

Culture, Tourism, Europe and External Relations Committee

Creative Scotland – Regular Funding 2018-21

Written submission from Robert Livingston

Regional Screen Scotland made a successful application in this current round of Regular Funding, and we were awarded the full amount we had requested. Throughout, our main Creative Scotland contact has been as helpful and supportive as the process allows. Nonetheless, the process was not an easy one for a small organisation such as ours, and we believe that it is seriously flawed. The following are my comments on the issues raised in the Scottish Parliament consultation document. While they are my personal views, they have been discussed with members of my Board, which includes members involved with other Regularly Funded Organisations, and my Chair has approved their submission.

- The process of applying for Regular Funding for the 2018 - 21 period and your experience of that application process.

The crucial flaw in the Regular Funding (RFO) application and assessment process is that it requires all applicants to be treated equally, i.e. as if they had not previously received Regular Funding, indeed, as if they had never applied to Creative Scotland (CS) before.

As the outcome demonstrated, the reality is that the great majority of those who were awarded RFO status in the first round, went on to retain that status in this second round—some with increases, some with cuts, but most with standstill budgets. It could hardly be otherwise. Any greater degree of change would cause a huge, and damaging, upheaval across Scotland’s cultural infrastructure.

So, it would be both more honest and more realistic for CS to admit from the outset that change will be limited, that a few new clients will make successful RFO applications, and that some existing clients may lose their RFO status. In that context, it would not then have been necessary for existing RFOs to submit all the supporting material—constitutions, audited accounts, management accounts—which of course CS already holds. The problem is that many RFOs, such as my own, are quite small, and so the need to make this application, at the end of only the second year of the first RFO round, is a huge extra burden, given that RFO status already demands a high level of annual reporting to CS.

From CS’s point of view, this ‘everyone is equal’ approach is severely limiting for them, as it makes it impossible to have any dialogue with existing RFOs: to alert them about concerns they may need to address in their applications, to advise where Open Projects might be a more appropriate funding route, or to initiate dialogue about a proposed major change. Bear in mind that existing RFOs had no formal, annual review in the year between the start of the application process, and the funding announcements, in which such concerns could have been raised. That is what seems to have gone wrong with many of the companies which were ‘cut’ this time round. It is evident that CS were planning some alternative form of funding for those companies, but there was no mechanism for discussing this with the

companies, when they were informed of the RFO decisions on one day, and those decisions went public the next.

The actual process of completing the required application form and Business Plan was very restrictive, with a complex requirement to match programme plans against both CS's five priorities, and four cross-cutting themes. This makes it very hard to present an organisation's own aims and priorities as a consistent unity. Moreover, the requirement to project forward a budget that will cover *all* the organisation's planned activities for the next four years, from the date of application (with no scope to apply, as an RFO, to Open Projects) is almost impossible, given how rapidly the wider context is changing.

It is not the fault of CS that its original intention to give current RFOs *one year's notice* of the decision on the second RFO round was hugely undermined by wider political circumstances, but the straitjacket CS had made for themselves meant that they could not use the time between when outline decisions were made (in August, I believe), and when budgets were finally confirmed, to have useful and productive discussions with those applicants about to be faced with major change.

- The importance of Regular Funding to you or your organisation.

It is essential. We could not operate with a level of CS support of no more than £100,000 annually (the upper limit for Open Projects), and nor would it be easy, or even feasible to present the continuing Screen Machine service as a discrete 'project' (as the Open Projects process requires). Equally significantly, our long term plans to support cinema and film exhibition development across Scotland could not be delivered on a year-by-year funding basis; it would make partnerships and networks unworkable. Regular Funding is also critical in securing support from our other main public funder, Highlands & Islands Enterprise.

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

This would be greatly eased if the process began with recognising that there is a core cultural infrastructure in Scotland that needs to be sustained. This is what the former Scottish Arts Council 'Foundation client' model attempted to establish. Of course, a degree of 'churn' to refresh that infrastructure is essential, but when so many jobs are at stake, it is surely irresponsible to give *no* assurance of continuity from one funding round to the next. A commitment, instead, to allocate, say, a minimum of 5% of budget to new clients would both place existing clients on their mettle and allow for a gradual process of evolution and change.

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

There is clearly inconsistency between different artforms. However, the media are too ready to present current problems as a clash between Creative Scotland and *artists* (without that term being defined), with the stated implication that this is a repeat of the controversy which led to the resignation of CS's previous CEO. That is misleading. The opposition to the approach taken by CS under the previous CEO's leadership came from a broad front of people working in the arts sector, not just from practising artists. Indeed, there is an argument that, in the years since the first CEO's

resignation, the pendulum has swung too far *towards* support for artists. This is most apparent in the monthly lists of Open Projects awards, where the percentage of those awards which could be described as originating within *communities*, as opposed to with individual artists, or artist-led groups, is consistently very small.

