Submission to the Education & Culture Committee Inquiry: *Creative Scotland spending decisions and outcomes*
1. Introduction

88% of people in Scotland agree that there should be public funding for arts and creative activity. *(Source: TNS Omnibus survey, September 2014)*

This is a figure that not only reflects the high level of cultural confidence amongst the people of Scotland, but also how highly Scotland values its arts, culture and creativity and how deeply it recognises the benefits that creativity delivers for everyone’s lives through empowering and connecting communities and enabling citizens to realise their potential in every which way.

People in Scotland understand that public funding for arts and culture supports jobs and skills development, broadens our minds and generates ideas, making life better for people and communities.

In short, the people of Scotland understand that creativity matters.

In 2014 Creative Scotland published a 10 year plan which builds on this. This plan is predicated on the following vision.

“*Everyone actively values and celebrates arts and creativity as the heartbeat for our lives and the world in which we live; which continually extends its creative imagination and ways of doing things; and where the arts, screen and creative industries are confident, connected and thriving.*” *Unlocking Potential, Embracing Ambition*, a shared plan for the arts, screen and creative industries, 2014.

What follows is our response to a broad ranging set of questions issued by the Scottish Parliament’s Education and Culture Committee.

This response aims to answer the questions set by the Committee while also underlining the social, economic, and intrinsic value that creativity delivers for the people of Scotland, led by the many artists, creative organisations, businesses and public bodies that we support who work in, or engage with, the arts, screen and creative industries in Scotland.

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2. Who we are and what we do

Creative Scotland is the national public body that supports the development of arts, screen and creative industries across all parts of Scotland. We enable people and organisations in Scotland to work in and experience the arts and creative sectors. We do this by helping others to create culture through developing great ideas and bringing them to life.

We aim to achieve this vision through four key functions:

- **Funding** support for individuals and organisations working in the arts, screen and creative industries.
- **Advocacy** on behalf of these sectors, both nationally and internationally.
- **Development** support for these sectors so that they can continue to grow and thrive.
- **Influencing** others to understand the value that the arts, screen and creative industries deliver.

Creative Scotland’s overall budget for 2015/16 is £88.5m, which we receive from the Scottish Government (60%) and the National Lottery (40%). We distribute this funding to the sectors we serve through three funding routes: Regular Funding over three years for organisations; Open Project Funding for individuals and organisations for programmes of work for up to two years; Targeted Funding to support specific sectors (including Film and TV drama funding), time limited projects and initiatives.

In April 2014 we published a Strategic Plan, *Unlocking Potential, Embracing Ambition*, which presents a shared vision for the arts, screen and creative industries for the next 10 years.

At the heart of this plan is a set of five ambitions which provide a focus for our work and reflect what we want to see achieved, in collaboration with the sectors we support:

- Excellence and experimentation across the arts, screen and creative industries is recognised and valued.
- Everyone can access and enjoy artistic and creative experiences.
- Places and quality of life are transformed through imagination, ambition and an understanding of the potential of creativity.
- Ideas are brought to life by a diverse, skilled and connected leadership and workforce.
- Scotland is a distinctive creative nation connected to the world.

These ambitions inform Creative Scotland’s priorities, funding approach and decisions, as well as our own organisational development over the period 2014 – 2017.

Alongside this, each year we publish an *Annual Plan* which sets out our work and budgets for each year.

We also publish all of the *funding awards* that we make on a regular basis on our website and we promote this information via *news releases* and via social media channels.
3. Submission to the inquiry

Creative Scotland welcomes this Inquiry as a further, valuable contribution to continued efforts to help deliver, not just economic sustainability in the arts, screen and creative industries in Scotland, but also the ability to support these sectors to thrive and grow and continue to produce work of artistic and creative excellence that is recognised and valued at home and abroad.

Within that context, this submission responds to the Inquiry questions set by the Education & Culture Committee.

3.1 The extent to which the new strategic and operational changes have helped Creative Scotland move towards meeting its objectives and rebuilding its relationship with the sector.

Creative Scotland was formed in 2010 as part of Public Sector Reform which resulted in the merger of Scottish Screen and the Scottish Arts Council. The new organisation inherited the responsibilities of the two previous organisations plus additional responsibilities for the creative industries. No significant additional budgets were provided to accompany these additional responsibilities. Significant operational cost savings, including in terms of staffing, were delivered.

As a result, structural and strategic changes were required and these were set out in the organisation’s first Corporate Plan published in March 2011. There followed a period of significant unrest and increasingly vociferous dissatisfaction with Creative Scotland’s operations and strategic direction.

As a consequence, in December 2012, the Board of Creative Scotland made a series of robust commitments to change and the Senior Leadership Team developed a subsequent action plan aimed firmly at delivering this change.

Since December 2012, the work of Creative Scotland has been firmly focused on rebuilding positive, professional and transparent relationships with those we are here to support across the arts, screen and creative industries in Scotland.

The key elements of that work over the past two years have included:

- **March to April 2013**: We embarked on a series of Open Sessions across Scotland to enable us to hear directly from the people and organisations we are here to support, to listen to their concerns and to build their feedback and ideas into our future operations and strategy. These sessions were very well attended and hugely positive with the open debate and content captured and made freely available on a dedicated website and via social media: [http://www.copensessions.com/archive-content/](http://www.copensessions.com/archive-content/)

- **July 2013**: A new Chief Executive, Janet Archer, was appointed who has led a comprehensive programme of change at Creative Scotland aimed at delivering on the Board commitments. She initially focused on three areas of work.
  - Developing a new 10 year plan and associated strategies.
  - Introducing a clearer, simpler funding approach.
  - Developing a people strategy

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Autumn 2013/Spring 2014: We held another series of Open Sessions across the country to help build the future funding approach for Creative Scotland and a vision for the arts, screen and creative industries as a whole. This was accompanied with the establishment of sector representative groups to help steer this work and a comprehensive on-line consultation. In total, more than 1,000 people and organisations contributed to this process.

