

# **EDUCATION, CULTURE AND SPORT COMMITTEE**

Tuesday 25 September 2001  
(*Afternoon*)

Session 1

£5.00

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## EDUCATION, CULTURE AND SPORT COMMITTEE 24<sup>th</sup> Meeting 2001, Session 1

### CONVENER

\*Karen Gillon (Clydesdale) (Lab)

### DEPUTY CONVENER

\*Cathy Peattie (Falkirk East) (Lab)

### COMMITTEE MEMBERS

\*Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD)

\*Mr Frank McAveety (Glasgow Shettleston) (Lab)

\*Irene McGugan (North-East Scotland) (SNP)

\*Mr Brian Monteith (Mid Scotland and Fife) (Con)

\*Michael Russell (South of Scotland) (SNP)

\*attended

### WITNESSES

Christopher Barron (Scottish Ballet)

Graham Berry (Scottish Arts Council)

Lorne Boswell (Equity)

James Boyle (Scottish Arts Council)

Tessa Jackson (Scottish Arts Council)

Duncan McGhie (Scottish Ballet)

Paul McManus (Broadcasting Entertainment Cinematograph and Theatre Union)

Robert North

Ian Smith (Musicians Union)

Renton Thomson

### CLERK TO THE COMMITTEE

Martin Verity

### SENIOR ASSISTANT CLERK

Judith Evans

### ASSISTANT CLERK

Ian Cowan

### LOCATION

Committee Room 1



## Scottish Parliament

### Education, Culture and Sport Committee

*Tuesday 25 September 2001*

*(Afternoon)*

[THE CONVENER *opened the meeting in private at 13:40*]

13:51

*Meeting continued in public.*

**The Convener (Karen Gillon):** With members' permission, we will discuss items 2 and 3 on the agenda next week to enable further consideration of them. I suggest that we take item 4 as the first item of business this afternoon, to be followed by the discussion on Scottish Ballet. Is that agreed?

**Members** *indicated agreement.*

### Subordinate Legislation

**The Convener:** The committee is to consider the Teachers' Superannuation (Scotland) Amendment Regulations 2001 (SSI 2001/291) and the Teachers' Superannuation (Additional Voluntary Contributions) (Scotland) Amendment Regulations 2001 (SSI 2001/292), which are subject to the negative procedure. Members have an Executive note and Christine Marr is here from the Executive to answer questions that members might have on the regulations.

**Mr Frank McAveety (Glasgow Shettleston) (Lab):** I declare an interest in that somewhere down the line I will be affected by the superannuation scheme.

**Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD):** In that regard, I will also be affected, although I anticipate a meagre pension.

**Michael Russell (South of Scotland) (SNP):** My wife will also be affected.

**The Convener:** We have so many teachers. If members have no questions for Christine Marr on the regulations, I assume that there are no strong feelings and that the committee does not need to make recommendations to Parliament on the regulations. Thank you, Christine, for coming to the committee.

**Michael Russell:** Was her journey necessary?

**The Convener:** Her contribution was the best that we have had for some time.

## Scottish Ballet

**The Convener:** Item 2 on the agenda is the beginning of our inquiry into Scottish Ballet. I welcome the members of the public and press to the public gallery. I ask everybody to ensure that their mobile telephones and pagers are switched off or in silent mode. That is particularly pertinent to members of the committee.

In welcoming people to the public gallery, I inform them that expressions of support or otherwise are not welcome at committee meetings and would lead to a person's removal from the public gallery. This is a formal meeting of the committee and should be treated as such.

There is substantial interest in the inquiry. We notified the public and the press formally last Tuesday of our intention to hold the inquiry and we asked for written submissions by Friday of last week. On Monday, the final calculation was that the committee had received 82 written submissions. Without doubt, that is the largest amount of evidence that the committee has received in such a short period of time. That reflects the strength of feeling in the wider community about the decision by Scottish Ballet to move its emphasis to contemporary dance.

Last week, the committee agreed on the witnesses who would be invited to give evidence. We invited individuals on the basis that we wanted to gather as much information as was practicable. The committee has invited representatives of Scottish Ballet, the Scottish Arts Council, the trade unions that are involved and Friends of Scottish Ballet.

