet needed so much money spent on it. He raised concerns about other buildings requiring funding which potentially would not be able to obtain it as this may well be one of the last major project.
- 4.6 The Chair of Capital agreed that the potential loss of capital funding was worrying and stressed that the Scottish Executive should be aware of this issue.
- 4.7 Council **approved** the recommendation from the Capital Committee to award Eden Court theatre a capital grant of £2,305,000.

5. Funding of Core Funded Organisations for 2005/06 (S/C04m6p3)

- 5.1 The Director advised that formal written notification of our grant for the next three years was still to be received. The Corporate Plan was in place and the national network or the 20:20 vision would be in place by 2007. We would be reviewing all the activity we fund. Until we reached that point the Director said that all CFOs should be treated consistently. What we do in the long term depended on the Cultural Commission and budgeting and planning had to continue.
- 5.2 Council acknowledged that applying an inflationary increase was technically correct but could be interpreted as being weak. They questioned whether it was wise in light of the efficiency savings required by government. The Director advised that these savings would be from the Scottish Arts Council's own operating costs. He outlined the efficiency savings made during the last few years advising that an analysis of our costs and trends was being made.
- 5.3 The Director explained that we could withdraw grant from an organisation if it was in breach of its funding agreement or conditions of grant, but we needed to ensure that if Council had a desire to change priorities for support it was important to apply the same criteria across the organisation. We were not in a position to do that at the moment. He added that Council would be fully involved in deciding criteria.
- 5.4 Council noted that work over the next twelve months would determine future priorities for funding with the aim of implementing any agreed change from March 2007. The Director stressed the need to make properly informed judgements. Council felt frustrated that we could not move any faster but understood the

reasons although concerns were raised that we may be funding “bad art” for a longer period.

- 5.5 The Director said that Council would establish the criteria but pointed out that if we set the barriers high we would have to fund them at an appropriate level. This could result in the need to remove funding from a large number of organisations, a nettle that in the past Council had been reluctant to grasp.
- 5.6 Head of Arts commented that it wasn't just organisations underperforming, they were under-resourced.
- 5.7 The Director stressed that a strategic direction was required with criteria to support it and a clear communications strategy. The Acting Chair acknowledged that some members of Council would like to move quickly but she drew attention to the amount of work currently being undertaken for the commission and the review would be a major piece of work.
- 5.8 John Mulgrew commented that a 2.6% allocation had been given to the Council from the Scottish Executive and should be passed on to CFOs. He would like a brief paper looking at CFOs and criteria available at the next meeting to aid structured discussions.

Action: Director

- 5.9 Council **agreed** to approve the inflationary increases to all core funded organisations for the year 2005/06 and 2006/07 of 2.59%.
- 5.10 It was noted that discussion on the next stage of funding priority would be considered at the next meeting.

6. Review of Core Funded Organisations (S/C04m6p4)

- 6.1 Head of Arts thanked Committee Members and colleagues for their work in reviewing organisations adding that a lot of responsibility fell on a few which should be acknowledged.
- 6.2 Council noted that the proposals outlined covered the period to March 2007. In Annex B item 2.10, 3rd bullet point, the date should be 31 March 2006, not 2005.
- 6.3 Head of Arts drew attention to the proposals for New Media Scotland and 7:84 theatre company.
- 6.4 The Chair of Performing Arts explained the reason for the Committee's recommendation regarding 7:84 which went against the Officer's report.
- 6.5 Council raised concerns about the recommendation as there was a clear proposal in the officer's report to withdraw funding, particularly as it did not articulate the reason for going against the officer's report.
- 6.6 There was much discussion on the criteria used to assess organisations and the lack of weighting attached to elements of the criteria. There was acknowledgement that artistic quality was of high importance, but the company

also had large audiences and a great deal of loyal supporters. Council considered that the company had been warned on a number of occasions about the quality of their productions. The Director drew attention to the number of evaluations and the ratings given and drew attention to the relatively low proportion (30%) which had been considered poor and he questioned whether this was enough to withdraw funding from a company which had been supported for many years.

- 6.7 Council noted that the company had a new artistic director and there was an argument that he should be allowed to be judged on more than the one full production with which he has been involved to date.
- 6.8 After much debate Council **agreed** to the Performing Arts Committee recommendation to continue 7:84 on CFO status for one year and for them to be reviewed during 2005 as part of the 20:20 arts vision process. This would be accompanied by a strongly worded statement about issues of artistic quality which must be addressed during this review period.
- 6.9 It was suggested to Council that it would be worthwhile for members to attend performances by 7:84 and other companies whenever possible.
- 6.10 Council discussed the proposal to change the funding status of New Media Scotland to project funding from core funding with clear targets for delivery against plans. However, Council considered that in view of the decision reached on 7:84 theatre company it would not be consistent to change the status of another organisation at this stage of the process in advance of the 20:20 arts vision.
- 6.11 After some debate Council **agreed** that New Media Scotland should remain as a core funded organisation and would be reviewed along with others companies as agreed.
- 6.12 Ben Twist raised concerns about audience figures for Theatre Workshop, Theatre Cryptic and Stellar Quines, although the latter was not under review. Council noted that the Performing Arts Committee had been aware that Theatre Cryptic would be reviewing its marketing, Theatre Workshop had a very strategic role and had undergone a major review in recent years and the figures quoted in the annual report for Stellar Quines were for its first year as a CFO and its audiences were increasing.
- 6.13 Council **approved** the Committees and Officers recommendations for all the organisations outlined in Annex A of the paper.

