

Culture, Tourism, Europe and External Relations Committee

Creative Scotland – Regular Funding 2018-21

Written submission from Katrina M. Brown

Background

The following notes are provided in response to the Committee's call for views, and were prepared based on my experience as Director of an RFO funded organisation (2015-18 and 2018-21), also a board member of another company that was unsuccessful in its application (Fire Exit). I am also a member of SCAN (Scottish Contemporary Art Network) and have worked in not-for-profit, visual arts organisations in Scotland for over 20 years. Katrina M. Brown, Director, The Common Guild, Glasgow

The process

The single biggest problem with the process was the timeframe, with applications prepared in early 2017 for submission end March, for there then to be no response until January 2018, almost a full year after the application and less than 3 months before the end of the financial year. This latter fact was flagged up by many people as raising several issues:

- the notion of whether a company could be rightly perceived as a legitimate 'going concern' in accountancy terms, with its future funding uncertain on such a short horizon
- the timeframe that would be necessary for any redundancies for any employed staff (requiring 3 months' notice), which would be brought about by failure to secure RFO funding for many applicant organisations
- The inability to make explicit financial commitments and the extensive risk management required to ensure projects in the 2018-19 year did not suffer. This was especially difficult for visual arts organisations in Glasgow, most of which are relied upon to deliver much of the programme for the Glasgow international festival, taking place in April. The marketing deadlines for the Festival programme were before the RFO outcomes were known.

Although everyone was made aware that the timing was ultimately to do with the announcement of the Scottish Government budget in December, this made for a very problematic period. It caused considerable anxiety and uncertainty in an already fragile sector and flies in the face of all and any measures taken to improve working conditions and fair pay in the arts. Companies, if acting responsibly, could only make temporary, fixed-term appointments to any roles that became vacant, reducing the pool of potential applicants and undermining stability.

Presumably the timing of the SG budget announcement is likely to be the same in future years, in which case a different way of handling the funding commitment of CS RFO clients will have to be found. The incremental effect of multiple, consecutive years of this time-frame would be hugely detrimental to the organisations we rely on to produce cultural programmes in Scotland.

The second substantial issue seems to be with regard to those companies that were unsuccessful being given no indication whatsoever of the likely outcome, or – perhaps more problematically – that other funding routes were going to be in development. Since the outcomes were announced in January, we have heard of a possible, though still not defined, fund for touring theatre companies. Similarly there seem to be moves to create some kind of funding channel for artist-run organisations, with relevance to the position of Transmission Gallery, which was unsuccessful in securing RFO funding. Given the considerable time lag involved, it seems incredible that no discussions were had with prospective client organisations for these funds in advance of the RFO outcomes.

In England, there are 2 aspects of the comparable process for NPO (National Portfolio Organisations) funding that would be beneficial and undoubted improvement to the process here:

- a 2-phase application process
- a 4-year agreement

The CS application form itself was fairly straightforward and well-organised, with useful word limits and opportunities to cross reference to the Business Plan. However, the multi-layered use of ‘Ambitions’ and ‘Cross-cutting themes’ does not seem to be helpful. Perhaps the application process could be focused on Ambitions alone, with the cross cutting theme to be picked up post-assessment.

TCG was successful in securing funding for the 2018-21 period, but the grant offered was less than that requested and was at a level equivalent to standstill, being exactly the same as the amount offered for the 2015-18 period. This was despite considerable, specific challenges for our company at this stage, all of which were outlined clearly in our application.

As regards the assessment and the outcome, we received a 54-page assessment, which, up to page 51 recommended funding TCG as a ‘high priority’ and to be at the level requested. Only on page 52 was standstill funding first mentioned, with no indication of how this would function, what the impact would be or any understanding of the particular case. There was no risk analysis provided or clarification on priorities, nor indication as to what might be expected given the differential.

The importance of Regular Funding

The Common Guild would not exist without Creative Scotland funding, just like most independent, not-for-profit visual arts organisations in Scotland, for whom their annual CS grant will be the largest single part of their funding package.