We have also invited Robert North and Renton Thomson to the committee as individuals. We did that because we felt that they had information that would assist the committee in its inquiry. The committee—for those who are not aware of this—is able to compel witnesses to attend. That was not necessary for either Robert North or Renton Thomson, but we would have taken that action if necessary because we felt that their evidence was valuable to the committee's inquiry.

I welcome the first witnesses, Robert North and Renton Thomson, and ask them to take their seats at the top of the table. The committee will welcome any introductory comments that they would like to make before we move to formal questioning. Questioning of Robert North and Renton Thomson can continue until quarter to three. I will allow members to ask one question and two supplementaries in the first instance and will allow them to ask questions again if necessary.

14:00

**Robert North:** A few years ago Scottish Ballet was going through a difficult period. The Scottish Arts Council had decided that the company should change from being a large classical ballet company to a more compact classical company.

It is fortunate that over the past two years, the company has turned itself around. It was particularly successful last year, both artistically and financially. Renton Thomson can back that up with box office figures if the committee needs to ask him any questions on that. The audience attendance was above the national average for ballet and the enthusiastic receptions that were given gave the dancers a great deal of confidence. The company was pulling itself together; it was proud of what it was doing.

When the announcement of the change was made, it came as a great shock to the entire company. Why were we changing? We were changing because of financial problems, but what arts organisation does not have financial problems? We asked the chairman what the problems were and he said that he had failed to get us the extra funding for which we had hoped.

The solution at that point should have been that Chris Barron, the chief executive, would come and work with me to balance the budget, but I am afraid that that never happened. The final shock came when we discovered that our board and the Scottish Arts Council had approved the change of direction without conducting any budget or feasibility studies.

Normally we must submit detailed budgets for anything that we want to do. In fact, we have not been able to get approval for our next spring season because the board has been blocking our plans because of the budgets. It came as a great surprise to me that the Scottish Arts Council and our board would approve a change of direction without seeing a single budget.

There has been very little consideration given to the decision. The Scottish Arts Council and our board did not consider the dancers, who are upset and say that they feel that they have been abused. The dance community was not consulted or considered. A great deal of damage will be done if we change Scottish Ballet from a classical to a contemporary company because that will put many classical ballet schools in Scotland at risk. The Scottish Arts Council and our board did not consider the general public. That is very important because we consider ourselves to be a ballet company for the public.

It is useful to look briefly at the differences between Scottish Ballet at present and the new plan. At present, Scottish Ballet performs traditional classical ballets. We have done

“Giselle” and “La Sylphide”, which attract a large public. We also do other full-length ballets—a mixture of contemporary and classical. Those also attract a large public and have the great advantage of attracting people who do not normally go to ballet—people who are afraid of seeing men in tights and people who are afraid of seeing contemporary programmes that are incomprehensible to them. We must remember that that is 99 per cent of the Scottish public. The arts in general in Scotland play to 1 per cent of the population. It is very important to bridge the gap and get a new public and we have got that new public.

We also do ballets for young people. That is in order to develop the audience for the future and it has been very successful. On top of that, we do contemporary ballets because we feel that it is essential to do the whole range. Contemporary ballets get a very small audience so we cannot perform them very often. However, there is a public for them and it is useful for the dancers to dance them.

The budget is tight and there are reasons for that. Since 1995, Scottish Ballet has had an uplift of only 30 per cent in its budget. The national average is 45 per cent. Scottish Opera, for instance, has received a 64 per cent increase. The increase in funding for the Scottish Arts Council has been over 200 per cent.

Let us attach real figures to that, because we all know about percentages. Scottish Opera gets between £7.8 million and £8 million, although it is difficult to know exactly how much it gets. The Scottish Arts Council gets £4.6 million in operating costs. We get £2.8 million. The Scottish Arts Council gets more money than all the companies of the dance community put together—which get £3.5 million.