7. Distribution of Core Funded Organisations (S/C04m6p5 and S/C04m6p6)

- 7.1 Council raised concerns that members were being asked to note budget allocations for a total amount of £1.2million. Jennifer Hawksworth had understood from discussion at the last meeting that Council would be making the decisions with a substantial level of detail available to allow them to do this, particularly given their concerns over a similar process last year. Council noted that the exercise this year was different.

- 7.2 Head of Funding and Resources advised that the budgets came within the authority level for Group Heads to make decisions. Authority levels could be reviewed by Council again if members wished. The consensus of opinion was that Council would like to agree criteria for making decisions on unallocated funds, but members agreed that Officers should make the decisions.

Action: Head of Funding and Resources

- 7.3 John Mulgrew was disappointed at what appeared to be a low allocation going to education and suggested that more should have been diverted to this area. It was pointed out that education work was being undertaken by many organisations.
- 7.4 Council **noted** the budget allocations from unallocated monies of £428k and from reserves of £800k.

8. Corporate Planning Report – Strategic Options (S/C04m6p7)

- 8.1 Head of Planning and Area Development introduced her paper and explained the two options outlined. Council unanimously **agreed** that option 1 was their preferred one to move the process forward. Details are:
- Maintain our existing 5 year Plan (2004 – 2009) as the framework to 2009 (subject to agreement with the Scottish Executive)
 - Publish a one year Business Plan (2005-06) in March/April 2005 with a detailed budget for 2005-06
 - Agree two year funding to the portfolio of core funded organisations (approved by Council on 30 November) to provide them with a planning framework to 31 March 2007
 - Delay finalising project budgets for 2006-07 until November 2005.

9. Internet Banking (S/C04m6p8)

- 9.1 Council **agreed** to the proposal to update our banking software.
Proposed: Ben Twist
Seconded: Arthur Cormack

10. Update on Cultural Commission (S/C04m6p9)

- 10.1 Head of Arts circulated a copy of a letter received that morning from the Cultural Commission setting out the areas they wanted the focus on for the next stage of submissions. He advised that whilst the Scottish Arts Council would be responding to the recent list of questions, we would continue to set our own agenda. Council noted that the response date had been extended to 14 January.
- 10.2 Head of Arts outlined the themes which would be developed at the workshop on the afternoon of 7 December which some Council and Committee members had indicated they would attend. Comments on the themes would be welcomed from members who were unable to attend.

11. International Strategy (S/C04m6p10)

- 11.1 Council noted the paper from the Head of International Arts, who was unable to attend the meeting. In her absence the Director invited Council members to be involved in the development of the International Arts Strategy a draft of which would be brought to Council at its next meeting. Roy McEwan, Ben Twist, John Mulgrew and Arthur Cormack expressed an interest.

Action: Head of International Arts

12. Report on National Collection Scheme for Scotland (S/C04m6p11)

- 12.1 The Acting Chair introduced Gill Hedley from the Contemporary Arts Society who gave Council the background and update on the National Collecting Scheme for Scotland. Council heard how new work was commissioned by the collection scheme and that the curators from the six galleries involved in Scotland met on a regular basis to discuss future plans. As a group they also take part in travel programmes. Council noted there would be a showcase at the Talbot Rice Gallery from 22 January – 12 March 2005.
- 12.2 Council agreed that there was merit in considering the future development of the National Collecting Scheme for Scotland.
- 12.3 It was agreed that the area of contemporary collecting should be given a high profile within the Council's next submission to the Cultural Commission and the model of cultural partnership that it represented held up as a good model for future working.
- 12.4 In addition it was agreed that an approach to the Scottish Executive for additional support should also be explored further, particularly on the occasion of any fallback monies being made available to the Council towards the end of the financial year.

Steve Grimmond and Louise Mitchell left the meeting at 1pm.

13. Risk Management

- 13.1 The Acting Chair welcomed Simon Cunningham and Chris Brown from Scott-Moncrieff, internal auditors, who gave a presentation to Council on Risk.
- 13.2 Council was informed on the current position with the risk register which should be a management and governance tool. They asked Council to think about risks in relation to the key aims and objectives of the Council, explaining why risk management would help enhance the achievement of our aims and objectives. Council was asked to consider what success would look like by December 2005, in 2007 and 2010 and beyond.
- 13.3 Members of Council had been invited to attend a Risk Forum on the morning of 7 December to discuss this issue further. Council would be asked to adopt a Council Risk Register at its February meeting.

14. Council Report (S/C04m6p12)

14.1 Council **noted** the Council Report.

15. Progress on Action Points (S/C04m6p13)

15.1 Council **noted** the progress on Action Points.

16. Any Other Business

16.1 The Acting Chair reminded Council that Sylvia Dow, Head of Education was retiring and they were invited to the staff party for her at 4.30 on 13 December in Manor Place as well as the event in the Traverse.

16.2 The Director advised that Hospitalfields, the artists' retreat in Perthshire, had asked the Scottish Arts Council to nominate a person for their board. This nomination has to be approved by Council and members **agreed** to the nomination of Paul Harris of Abertay University. The Director will advise Hospitalfields.

Action: Director

16.3 Joanna Baker requested that a question and answer session be included on the agenda for the end of both public and private meetings.

Action: Executive Manager

Irene Watson
19 December 1004