For this reason, the current demand that *artists* be more involved in funding decisions is problematic. In the early 1990s, as an officer of the Scottish Arts Council, I saw how panels of artists could too readily (and often unconsciously) support applications from artists they knew, or whose art they were familiar with, or sympathetic to. However, I do believe firmly that some return to the process of external and independent assessment, such as that used by the SAC in the 1990s, is essential to restore trust. This would not be the same as CS's current use of *paid* external assessors—in SAC days Panel and Committee members were voluntary. No system will be ideal or immune to criticism, but all CS's decision-making processes lack transparency, and therefore risk charges (whether justified or not) of cronyism, personal vendettas, and other failures in objectivity and neutrality.

I also believe that part of the problem, for artists, lies in a failure to appreciate, or to accept, the extent to which Creative Scotland differs from its predecessor the Scottish Arts Council, especially in terms of its responsibility for the wider Creative Industries. Now, while it is legitimate to disagree with the principles on which CS has been established, it is unreasonable to criticise the organisation, and its officers, for discharging the remit they have been given. Hence the largely irrelevant criticism that CS support is going to organisations which are 'not artist-led', but which do support the wider creative infrastructure (such as our own).

- The extent to which you consider Regular Funding supports the arts and creative organisations throughout Scotland.

Some form of more than annual funding is essential, and always has been. Setting aside the crucial issues of maintaining jobs, and keeping buildings open, organisations also need to be able to plan, and enter into contracts, more than a few months ahead.

The problems lie in the nature of the Regular Funding agreement. First, the cycle is too short: halfway through the three year RFO period, planning has to begin for the application for the succeeding three year period, when much of the evidence of the impact of the current RFO funding may still lie in the future. Then, RFOs have to submit updated budgets and artistic plans on an annual basis, before the start of each new financial year, and then submit, halfway through the financial year, a detailed report on past activities and budgets. And, of course, there is no scope to apply for Open Project funding for opportunities or initiatives that arise in the four year period between submitting the RFO application, and the end of the three years of funding.

So there is an argument that Regular Funding, while essential, is also very limiting and demanding on the organisations which receive it. On the one hand, it is notable that, of 117 RFOs in this second round, only 8 have been awarded less than the equivalent of £100k pa (and therefore could possibly have applied instead to Open Projects)—that is how crucial this Fund is. On the other hand, as many as half those 117 RFOs could be described as 'small' in terms of their admin and management resources, and for them the demands of Regular Funding are hard to meet.

- The impact of awards for Regular Funding on other funding streams.

This is the paradox which lies at the heart of arts funding. Success begets success. The sheer number of applications for arts funding is enormously greater than when I worked for the SAC in the early 1990s, but the funding pot has, inevitably, not grown to keep pace with demand. It is unavoidable that a large proportion of Creative Scotland's budget—as was the case too for the SAC—is going to be committed to some form of more than annual funding. The huge reduction in the ability of Local Authorities to fund the arts (not, after all, a statutory requirement) has made this all the more crucial.

What has made the situation so acute in recent years is a 'double whammy': receipts from the National Lottery are falling at exactly the time when such funding has become a critical element in the Regular Funding budget. That is why, of course, Creative Scotland had to appeal to the Scottish Government for additional funding to make up the shortfall in National Lottery Funds in the RFO budget. But even without that drop in income, using National Lottery funds as core 'revenue' funding is surely contrary to the original intentions of the National Lottery. The impact of this shift in funds is particularly apparent in the continuing failure of CS to reinstate any form of large Capital Fund, something that has been needed for some years now.

- Any other issues that you consider are relevant.

It sometimes appears that Creative Scotland, conceptually, has never resolved or integrated the three differing, but overlapping, remits which it has been given, through what was (in all practical terms) a merger of the Scottish Arts Council and Scottish Screen, with an added responsibility to lead on Creative Industries. This is immediately apparent in CS's strapline as the body that 'supports the arts, screen and creative industries'. The absence of an 'and the' after 'arts' implies (perhaps correctly!) that 'the arts' are seen as an 'industry' alongside the 'screen and creative industries', and this may be where much of the discontent lies with artists, who may not wish to identify themselves as an 'industry', or with some of the RFO decisions, which result in funding for agencies that support 'the creative industries' rather than funding artists directly.

This may mean that a review of Regular Funding, on its own, may not go far enough, when what is really required is a root-and-branch review of Creative Scotland itself, both conceptually and operationally. To give one further example, the Act which established Creative Scotland referred to it as the 'lead *cultural* body' (my italics) but the emphasis on Creative Industries has, in my view, led to an unhelpful distance between CS and other Scottish *cultural* agencies, such as Museums Galleries Scotland, National Museums and Galleries, Historic Environment Scotland and the Heritage Lottery Fund. That separation may become critical in the context of a new *Culture* Strategy for Scotland.