We had hoped to be brought up to the national average and to be able to plan at least three years in advance. That would have enabled us to get sponsorship and to alleviate the problem with the budget. Over the past year, I have been asked to do many budgets, all in excess of the £200,000 per year increase from the Scottish Arts Council. I did those and was then told that I had come in over budget. I felt cornered. That is all minuted, if the committee requires me to present it.

As our programmes are popular, we get a large box office income, which allows us to maintain the company at its present strength of 36 full-time dancers, 45 to 50 part-time musicians and 35 support staff. This year we will do more than 73 performances, including three new productions, and will attract an audience of about 62,000. There will be 9,700 participants in our education activities. That is Scottish Ballet.

The new model, which I have not understood completely, suggests that we will perform mainly in contemporary dance. I support that greatly—I am a great believer in contemporary dance and it is part of my background. One of the reasons that I was brought to Scottish Ballet was that I have skills in both contemporary dance and classical ballet. However, we know that contemporary dance gets a much smaller public.

In the new model, there will also be classical ballet, but it is clear that that will be imported from outwith Scotland. What does that mean? It means that no classical ballet will be performed by Scottish Ballet. Consequently, the present dancers in Scottish Ballet and the infrastructure of classical ballet schools will be put at risk. The classical dancers in the present company will have to change style and beliefs. That is vital. It is not a matter of changing just a little bit but of changing, say, from Protestant to Catholic or from Liberal to Labour. That is difficult for dancers, although they can do it.

In addition to that, the income from classical ballet will go to companies outside Scotland. That means that Scottish Ballet's largest income will go outside Scotland. How will the new model compensate for that large loss of box office income? Will it do it through a smaller orchestra or fewer dancers? The answer is not clear, but I am sure that Mr Barron will be able to answer the question. I am sure that when a budget on that gets done, the picture will be much clearer.

Finally, the debate is not about only money but about strongly held beliefs and artistic points of view. Scottish Ballet believes that dance should be popular and accessible. The Christopher Barron model suggests only elitism.

For me, it is important to find the right company for Scotland. I hope that the present debate will come up with a conclusion.

**The Convener:** Do you want to add anything, Mr Thomson?

**Renton Thomson:** My situation is one of some delicacy, because I am not authorised to speak as a spokesman on behalf of the board. I believe that I was called to the committee simply to answer questions.

I can say that I have been concerned about the situation. I have been the finance director of Scottish Ballet for some 16 years. We have attempted to take the company through a number of tremendous difficulties. During that process, I have developed an understanding with the company and have enjoyed its trust. Earlier in my career I had difficulties with Scottish Opera, where I was responsible for the accounts to the general manager. When those accounts presented him with a difficulty, my position was made difficult and

I had to resign. I had almost no recourse. Therefore, when I came to Scottish Ballet—this is important—it was agreed that the proper financial probity of the company and its conduct in Scottish public life were my responsibility and that that responsibility could not be removed.

As members might know, I was not involved in the processes and discussions that led to the change of direction. On many occasions, I asked to be made part of the budget discussions. When it was obvious that those discussions would become a feasibility study, I expressed in the strongest terms to my executive director that I expected to be involved. Indeed, at one point my language was as strong as to say that I expected—I use the word “expect” in a professional sense—the discussions to take place. I treated the matter as extremely serious. My first professional conversation with the chief executive took place the day after the announcement. Clearly, I have a difficulty as far as that is concerned.

Although I might sometimes try, I acknowledge that, apart from expecting the artistic side to operate within the financial spreadsheet that I am given, I have no legitimate input into the artistic side of Scottish Ballet and I would hate people to think otherwise. However, I have obvious anxieties that taking a less commercial route might seem to be a strange way out of a financial problem. Nonetheless, the fact remains that the less commercial route is the more economical route.

The downside of that, however, is that the numbers of performances that the company is able to give is obviously smaller, as is the ratio of income to expenditure and to subsidy. I believe that there could be a learning curve; it would be beyond my competence to say that the model is not feasible. However, the feasibility of the model ought to be open to the scrutiny and searchlight of a proper budgetary process. If necessary, that process should include a comparison of alternatives.

I have expressed those difficulties to a number of people, which is probably why I was invited to the committee.