April 2014: Following this extensive consultation and co-creation process; we published a 10 year plan Unlocking Potential, Embracing Ambition, setting out a vision for the arts, screen and creative industries in Scotland; 10-year ambitions and 3-year priorities.

Our new website, also launched in April 2014, presents all funding information and guidance in as clear and user-friendly manner as possible and, alongside social media channels, also acts as a platform for the people, organisations and projects that we support in order to publicise their work and help them reach as broad an audience as possible.

The new funding approach consist of three clear routes:

- **Regular Funding** for organisations for three years (totalling nearly £100m for the three year period, subject to budget availability)
- **Open Project Funding** for individuals and organisations for projects up to two years in duration (applications can be for any amount between £1,000 to £100,000).
- **Targeted Funding** (funding from the Scottish Government for specific projects or strategic areas – including the Youth Music Initiative, the Youth Arts Strategy, Cashback for Creativity and Screen Funding).

This simple approach replaced the multiple funding channels that previously existed which were seen to be confusing, resource intensive and inefficient to both apply for and administer. It is designed to enable as many organisations as possible to benefit from longer term, stable funding or to access the funding most appropriate for them; transparency in decision making; clearer use of language in our communications and guidance; and better use of our internal knowledge and expertise and access to that expertise for others.

We also operate a telephone and on-line enquiries service to help those applying, or thinking of applying for Creative Scotland funding and we run regular open sessions and advisory surgeries to provide further assistance and access to advice.

Throughout 2013/14 and 2014/15 we made 2,937 funding grants totalling £97.6m, supporting the rich breadth of excellent artistic and creative work that continues to be generated across Scotland for the benefit of everyone who lives, works or visits here.

October 2014: We announced a portfolio of 119 Regularly Funded organisations. This funding is a combination of funds from the Scottish Government and the National Lottery. This is the largest ever portfolio of organisations in Scotland, reflecting the desires of the sector for increased funding stability. The portfolio also includes organisations based in more Local Authority areas than ever before, working across Scotland and internationally across a broad spectrum of artistic and creative practice.
• **October 2014:** The same month, we also launched Open Project Funding for applications and, since that time, have made £8.2m in awards to more than 390 individuals and organisations, drawn principally from National Lottery funds. A summation of recent awards can be found here: http://www.creativescotland.com/funding/latest-information/awards-listings.

• Alongside all of this work to deliver against the commitments to change made by our Board, we have also been working with the sectors we serve to develop clear, shared strategies for the different areas of our remit across the arts, screen and creative industries.

• In **October 2014** we published the Film Strategy 2014-17 setting out ambitions and priorities in terms of support for film, framed in the context of the screen sector as a whole for the next 3 years. A similar strategy for the Creative Industries is nearing publication this Autumn, with our Arts Strategy due for completion early next year. Creative Scotland’s Film Strategy 2014-17, Creative Scotland On Screen, identifies our priorities for film over the next three years, working with industry and public partners to generate the conditions necessary to position the film sector at the heart of Scotland’s economic and cultural life. While the focus of the strategy is film, it is framed in the context of the screen sector as a whole. As highlighted in the strategy, securing inward investment and working through co-production partners is a crucial factor in developing Scotland’s reputation as a culturally and commercially successful filmmaking nation. Our aim is to develop Scotland’s reputation as a destination for international productions and co-productions because of its world-class talent, crews and facilities, ensuring Scotland is recognised as a film-friendly nation with unique landscapes and competitive incentives. The creation of a viable and sustainable film studio is a priority in order for Scotland to accommodate high-profile international projects as well as properly support and serve Scotland’s own productions. Creative Scotland is committed to working with partners including Scottish Enterprise, to advocate for increased incentives and new production attraction funds in order to build a competitive package of support as a key factor in delivering a viable and sustainable studio for Scotland.

• In **July 2015,** we published a review of the Literature and Publishing Sector. This follows previously published sector reviews for Music, Theatre and Dance, with work in progress currently on reviews for Visual Art, Creative Learning and Equalities, Diversity and Inclusion.

• As part of our support for Scotland’s languages; in **June 2015,** we published the first ever policy for Scots Language, which complements our previously published Gaelic Language plan.

• A major area of work for Creative Scotland is support for young people and youth arts in Scotland. In **November 2013** we published Time to Shine - Scotland’s first Youth Arts Strategy, a central feature of which was the development of a network of vibrant youth arts hubs supported through the £3.5m Youth Arts Hubs development fund and has been followed by the launch of Time to Shine Digital which is a £400,000 initiative to encourage and develop digital creativity in young people.

• Throughout 2014 and 2015 we have also undertaken a review of our structure as part of the development of an organisation-wide People Strategy. A key outcome of this work has been the allocation of clear internal responsibilities for the different areas of our remit – the arts, screen and creative industries – as well as clear leadership on our work with each specific art form or specialism. This
means that external audiences, partners and stakeholders can be clear on who within Creative Scotland to contact and work with, appropriate to their own area of practice. Again, this is a direct response to the commitments to change made by our Board.

