

Culture, Tourism, Europe and External Relations Committee

Creative Scotland – Regular Funding 2018-21

Written submission from Capital Theatres

Background

I write on behalf of Capital Theatres, formerly Festival City Theatres Trust, the charity which operates the Festival Theatre, King's Theatre and The Studio in Edinburgh. We are one of the largest performing arts organisations in Scotland, employing over 200 staff and with a turnover of over £13m. In 2018/2019 we will stage over 600 performances, playing to over 470,000 customers. We also have an extensive learning and participation programme interacting with audiences in communities both in our venues and across Edinburgh and the surrounding area. In recent years we have been at the forefront of delivering relaxed performances for children with special needs and working with people living with dementia. We have been in receipt of RFO funding over the last three years but were unsuccessful in the recent round despite being recommended by the assessors for an increase from £105,000 per annum to £150,000 per annum.

The process of applying for Regular Funding for 2018-2021 period

We found the process of applying for RFO funding very time consuming and lengthy. We started with facilitated away-days with our Board and senior managers, and subsequently consulted with all our staff to ensure that our business plan and application was understood and supported by the whole organisation. Based on the outcomes, we wrote the application, addressing the objectives of Creative Scotland (CS). The whole process took approximately three months and involved a significant volume of work for four senior managers, before submission in the spring of 2017. There then followed a prolonged period of assessment and silence before a series of deadlines were missed by CS (due to uncertainty over their budgets) until January 2018.

This meant that we did not know if we had funding from April 2017 until the end of January, little more than two months from the year end. The lead time for programming our venues is around 9 to 12 months, so we were effectively programming without knowing if we would have CS support for our plans. RFO funding has helped us programme work into our venues that would not otherwise be commercially viable, in particular contemporary dance and drama productions.

We had a very positive assessment across all categories and were recommended for an increase in funding of almost 50%. Despite this, the CS senior team who took the ultimate decision decided that our funding should be withdrawn in its entirety.

This essentially meant that the whole process was meaningless and a waste of time. Rather than being based on the criteria identified in the invitation to apply, it was in fact measured in some opaque way by an anonymous team of CS officials.

The application process cost our organisation a significant sum in terms of the time spent by senior managers and the Board. The delay in decision making led to a drop in productivity across the sector as companies awaited the outcome of CS's deliberations.

The importance of Regular Funding to our organisation

Although RFO funding is a relatively small element of our total budget, it has allowed us to programme work across our main venues that would not otherwise be commercially viable. This includes bringing international dance companies to the Festival Theatre and exciting drama productions to the King's.

It has allowed us to take a chance on certain companies and present work from Scotland's producing theatres such as the *Citizens*, *Dundee Rep* and the *Tron*, as well as supporting the work of non-building based companies such as *Rapture Theatre* and *Birds of Paradise*. We have also been able to assist smaller companies in the development of new work through the provision of space and guaranteed fees.

The loss of RFO funding may, over time, drive our organisation in a more commercial direction as it will be harder to justify paying guarantees to visiting companies. Some guaranteed fees are likely to be replaced by box office splits which will increase risk to companies who visit our venues. It will also limit the learning and participation work that we undertake with diverse communities across Edinburgh.

The Challenge that Creative Scotland faces in allocating funding when applications exceed available funds

The allocation of funding will always be a difficult process when demand exceeds supply. However, by ignoring the recommendations of assessors and resorting to opaque measures used by the senior team, the application process is rendered meaningless. We have been measured against unknown criteria and told that we could deliver our programme through commercial means. Many other organisations have had a similar experience.

Applications should be assessed, and funds awarded, against the criteria set out. Funding decisions should be clearly articulated and defended.

The reversal of some of the initial RFO decisions, following pressure from companies and intervention by Government, undermines the funding process, breaks down the arm's length status and drives a wedge between CS and companies with whom they previously had positive and constructive relationships.

The executive of CS needs to make carefully considered decisions and then be prepared to defend them when companies are unsuccessful. The Chair and Board of CS need to stand behind the executive when they face criticism. There will inevitably be anger and disappointment, leading to pressure for change which requires a united and cogent response supporting CS's position. Previous rounds of RFO and longer term funding models have always fostered debate and that was only to be expected again on this occasion.

Demand will always outstrip available funds and CS must be organised and prepared to defend its decisions and policy.

The Challenges the CS faces in supporting individual artists and organisations from different areas of the arts

The arts in Scotland are flourishing with many new organisations being set up and, in this climate, demand will always be high and likely to be more than can be supported. The range of art forms being considered in the RFO process makes assessment and allocation of funding very difficult.

The extent to which RFO funding supports the arts and creative organisations throughout Scotland

The RFO funded organisations are at the heart of the creation of work in Scotland, therefore the funding choices made by CS are vitally important. The RFO companies should reflect the culture and values of the country – they are the essence of who we are as a nation.

Without RFO funding many of these companies are unable to function and therefore the decision-making process affects individuals and their families across Scotland.

Clarity and transparency in the decision-making process is therefore essential.

The Impact on other funding streams

RFO recognition confers a status of quality that can influence other funders and philanthropists, using it as a gauge and reassurance that supporting such companies will ensure their grants or donations will be spent wisely by well governed and managed organisations.

In some cases the withdrawal of RFO funding will lead to a loss of other funding.

Other Issues

The timing of the RFO process meant that RFO organisations and new applicants were held in a state of limbo for around 10 months during the decision-making process. This led to a drop in productivity across the sector as projects were put on hold pending decisions.

A change to a similar cycle to that used in England would resolve this issue and mean that there would be no need to pay transitional funding, much of which will be used to underwrite redundancies or wind up companies.

The RFO funding process could be moved to a four year cycle, with indicative decisions being given 12 months before its end, subject to final agreement within a +/-10% band.

This would avoid the need for transitional funding and allow companies to plan on realistic timescales.