In the 11 years since coming into being TCG has progressed through a number of funding schemes

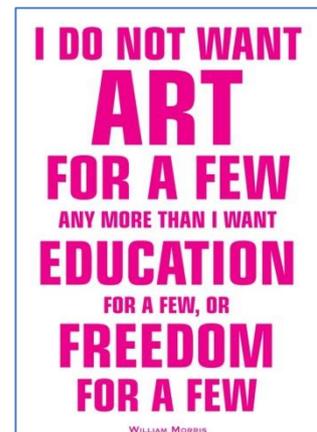
- annual funding (Scottish Arts Council)
- Flexible Funding (2-year)
- Project Funding
- Regular Funding (2015 – 18)

We have therefore been able to understand the advantages and disadvantages of different schemes. Regular Funding, being a 3-year, package, offers a significant timeframe, which helps stabilise and support planning and development, allowing for permanent staff contracts, longer project run-ins, collaborative approaches to programming and associated fund-raising.

Project funding is not viable for an organisation, however small. Project funding does not and cannot ever cover the considerable core costs, which now include compulsory Workplace pensions, the maintenance of appropriate reserves, overheads, on-going research, staff training and so on.

By contrast, RFO funding allows us to maintain our reputation, with artists and general public alike; to work with artists over a period of time on their project to ensure we realise the best possible iteration of their work for audience here in Scotland; to develop partnerships with other companies, including outwith Scotland; to retain the strong, experienced staff team that allows us to achieve programme of national significance.

As our principle business is – like many others – the generation of public exhibitions and projects, with exhibitions being free to access – such programmes simply cost money and can only happen with funding. As is the case with our ‘free at the point of use’ health service. There is no escaping the fact that international exhibition programmes also cost more – travel, accommodation, transport costs all increase significantly when working with artists from further afield, while they also require investment in research. International programmes seem particularly at risk at present: we have seen issues recently with loss of programming at Royal Botanic Gardens / Inverleith House and Glasgow Sculpture Studios, where exhibition making was not those companies’ ‘core business’ and was shelved.



Poster by Jeremy Deller, Scott King and William Morris for Save the Arts campaign, 2010

The challenge that Creative Scotland faces in allocating funding when applications for funding exceed the funds available

The amount of funding requested has always outstripped funds available. This is not new. It may have become worse, due to funds flat-lining, lottery receipts dwindling and the number of applications increasing but it has always been and rightly will always be a selective process.

The only way to address this, to ensure we all meet ambitions to increase access and range, to improve diversity, to improve geographic spread, is to increase the funding provided to Creative Scotland and ensure decision are made through a robust, informed and appropriate process that prioritises quality, feasibility and fit with overall picture of activity in the relevant sector. The consideration of ‘fit’ would encompass diversity, ensuring balance across work supported.

Standstill funding cannot address any of this, not on the back of what Gerry Hassan has described as “lost decade of stagnant living standards for the vast majority of people”¹. Standstill funding ought not be an option. At a time when RPI is at 4.1% and inflation is 3%, when the fall in the value of the pound has had a negative impact on international costs and the value of incoming grants, standstill funding is a considerable problem. To understand the level of the problem, if just a 3% increase were to be applied annually to our company’s annual grant, this would mean that we face a real terms loss of £33,053 across the period, and a shortfall of £16,000 in the 3rd year of the RFO agreement. There is no indication in our assessment that any of the problems caused by standstill were considered.

TCG is an accredited Living Wage employer – meaning that we pay no one on less than £8.75 / hour. We do not rely on any unpaid labour. This is part of our commitment to being an inclusive employer, to ensure that opportunities are not limited to those who can afford to work for free. How does any company on standstill funding retain fair pay practices and healthy employment conditions – including, the recently implemented Workplace Pension provision (which became obligatory for even the tiniest of organisations in 2017). Most visual arts organisations in Scotland have less than 10 staff: companies are tiny and already stretched with little or no room to flex in response to reducing funding.