- We have worked with the Scottish Parliament to help establish and run the Cross Party Group on Culture which aims to provide a platform for MSPs and for people working in, or interested in, the arts, screen and creative industries to discuss cultural issues of relevance to them at the heart of the Parliament. We have also created a dedicated website which presents and records all the content from each Cross Party Group discussion and enables the debate to continue on-line.

- A major focus for Creative Scotland throughout 2014 was the Glasgow 2014 culture programme, developed in partnership with Glasgow Life to accompany Commonwealth Games, which we supported with more than £10m funding from the National Lottery. Consisting of more than 2,000 different projects, across all parts of Scotland; this was the largest cultural programme ever delivered in Scotland. Independent evaluation of the programme has demonstrated that the Culture 2014 programme reached an audience of 2.1 million people and supported more than 8,000 artists to produce work. A short, but incredibly motivating film celebrating the Culture 2014 programme can be seen here: http://www.creativescotland.com/what-we-do/major-projects/national-projects/glasgow-2014

This summary of some of Creative Scotland’s key activities over the past two years provides the Committee with an overview of the work we have undertaken to rebuild our relationship with the individuals and organisations that we are here to support across the arts, screen and creative industries.

We constantly seek to continuously improve and refine what we do in order to best meet the needs of those we are here to support. A few live examples include a review of Open Project Funding which will lead to further improvements in Autumn 2015; the publication of our Quality Service Standards, also imminent; and the development of an ICT strategy that will lead to the capability for online applications.

**What evidence do we have of the impact this work is having in re-building positive relationships with the sectors we are here to support?**

At the inaugural meeting of the Cross Party Group on Culture in September 2013 at the Scottish Parliament, the internationally respected playwright, David Greig, who had previously been a vocal and active critic of the earlier incarnation of Creative Scotland - its operational approach and strategies - spoke eloquently and positively about the considerable efforts being undertaken by the organisation to rebuild trust with the sector.

As part of his speech, he said:

“When I look at the arts in Scotland now I see a landscape transformed. It's like a cloud has lifted. The ground may still be boggy underfoot but we can see a way forward. I don't want to speak of complacency, but I do detect optimism, goodwill and care taking from all sides. The Board and staff of Creative Scotland are to be congratulated in beginning to turn round problems that have afflicted the organisation since its difficult birth."

Over the past three years, we have commissioned a rolling programme of 6-monthly research among a representative sample of stakeholders (including both successful and unsuccessful applicants for Creative Scotland funding) and amongst a representative 7

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sample of the Scottish population. Conducted by the independent research agency TNS, this research provides us with continuous data enabling us to monitor what our stakeholders think of Creative Scotland across a number of different areas of work. The research also enables us to understand the impact of our work on overall participation in creative activities amongst the population as a whole and how much they value this activity.

Some key pieces of data from this research that demonstrates the rebuilding of relationships with the sectors we serve includes:

- Levels of ‘Trust’ amongst stakeholders in Creative Scotland has increased from 63% in October 2013 to 75% in March 2015 (with only 5% currently expressing a ‘lack of trust’).

- The percentage of stakeholders who feel ‘Favourably’ towards Creative Scotland has increased from 67% in November 2012 to 91% in March 2015.

- Those finding it ‘easy to contact the right person’ at Creative Scotland has increased from 52% in May 2012 to 73% in March 2015.

- Stakeholder rating of our website has also increased from 59% positive in May 2012 to 80% positive in March 2015.

- Feedback from stakeholders in terms of rating the funding application process has also improved positively with the following quote being representative: "They have listened to what we have said, it's exactly what we need."

- 71% rated our new funding guidance and information as either “excellent, very good, or good” with 72% agreeing that our communications are “open and transparent”.

While this research also highlights on-going areas for improvement for Creative Scotland (such as the quality of our feedback to unsuccessful applicants), it clearly reflects the positive trajectory that our organisation is on and the impact of significant efforts to re-build positive, collaborative and constructive relationships with those we are here to support.

3.2 The role of your organisation in seeking to narrow the educational attainment gap in schools

Working with the education sector is a major focus of Creative Scotland's work which includes:

- Leading on Scotland's Creative Learning Plan, which is a collaboration with Education Scotland, Skills Development Scotland, Scottish Qualifications Authority, College Development Network, Association of Directors of Education, General Teaching Council Scotland, aimed at promoting creativity in education.

- Developing the Creativity Portal as a source of information, inspiration and resources for teachers.

- Cashback for Creativity, which has a particular emphasis on creating access to inspirational experiences, personal development opportunities and routes for progression for young people from areas that demonstrate need. This £1m annual programme has led to direct involvement of 21,598 young people in

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creative activity; the leverage of an additional £900,000 in partnership funding; and positive creative activities for young people in all 32 local authorities.

- The **Youth Music Initiative** which provides the opportunity for every child to access a year’s free music tuition by Primary 6 as well as many other in and out of school musical experiences. An independent evaluation, to be published in October 2015, demonstrates that the initiative is:
  
  o Engaging those who wouldn’t normally get involved in music with more than 150,000 young people estimated to be involved in school based music making, and 76,000 in activity out of school in 2014/15.
  
  o Creating and supporting new jobs, training and volunteering opportunities.
  
  o Helping to bring communities together, of different ages, places and experiences, with particular impact in rural communities and places where young people face challenges.

The range of ways in which the YMI tackles inequalities in education are highlighted, including:

  o Linking special schools and mainstream schools through joint music making activities and performances.
  
  o Involving vulnerable young people in music making activities along with their family and friends, when often activity is segregated.
  
  o Developing linkages between music organisations and other organisations, creating new networks and accessing new skills around tackling inequalities.
  
  o Raising awareness of the options and possibilities within music, particularly with vulnerable or disadvantaged young people.