**The Convener:** You were invited because of your financial expertise. The committee has a legitimate role in monitoring how public funds are used. Obviously, a substantial amount of public funds is given through various organisations to Scottish Ballet. It is important that we ascertain whether best value is being obtained.

I open up the discussion to members.

**Mr Brian Monteith (Mid Scotland and Fife) (Con):** When Mr North was appointed as artistic director of Scottish Ballet, there were questions in the background regarding what his relationship

with any chief executive would be and what role a chief executive might have in Mr North's artistic decisions. What input has the chief executive of Scottish Ballet/Scottish Opera had in your decisions?

**Robert North:** Before I accepted the appointment, I was informed that there would be a chief executive. Before that, Scottish Ballet did not have a chief executive, so I would have been the top man in Scottish Ballet. When that happened, I decided not to accept the contract, but I was persuaded to take the contract on the grounds that the chief executive would have only financial input—which would enshrine and protect Scottish Ballet's artistic policy—and that he would work alongside me on a financial basis to help me deliver the artistic policy.

I will put it simply. Since Chris Barron's appointment, we have met professionally on two occasions, on one of which he told me to do one thing, on the other of which he told me to do another. The first time he told me that I was doing too much choreography. The second time he told me that I was doing too little choreography. I was confused, but because we had managed without chief executives before, we did not feel that it was a problem. The problem was that we needed a chief executive to help us meet our budgets, and he was not there.

**Mr Monteith:** From your experience as an artistic director, can you tell us where the relative costs and savings exist in contemporary and classical dance, given that you have experience in both genres? That will give us an idea of whether some types of dance are more expensive and whether others bring savings to the taxpayer.

14:15

**Robert North:** The issue is complicated, but clearly classical dance produces savings. I come from both a classical and a contemporary dance background, and I have fought for both kinds of dance. I have directed two contemporary companies and five classical companies, so I have experienced both sides. Renton Thomson would be better able to answer with real numbers the member's question, but we know that a mixed contemporary bill gets the smallest return at the box office and has the lowest number of performances. That means that it attracts the smallest public. We have experienced that at Scottish Ballet. When I came to Scottish Ballet, I inherited a £500,000 deficit because of one contemporary mixed bill that the company had put on before I arrived.

**Mr Monteith:** Could Robert North or Renton Thompson provide the committee with an indication of the current financial position? Is there

a deficit?

**Renton Thompson:** At the end of this year we expect there to be a deficit of about £400,000.

**Mr Monteith:** Are we to conclude that this year the deficit has been reduced?

**Renton Thompson:** It was reduced considerably by Scottish Ballet's share of the deficit grant that was given last year to both national companies, which totalled £327,000. This year we hope to keep the deficit under £50,000—less if possible.

**Mr Monteith:** Did the company operate last year at a trading profit or at a trading loss? What was the figure?

**Renton Thompson:** Last year the company made a fairly serious loss of £260,000. That was caused by lack of income—off the top of my head, I think that it was 50 per cent lack of income and 50 per cent lack of sponsorship. We have had difficulty recruiting a sponsorship director, and a decision has been made not to replace the previous director. That adds extra pressure.

Happily, returns at the box office—which had difficulties as the public came to understand and accept Mr North's work and style of choreography—have improved considerably. Last season, box office revenue came in at about £10,000 over target, which was encouraging. Unfortunately, the gap that preceded Mr North's appointment and the resulting press speculation about the company's identity gave rise to confusion. From speaking to theatre managers, I gather that there was a real difficulty in that regard. As the public has come to know what to expect and has accepted Mr North's work, box office revenues have risen. Partly as a result of a reduced, more economical programme this year and partly as a result of better box office returns, we expect nearly to break even, despite the difficulties with sponsorship.

**Mr Monteith:** Has the company managed to meet its budgets? You have spoken about the shortfall in income, but can you say something about production expenditure? Can you also say something about audience figures more generally?

**Renton Thomson:** I must change my spectacles to deal with those questions.

Happily, our production budgets have consistently been more or less on target or, indeed, under target. There was a considerable saving on our budget for "Carmen". The production team is nice and tight and we have a very good record on the spending side. I enjoy huge co-operation from all the company's officers and directors.