The challenges that Creative Scotland faces in supporting individual artists and organisations from different areas of the arts

Artform expertise, awareness, connection and clarity within Creative Scotland are crucial to this. The welcome re-instatement of artform expertise is something that was expressly committed to in the 2012 debacle and while internal staffing appears to have re-instated the artform specialism, with dedicated officers, there is no sense of this being applied at board level. While it would clearly not be appropriate or desirable for representatives of any RFOs to sit on the board, there could be a way to involve input and oversight from them. For example, on a rotating basis, people serving no more than a year or two. It would be advantageous for CS – both at officer and board level – to have better understanding of running small, independent arts companies, which most of the RFOs are.

CEO Janet Archer speaking on BBC Radio Scotland in the aftermath of the RFO outcome announcement talked about CS as offering ‘bespoke business support for the creative sector’. This would seem at present to be a worthy ambition, for CS does not offer useful business support – it offers public funding. A proper business support service would be a fantastic thing – during our own recent experience with a VAT issue, for example – all the ‘advice’ we were given from CS was incorrect or inappropriate. Core services – like IT, HR, tax, and other ‘behind the scene’s areas of work that do not need to be inflected by the artistic programme or public facing identity of anyone company or organisation. A pool into which RFOs could – to benefit from expertise, advice and support – in a way that is not financial. This would be especially welcome given the small staff teams in most organisations – it is something that has regularly come up in sector development discussions over the past decade.

¹ Gerry Hassan, [‘Culture in Scotland in the midst of storms: A Call for Dangerous Cultures’](#) in ‘Bella Caledonia’, 16 March 2018

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

Without increasing funding, options are either to do more less well or to do less - it will not be possible to maintain or develop quality AND increase spread. Although there is clearly much opportunity and appetite to increase and improve the geographic spread of support across the county, this can only happen with increased resources that allow companies' public programmes to meet the expectations of both local and tourist audiences.

The impact of awards for RF on other funding streams

It does not seem to be appropriate to lump all things that are NOT RFO into one pot – as is currently the case with the 'Open Project Fund'. This could more usefully be divided into e.g. Grants to Individuals; Research and Development; Strategic Development.

It seems apparent that the congealing of funding offered into only 2 strands – either Regular Funding for organisations, or Open Project Funding for everything else - is not fit for purpose. The scrapping of Capital Grants – large or small – will soon surely have a deleterious effect on our cultural infrastructure, meaning not only no new builds or re-developments, but also problems with maintaining those already in existence. Some RFOs will have to be able to seek one-off support for specific projects, whether to do with capital issues – development or maintenance – or public-engagement developments.

Open Project Funding effectively sets incomparable things in competition against each other - individual artists against large organisations and projects.

Other issues

There are several other issues that are connected with current funding provision that are worth flagging up here, without going into depth:

International working

- Opportunities for efficient co-operation and collaboration across the border – with England, EU and rest of world
- Unknown customs situation post-Brexit, especially with regard to temporary import of artworks on loan for exhibitions
- Unknown situation with regard to movement of individuals post-Brexit – artists and technicians
- Acknowledge that Scotland is at the edge of Europe – not easy to get to, which include getting artworks here! Reflected in costs

Expectations

Artists who live and work in Scotland but travel and exhibit internationally develop expectations of how exhibitions may be developed – supported, production, publications and so on. Our audiences are also mobile. Scotland's visual arts organisations currently struggle to meet those expectations – and those of our

visiting publics. This situation will only get worse if there is no ability to maintain existing buildings, or build or develop new ones.

Visual arts organisations in Scotland have fallen considerably behind their peers in their funding position. Look for example at new developments in the English regions – Hepworth Wakefield (£906,101 in ACE annual NPO funding), Nottingham Contemporary (£1,005,796 in ACE annual NPO funding), Firstsite, Colchester (£814,527) – contrast with the highest annual grant in the visual arts in Scotland, the Fruitmarket Gallery in Edinburgh, which receives £666,667 in CS annual RFO funding and has been on standstill for years. Or Tramway in Glasgow, a multi-art form venue but in receipt of only £350,000 per annum.

These gaps make it difficult for even the largest of our visual arts organisations to co-operate on a level with others outside Scotland, to deliver programmes that support artists and audiences to a comparable level. While the lack of opportunity for growth and development impinges on the ability and desire to progress, to pursue initiatives that can increase and improve access in the arts – both as a place of employment and as a place of considerable, beneficial public engagement through programmes.