- The **Youth Arts Strategy**, ‘Time to Shine’, is a £5m programme providing opportunities for more than 40,000 young people to participate in, learn from and benefit from arts and culture. Initial evaluation indicates strong evidence of positive outcomes emerging from the Time to Shine strategy and implementation plan. There is evidence (from six case studies) that Time to Shine is making a difference for young people through:
  
  o Making arts less intimidating – and involving young people who would not previously have been involved in arts.
  
  o Increasing young people’s confidence, self esteem and social networks.
  
  o Inspiring people to go on and do more in their lives – whether in arts or other fields.
  
  o Developing personal skills around working together, commitment and discipline, and understanding different experiences and backgrounds.
  
  o Developing artistic skills, sharing skills, experiencing performance, and experiencing new art forms.

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There is strong evidence that Time to Shine activity, particularly through the national network of youth arts hubs so far, is contributing towards tackling inequalities and involving young people who would otherwise not have participated in arts.

We also support the innovative and hugely impactful Sistema Scotland project which has inspired children in some of Scotland’s most challenged communities to embrace and perform music, develop life skills and improve educational attainment. Initially in Raploch in Stirling, Sistema has expanded its initiative to Govan in Glasgow and Torry in Aberdeen.

In addition to this, the organisations that we support through Regular Funding also undertake considerable programmes of work to reach out to broader communities and to help them engage with creativity, just a few examples being Eden Court in Inverness and across the Highlands; Platform in Glasgow’s Easterhouse; Streetlevel, also in Glasgow; Drake Music in Edinburgh; The Pier Arts Centre in Orkney; The Stove in Dumfries & Galloway; An Lanntair in Stornoway; DCA in Dundee; and Aberdeen Performing Arts, amongst a host of others.

This area of work for Creative Scotland, and the associated body of evidence, clearly illustrates the positive impacts of arts and creative activity on the achievement, attainment and aspirations of young people in Scotland.

3.3 How Creative Scotland will ensure it achieves value for money in delivering its priorities for investment?

The arts, screen and creative industries – and creativity more broadly – deliver tangible public value to Scotland, in terms of social value, their economic value and their intrinsic value.

Creative Scotland’s contribution to public value through our funding of the arts, screen and creative industries in Scotland is significant, but not exclusive. Collectively the 32 Local Authorities support artistic and cultural activity to a significant level across different parts of Scotland, complementing the support we provide. The National Companies, National Galleries and National Museums are funded directly by the Scottish Government.

The £50.4m that Creative Scotland receives from the Scottish Government in 2015/16, alongside £35.1m from the National Lottery, represents less than 0.02% of the overall Scottish Government budget.

In using our funding awards to help deliver social, economic and intrinsic value for the people of Scotland; Creative Scotland always endeavours to operate in as cost effective manner as possible.

The creation of Creative Scotland in 2010 through the merger of Scottish Screen and the Scottish Arts Council delivered significant operational cost savings and a staffing reduction of more than a third of the combined head-count of the two previous organisations.

Ongoing operational savings since then have offset any cost increases due to inflation and staff pay awards.

Despite this we have retained a high level of staff expertise. We have focused this expertise through appointing Directors of Arts and Engagement, Screen, Creative

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Industries and Strategy who hold significant professional experience in their respective sectors. We have also retained and continued to develop a substantial knowledge base across our specialism heads team which includes visual arts, dance, music, literature, publishing and languages, theatre, creative learning, equalities and diversity, screen and film education. Maintaining this expertise is a vital factor as we develop as an organisation to ensure sector respect and confidence.

3.4 The work Creative Scotland is doing to develop a set of performance measures and how performance is being evaluated in the interim.

The measures your organisation takes to evaluate the impact and effectiveness of its work and to report on this in as transparent and accessible a manner as possible.

How your organisation, in seeking to work in partnership to deliver national objectives, can still be held accountable for its particular contribution.

How your organisation, in seeking to deliver relevant Scottish Government priorities has autonomy over spending and policy decisions.

Each year, Creative Scotland receives a Letter of Guidance from the Cabinet Secretary which helps frame objectives for the year ahead.

We then produce an Annual Plan which is Creative Scotland’s Performance and Planning Framework. This enables us to measure and report on our performance, against those objectives, on an annual basis.

This draws on both quantitative and qualitative measures using case studies, impact research and internal and external data. Examples of this data include:

- Annual returns and reporting from Regularly Funded Organisations
- Internal funding operations data and analysis
- Creative Scotland commissioned research through TNS (public and stakeholder)
- Ipsos-MORI Children’s Omnibus
- Scottish Household Survey Annual Report

A Performance Management Framework, coupled with the annual planning cycle, is also a means to helping us continuously improve and to report transparently.

Our performance against each of our strategic objectives will be reported through an Annual Review of Performance published in December of each financial year, with the first of these reviews, against the 10 year plan, to be published in December 2015. The Annual Review of Performance will also report on the alignment of Creative Scotland’s strategic objectives to the Scottish Government's National Performance Outcomes. We will continue to improve the ways we measuring the value of our work, its quality and its impact on society, such as a quality assessment framework for the work we fund, and its contribution to an economy of inclusive growth.

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Reporting annually on our performance enables us to identify any particular successes or issues, and to set future targets through discussion with our Board and the Scottish Government.