Until the difficulties in 1996-97, our income was



also fairly reliable. Our overall history is fairly satisfactory. However, as the pressures came, it was not possible to invest in the necessary amount of new work to renew box office figures. Something had to break and something had to change. We had hoped that Mr North's appointment would mean that we would reach a sufficiently stable formula so that the arts council would feel able to make up some of the leeway in our grant funding. That would have made the company acceptable and operational.

My main concern relates to the different types of ballet. There are huge discrepancies. Contemporary dance has had a problem in that only approximately half-price can be charged for tickets and attendances as a percentage of capacity have been very much less than for more traditional ballet. For our triple bill in 1999, I think that all the theatres achieved attendances either of or under 30 per cent whereas we would expect a popular ballet such as "Aladdin" to reach target figures of perhaps 70 to 90 per cent. Less popular, middle-of-the-road style dance should reach attendances of around 50 to 65 per cent. There is a real concern about reduced box office takings.

In addition, only a reduced number of contemporary dance performances can be given. Although at Christmas we performed "Aladdin" many times, when we did our last triple bill, I think we did three performances in Glasgow, two in Edinburgh and two in Aberdeen and we then took the production south to Sadler's Wells.

The reduction in income in three ways means that there have to be substantial cost savings. I think that that has caused the dismay and uncertainty in 261 West Princes Street and is why we are so anxious to resolve exactly what the model is. The model has not been costed, so it would be unfair for me to judge it.

**Michael Russell:** Brian Monteith asked about Robert North's role. That role is described in correspondence between Magnus Linklater, who was then the chairman of the Scottish Arts Council, and Peg Beveridge, who was then chair of Scottish Ballet, which the committee received for its national arts companies inquiry. The letter contains the agreement about which Mr North spoke.

I think that the decision to adopt the new model was announced on 16 August. When were both of you notified of the decision and its announcement?

**Renton Thomson:** It was announced on 11 September, I think.

**Robert North:** No, it was 15 August.

**Renton Thomson:** I think that I was told an hour before the model was presented to the

company. All the press announcements had been made, so there was no possibility of my input into the model.

**Robert North:** I was told about an hour and a quarter before the announcement.

**Michael Russell:** So there was no previous notification. Robert, you were and are in charge of the company's artistic direction. You are right to say that the plans are very vague, but a major part of them is a change in the company's artistic direction. Before the announcement was made, what was your involvement in discussions with senior officers or board members of the ballet company about a potential change of artistic direction?

**Robert North:** None.

**Michael Russell:** None whatsoever?

**Robert North:** None.

**Michael Russell:** I see.

I would like to ask Renton Thomson a question. The letter that invited you to this inquiry is quite clear. We received evidence from Mary Darke, who will be familiar to you. As the convener has said, that evidence is quite extraordinary. In point 5 of her evidence, she says:

"Mr. Renton Thompson received an invitation to attend this inquiry from Mrs Karen Gillon. The Scottish Ballet dancers felt it appropriate that Mr. Thompson should represent them, and were subsequently dismayed to learn that Mr. Thompson had received instructions from the Chief Executive, Mr. Christopher Barron, that he should remain in Glasgow and not attend."

As you are aware, Mr Thomson, we also have a copy of a letter from the chairman, Mr Duncan McGhie. That letter tells you that you are not authorised to speak and asks you to reconsider your decision to attend. Obviously, you feel strongly that you should be here. Why are you taking this risk, given that two senior officers of the company have told you not to come?

**Renton Thomson:** First, I believe my responsibility for the accounts is absolute. Mr McGhie insisted that I do not speak for board policy and I fully understand that. I had a discussion with Mr Ian Cowan, who explained that the committee had a specific reason for inviting me. Also, it was not at all clear to me that I was entitled not to attend. I understand that, at the beginning of this meeting, it was said that I could have been compelled to attend. Of course, there is a deeper issue. In the outside world, there is a great deal of doubt over whether the arts should be sponsored or funded at all. The ballet audience in particular is, in many ways, quite a minority audience. I believe that the funding of ballet should be seen to be handled meticulously. That is part of my views on the conduct of Scottish life—

that sounds terribly pompous, but those beliefs are deeply felt.