Against each of our five ambitions, we clearly set out in our Annual Plan the outcome we seek to achieve; the performance indicator against that outcome; what measures will be used to indicate performance; and the source of that measure.

One example of this, related to our work to increase public engagement with arts and culture, is provided below:

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<tr>
<th>Outcome</th>
<th>Performance indicator</th>
<th>Measure</th>
<th>Source</th>
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<tbody>
<tr>
<td>Increased public engagement through stronger touring networks, digital</td>
<td>2.1 Contribute* to maintaining high level of adult cultural engagement across the breadth</td>
<td>The % of adults engaging in arts and culture across Scotland by type of cultural activity and</td>
<td>Scottish Household Survey Annual Report Demographic breakdown allows for tracking across</td>
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<td>distribution and exhibition platforms across Scotland</td>
<td>of Scotland through our funded work (National Indicator)</td>
<td>frequency of participation</td>
<td>gender, ethnicity and social background</td>
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<td>The % of children engaging in arts and culture across Scotland by type of cultural activity</td>
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<td>and frequency of participation</td>
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<td>2.3 Increase in the number of digital opportunities through Creative Scotland funding</td>
<td>The count and value of Creative Scotland funded activities with a focus on (a) digital</td>
<td>Creative Scotland funding operations data broken down by postcode, art form and areas of</td>
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<td></td>
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<td>exhibition and distribution (b) digital participation</td>
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<td></td>
<td>2.4 Increase in the amount of arts touring across Scotland</td>
<td>The count and value of Creative Scotland funded activities with a focus on touring</td>
<td>Creative Scotland funding operations data broken down by postcode, art form and areas of</td>
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* Creative Scotland is one of a number of partners that contribute to cultural engagement in Scotland

As a Non-Departmental Public Body (NDPB) of the Scottish Government, we are required to align to the National Performance Framework (NPF), to support the delivery of the Scottish Government's purpose.

The NPF sets out 16 National Outcomes describing what the Government wants to achieve over the next ten years and Creative Scotland monitors our performance against seven of these National Outcomes and we align our own strategic objectives to these outcomes, as illustrated in our Annual Plan and below:
While there is no National Outcome specific to culture, or to the arts, screen and creative industries; Creative Scotland supports work that, in turn, contributes to a broad range of Outcomes in the NPF in terms of the economy, employment, education, lifelong learning, skills, innovation, social inclusion and the delivery of high quality and efficient services that respond to local needs.

In order to deliver that contribution, we work in partnership with other organisations across the range of public policy areas, including enterprise, tourism, education, justice, health and the environment.

In terms of the extent to which we have autonomy over spending and policy decisions; as a Non-Departmental Public Body arms length from the Scottish Government; Creative Scotland is responsible for contributing to the overall purpose of the Scottish Government as outlined above. As such, we will work in partnership with colleagues in Government and across the public sector, in the development of our strategies and policies to support the delivery of the Programme for Government.

Individual funding and spending decisions, however, are entirely the responsibility of Creative Scotland and neither Scottish Government officials nor Ministers are involved in those decisions. All our criteria for funding decisions and guidance for applicants is clearly communicated on our website here: [http://www.creativescotland.com/funding/funding-overview](http://www.creativescotland.com/funding/funding-overview)

A proportion of our budget is ‘ring-fenced’ to support specific projects and policy areas as directed by the Scottish Government. In 2015/16 these restricted funds account for £17,043,000 (or 20% of our income) and are used to support highly successful and impactful projects including Youth Music Initiative, Cashback for Creativity, and support for Skills Development in the Screen sector.

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We reinforced our commitment to equality, diversity and inclusion in 2014. We have begun work on a wide-ranging Equalities, Diversity and Inclusion Review that will look at how we can best support an increasingly diverse culture in Scotland, and inform our own operations and future priorities. While Scotland is recognised internationally for its talented professional artists and creative practitioners who self-identify with equality characteristics, there are still deep-rooted challenges to be addressed across the sectors we support.

We also work to promote fair pay and conditions in the sector, and to achieve better gender diversity and balance in the workforce and on the Boards of organisations and we are proud of the fact that Creative Scotland is the first public body in Scotland to achieve a 50:50 gender balance at Board level. It should also be noted that, out of 118 Regularly Funded Organisations, 51 (43%) have a female Chair.

3.5 The tangible benefits that have been achieved as a direct result of its funding structure and how these influence future funding guidelines.

Using the most recent full-year’s worth of data and annual returns that we have available (for the financial year 2013/14); we delivered £77m of funding to support the arts, screen and creative industries, including £31m of ‘regular’ funding for organisations and £46m of funding to organisations and individuals across more than 1,200 awards in response to applications to our funding programmes.

Creative Scotland is only one source of funding support. While £46m represents Creative Scotland’s commitment to these 1,200 projects; the total budget of these projects was £159m illustrating that organisations and individuals combine Creative Scotland funding with funding they receive through Local Authorities, Trusts, Foundations, the private sector or other public sector funders, and their own earned income, in order to successfully deliver their work.

This underlines both the critical nature of our partnership working with other funders as well as providing guidance and support to help navigate the funding landscape for the arts, screen and creative industries in Scotland and signpost other opportunities.

All organisations in receipt of regular funding from Creative Scotland are required to report annually on their area of work and their operations. These annual returns from the year 2013/14 indicate that organisations:

- Delivered 61,949 performances, 9,228 exhibition days and 14,747 screenings
- Produced 335,769 publications and 266,583 films or musical products for download or streaming, with their websites viewed by 11.2 million unique visitors.
- Recorded 3.9 million attendances at performances; 1.2 million attendances at exhibitions and 700,000 attendances at screenings.

In terms of employment and supporting the cultural infrastructure of Scotland, these regularly funded organisations:

- Employed 3,786 members of staff and worked with 4,764 volunteers
- Provided 8,705 employment opportunities for artists and creative practitioners
- Undertook youth employment initiatives which supported 265 work placements,

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76 apprenticeships or traineeships and 108 internships
- Undertook touring activity in 885 venues across Scotland and the wider UK.

Creative Scotland funding also supports a great deal of international activity that showcases Scotland's arts, screen and creative industries to the world and also brings international work to Scotland. A submission on how we support this international engagement and help Scotland connect to the world was provided to the European & External Relations Committee at the Scottish Parliament in June 2015 and is available to read here: http://www.scottish.parliament.uk/S4_EuropeanandExternalRelationsCommittee/Inquiries/Creative_Scotland_formatted.pdf

Public value

People in Scotland are highly engaged with culture. This was recently illustrated by the large numbers of people who spoke out for The Arches on its closure and in challenge to Comar on Mull on its planned organisational changes.

Creative people contribute actively to communities in many different ways. The high quality and breadth of applications we receive for our Creative Place Awards are testimony to this.

As part of our role as an advocate for the arts, screen and creative industries, we take every opportunity to promote, showcase and highlight the value that creativity delivers to the people of Scotland socially, culturally and economically. We do this through dedicated showcase initiatives at home and abroad and through our communications activity, an example being our recently launched Creativity Matters web page. This aims to highlight the value that public funding for the arts, screen and creative industries deliver for the people of Scotland.

Creative Scotland's work, and the work of those that we support, makes a significant and tangible contribution to the lives of everyone living in, working or visiting Scotland delivering intrinsic and social value; economic value; and intrinsic value.

Social value

Creativity makes the society we live in better. It makes an invaluable contribution to our health and wellbeing – both physically and mentally – as individuals, communities and as a country. It brings people together and opens our minds to cultural diversity and social inclusion. It can reach out to all parts of society across all parts of the country, including some of the most marginalised and disadvantaged people.

Creativity inspires co-operation, collaboration, empathy and understanding. It makes a vital contribution to all stages of our education system and to lifelong development and learning. It helps us develop skills, our imaginations, our self-expression, and our confidence, opening us up to new experiences, improving social mobility and helping us all learn more about ourselves and others and, ultimately, making a positive contribution to Scotland's society.

What evidence do we have for this?

- The most commonly reported benefits of taking part in creative activities are helping us to relax and making us feel good - 51% and 44% respectively. (Source: TNS Omnibus survey, September 2014)
People who have attended a cultural place or event in the previous 12 months are almost 60% more likely to report good health compared to those who have not. *(Source: Healthy Attendance? The Impact of Cultural Engagement and Sports Participation on Health and Satisfaction with Life in Scotland, Scottish Government 2013)*

Alongside the more physical benefits of active forms of cultural activity (e.g. drama, dance) activities such as storytelling and visual art also have positive impacts on the overall health of those taking part. *(Source: An Evidence Review of the Impact of Participatory Arts on Older People, Mental Health Foundation, 2011)*

Learning through Arts and Culture improves attainment across many other aspects of the school curriculum. Participation in structured arts activities increase cognitive abilities, and taking part in structured music activities improves attainment in maths. *(Source: Key research findings: the case for cultural learning, Cultural Learning Alliance, 2011)*

95% of the Scottish population believes that creative activity is essential for children and young people's learning and well-being. *(Source: TNS Omnibus survey, September 2014)*

**Economic value**

The arts, screen and creative industries make a vital contribution to jobs and the economy.

Our funding helps the arts, screen and creative industries contribute £3bn to the Scottish economy each year and support 68,800 jobs across the country. It helps develop talent and skills and makes a significant contribution to attracting people to work in Scotland, generating revenue in local and national economies.

Creativity can also help to revive our cities as well as smaller places; and it is central to galvanising and reviving communities across regions, communities and places.

**What evidence do we have for this?**

- **The Creative Industries contribute £3bn to the Scottish economy each year, supporting 68,800 jobs** *(Source: Scottish Government Creative Industry Growth Sector Statistics 2012/13)*

  Spend on film and TV production in Scotland continues to rise year on year to a record high of more than £40m in 2014, supporting jobs in the sector and the wider economy. *(Source: Scottish Locations Network and Creative Scotland)*.

- There are nearly 14,000 registered enterprises in the Creative Industries in Scotland, the highest number since this data started to be collected in 2008 *(Scottish Government Creative Industry Growth Sector Statistics 2012/13)*

- In 2011, 10 million inbound visits to the UK involved engagement with the arts and culture, representing 32% of all visits to the UK and 42% of all inbound tourism-related expenditure *(Source: The contribution of the arts and culture to the national economy CEBR, 2013)*

- VisitBritain estimate that Britain's cultural and heritage attractions generate £4.5 billion per year in visitor spending *(Source: VisitBritain)*

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billion worth of spending by inbound visitors.

**Intrinsic and cultural value**

Intrinsically, public funding for the arts, screen and creative industries helps creative individuals, organisations and businesses to express who we are, to challenge us all, to entertain us and to make us think. It has the power to transform us, to take us away from the everyday and to enjoy being alive. It can also inspire us to participate in creative endeavor, to become artists or creators ourselves.

Creativity also tells the world who we are. It shapes our international reputation and how we are seen by the world. The arts, screen and creative industries are Scotland’s international calling card telling the story of what Scotland is and can be through our creativity. They send a message to the world that Scotland is a place where creativity thrives, producing internationally renowned work, sending our home-grown talent out into the world and drawing international talent to come here.

**What evidence do we have for this?**

- Scotland is widely recognised as rich in cultural heritage and is also seen as an interesting and exciting place for contemporary culture. Scotland’s reputation for both these attributes continues to be ranked in the Top 20 globally. *(Source: GFK-Anholt Nations Brand Index 2014)*

- 89% of people in Scotland agree that Scotland is a creative nation. *(Source: TNS Omnibus survey, September 2014)*

- 61% of the Scottish population report that they take part in creative activity on at least a weekly basis. *(Source: TNS Omnibus survey, September 2014)*

- More than half of the Scottish population (52%) would like to undertake more creative activity. *(Source: TNS Omnibus survey, September 2014)*

- 73% agree that they are a creative person and 67% agreed that arts and culture are an important part of their life. *(Source: TNS Omnibus survey, September 2014)*

- **88% believe it is right that there should be public funding of arts and cultural activities in Scotland.** *(Source: TNS Omnibus survey, September 2014)*

- 76% say their local area would lose something of value if the area lost its arts and cultural activities. *(Source: TNS Omnibus survey, September 2014)*

- 91% of adults in Scotland took part in a cultural activity in 2013. *(Source: 2013 Scottish Household Survey)*

**3.6 How effectively Creative Scotland works alongside and complements other agencies, such as Skills Development Scotland and Scottish Enterprise.**

Creative Scotland can only work effectively through partnerships with Government, with other public bodies, with communities, and with artists and creative organisations.

Our role as a funder, an advocate, a development agency and an influencer entails partnership working across Scotland, the UK and internationally.

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Just two examples of our partnership working include:

**Scotland's Creative Industries Partnership**

Our approach to the Creative Industries is framed within the context of Scotland’s Creative Industries Partnership (SCIP). Creative Scotland’s CEO chairs this group which brings together Scottish Government, Creative Scotland, Scottish Enterprise, Highlands and Islands Enterprise, Scottish Funding Council, Skills Development Scotland, COSLA, VOCAL, Scottish Development International, SLAED and Business Gateway.

The creative industries are driven by people with creative skills who create innovative and exciting work while also contributing to economic growth and job creation through domestic and international trade. We are currently in the final stages of developing a three-year Creative Industries Strategy that will sit alongside our film and arts strategies, and define the way we want to develop the creative industries in Scotland, in partnership with the sector and other agencies. The strategy will focus on the opportunities that exist in several key areas which were identified through consultation with industry earlier this year, such as Market growth; Innovation, particularly in business; Measuring creative value within the wider economy; Education and skills; Arts and culture; Place-making and international positioning. Thus ensuring a positive and creative link through to the 4 priorities of 2015 Economic Strategy – Investment, Inclusive Growth, Innovation and Internationalisation.

Current work with SCIP includes partnering with Highlands and Islands Enterprise to support Trade Networks for north based Creative Industries Companies; working with Skills Development Scotland on the Creative Industries skills investment plan; and working the Scottish Funding Council on new approaches to innovation to maximise Scotland's creative potential. Our new post of Director of Creative Industries is a shared post with the Scottish Funding Council.

**Place Partnerships**

A central part of our work is to embrace the contribution that places make to a creative Scotland and we work closely with local authorities and others to realise the potential of all parts of Scotland. It’s important that we have partnerships which identify shared priorities, encourage leverage and continued investment in culture.

Creative Scotland’s Place Programme operates at a strategic level with local authorities and other partners. The Place Programme includes Place Partnerships with local authorities and devolved funding for visual arts and crafts awards (managed by local partners).

Each year there are up to five place partnerships with significant funding attached. The partnership will be between Creative Scotland and the local authority who will jointly decide on priorities for development and support. We currently have live Place Partnerships with the following Local Authorities:

- Aberdeenshire
- Aberdeen City
- Argyll & Bute
- Dumfries and Galloway
- Fife
- Highland
- Inverclyde
- North Ayrshire

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Alongside this, since 2012, our annual Creative Place Awards recognise communities where people work together to celebrate and promote their town, village or area through the arts and culture - enabling them, through a financial award, to build on their strengths and to develop new initiatives that benefit their community.

**Specifically with Scottish Enterprise:** we work in partnership across all levels of our respective organisations in groups such as SCIP, the Film Studio Delivery Group, the Broadcast and TV Working Group and the Digital Media Industry Leadership Group. We are also committed to developing and agreeing a Memorandum of Understanding between the two organisations that will further assist partnership working in the future.

As well as the above; Creative Scotland plays the lead role to co-ordinate partners and help create the conditions for Scotland’s screen industries to thrive. Creative Scotland also leads on engagement with the screen sector with SE/HIE/Enterprise Agencies supporting by contributing to company development, infrastructure support and the work of two industry bodies; the Broadcast and TV Working Group and Independent Producers Scotland (IPS).

Examples of other organisations that we work closely with include Education Scotland; Scottish Prison Service; NHS Scotland; Big Lottery; Heritage Lottery Fund; VisitScotland; Scottish Natural Heritage; the National Companies (National Theatre of Scotland, Scottish Ballet, Scottish Opera, Royal Scottish National Orchestra; Scottish Chamber Orchestra); National Galleries of Scotland; and the National Museums of Scotland.

**Specifically with Skills Development Scotland:** We run, in partnership with SDS, the Skills Fund Scotland which is a £1m fund for 2015/16 aimed at increasing skills in the screen sector through access to training, development, talent development, leadership skills and employment. We also partner SDS on the Creative Skills Investment Plan which is a three year programme to help people develop skills to enable them to pursue careers in the creative industries. SDS are also partners in our work with young people through the Youth Arts Strategy and the Creative Learning Plan. Our forthcoming strategy for the Creative Industries will align with and complement this work.

3.7 In light of budget pressures, how effectively your organisation undertakes long-term financial planning.

*The role played by your organisation in advance of its budgetary allocations being published in Scottish Government draft budgets.*

Our forward plan is set out in our 10 year plan, Unlocking Potential, Embracing Ambition, 2014 to 2024 and is supported by annual plans with associated budgets.

Financial planning and routes to funding are built around this 10 year plan although are necessarily based on a shorter time-horizon in order to reflect Scottish Government and wider public sector financial planning cycles.

One of the main priorities is to provide organisations with multi-year funding to enable them to plan longer term. In October 2014 we announced funding of nearly £100m for the 3 years between 2015/16 and 2017/18 to 119 organisations across the country, the largest ever portfolio of its kind in Scotland. Our Board’s decision to offer this funding
was underpinned by financial assumptions in consultation with the Scottish Government however has been clearly communicated that it may require to be amended depending on financial settlements in due course. Our annual planning cycle includes annual funding agreements negotiated with each organisation in the portfolio.

Around 40% of Creative Scotland's income comes from the National Lottery via the Department of Culture Media and Sport (DCMS) and we incorporate their 5-year income projections into our plans.

In particular, National Lottery funds support the majority of our capital programme which, given projects take several years to be delivered, result in financial modelling until the end of the decade.

A major consideration in long term planning for National Lottery funds is that we must apply the principle of 'additionality', i.e. Lottery funds can only be used to support projects or initiatives which would not otherwise be funded by Scottish Government grant-in-aid.

Overall, our long-term financial planning is effective in enabling us to structure our funding awards in a way that best suits the arts, screen and creative industries in Scotland. However this is contingent on confidence in levels of grant-in-aid and National Lottery funding.

In terms of our role in advance of budgetary allocations being published by Scottish Government; we work closely with our sponsor division at Scottish Government and with the National Lottery in setting our budgets for each year and provisionally for the years ahead, subject to the spending review cycle and the availability of income projections. We meet regularly with Government officials to discuss budget planning but are, of course, unclear at time of writing as to what budgetary allocations will be following the spending review later this year.

3.8 The key future challenges for your organisation and the steps you are taking to address them.

The key future challenges for Creative Scotland include the continued delivery of the ambition set out in our 10 year plan; the continued improvement of the delivery of our services and support for the arts, screen and creative industries; the uncertainty of the forthcoming spending review and consequential management of an anticipated challenging financial settlement; and continuing our work to raise awareness of the value of creativity and participation and inclusion in creative activity.

In terms of the delivery of the ambition set out in our 10 year plan; when we were developing the plan, in consultation with those we are here to support, we also developed three-year priorities to fit with the Scottish Government budget cycle. This enables us to take stock in line with Scottish Government budget allocations and National Lottery projections and adapt our plans accordingly. While the overall ambition for the arts, screen and creative industries in Scotland will remain the same, the strategies and activities that we implement to achieve these ambitions will flex in response to the budget landscape.

As regards the continued improvement of our service and support for the arts, screen and creative industries; having delivered all of the commitments to change made by our Board in December 2012, we aim to continuously improve by seeking feedback and input from those we are here to support, and responding to that feedback. For example, we continue to run a programme of open sessions, the next tranche of which will be in

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Autumn 2015; we are currently reviewing our new funding approach with a view to further improvements in its delivery; and we continue to openly consult on all major strategy and policy developments such as the recently published Literature Sector Review and the current work to develop a framework for assessing artistic and creative quality.

In terms of dealing with challenging financial circumstances; we continue to work very closely with both the Scottish Government and the National Lottery in terms of our financial planning for the years ahead and we continue to operate in as cost effective a way as possible, seeking operational savings wherever they can be found, such as clear and appropriate travel policies, procurement policies and constant scrutiny of expenses. Forward financial commitments have been minimised through actions such as pausing, in 2014, on any new capital funding and ensuring that Regularly Funded Organisations are aware that funding beyond March 2016 may be subject to change depending on our budget allocation from the Scottish Government.

Finally, the challenge of raising awareness of the value of creativity and of raising participation and inclusion in creative activity is one which is ongoing. Participation and inclusion will continue to be key considerations in our funding decisions and in our strategies and policies. We will continue to prioritise our own work, and the work that we fund, to increase participation and inclusion across all of Scotland's diverse communities and locations. We will also work hard to raise awareness of the social, economic and intrinsic value that creativity can deliver by championing and advocating for the work that we fund and the arts, screen and creative industries more broadly. An example of this is the recently launched Creativity Matters initiative on our website and social media channels.

4 In Summary

Creative Scotland is committed to supporting those working across the arts, screen and creative industries in Scotland as efficiently and effectively as possible, in response to their needs and feedback, and to communicating the value that creativity delivers to all our lives, socially, culturally and economically.

We are also committed to working in partnership across the wider cultural, public and private sectors in Scotland, the UK and internationally to unlock creative potential for people and communities across Scotland and to help them embrace their ambition.

We look forward to having the opportunity to discuss our work further with the Committee on 15 September.

ENDS

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