**Michael Russell:** Put simply, you believe that the board's decision is wrong.

**Renton Thomson:** I believe that a proper process should have taken place, which could then have shone light on that decision.

**Michael Russell:** And that process has not taken place?

**Renton Thomson:** It has not taken place. My difficulty lies in the lack of process.

**Ian Jenkins:** When the board of Scottish Ballet announced that it wanted to reposition the company, was it a tactical error to use the word "contemporary"? The direction in which you appear to be taking the company seems away from being wholly classically based and doing the big stuff. You indicate that you have growing audiences. In the declarations of where the company should go, is there all that big a difference between your views and those of the board?

**Robert North:** There is a difference. Admittedly, we have taken the company in a slightly more contemporary direction than was the case under the previous direction, but not in so much more a contemporary direction than the founding director, Peter Darrell, had taken it.

I believe that versatility is the key. Versatility will make the company as accessible as it can be. As I have said, we do classical, contemporary, children's ballets and a mainstream mixture of classical and contemporary. It was not a mistake for the board to say that the company was going contemporary; the board believes strongly in contemporary dance.

I sympathise with the board's position, because I started my career doing contemporary dance. I was director of London Contemporary Dance Theatre and Ballet Rambert. I fought hard for contemporary dance, but I never imagined that those companies would replace the Royal Ballet at Covent Garden. I understood that there was a necessary ecological balance in the world of dance. Classical ballet is mainstream. If there is a national company it must be based around classical ballet, for all kinds of reasons, among the most important of which are finance and accessibility.

14:30

**Ian Jenkins:** Where would you place your production of "Carmen" in the spectrum?

**Robert North:** I like to call it modern classical or classical modern.

Classical ballet includes many things. Frederick Ashton and Kenneth MacMillan did a lot of new ballets in the 20<sup>th</sup> century that could have been called contemporary classical ballets. That is the area in which I like to work—as did Peter Darrell. He did a ballet called "Chérie", which was classical ballet but also contemporary. As I said, the advantage of those ballets is that they are part of our time but they also attract an entirely different audience. Classical ballet is slightly elitist and contemporary ballet is very elitist. There is a third way.

**The Convener:** We like third ways.

**Robert North:** The third way includes all those points of view. I consider "Carmen" to be classical because it uses a classical framework. It is a full-length ballet that tells a story. It is full of dancing and has music that everyone can understand and like. Everybody liked the music and pretty much everybody liked the ballet. That is why I think that our productions of "Carmen" and "Romeo and Juliet" were classical ballet.

Renton Thomson referred to my work. My work makes up only about 50 per cent of the company's repertory and sometimes less. It is important to include a range of work. It is true that we are not doing the big classics—we are not doing the equivalent of the Ring cycle in ballet. We do not have the potential to do that, but we are doing the small classics. Classic ballet is not only "Swan Lake" and "Sleeping Beauty", but "The Nutcracker"—in next year's programme—and Frederick Ashton's "Two Pigeons", "La fille mal gardée" and "A Midsummer Night's Dream" and all the Bournonville repertoire.

The company can perform a huge range of classic ballets. While I have been at the company, we have done "Giselle" and "La Sylphide" very capably and they have been very well received. We are not abandoning classical ballet, as it is very important. I began at the Royal Ballet School, so classical ballet was the beginning of my aesthetic training and I have a great belief in it and think that it is very important to keep it going.

**Ian Jenkins:** I did not enjoy "Giselle" very much, but I was enchanted by "Carmen". In the direction that the board intends to take, would "Carmen" have been done? Will Scottish Ballet not be able to do "Carmen" under the new regime?

**Robert North:** We will have done eight new productions by next spring. I am told that we will probably not revive any of them. "Carmen" will probably not be in the new director's remit. That is entirely up to them.

**Ian Jenkins:** What knock-on effect will there be on training for youngsters preparing for a career in dance, if this decision goes ahead?

**Robert North:** We have had many letters from dance schools—our own dance school at Knightswood Secondary School has expressed fears—because they are all essentially classically based schools. It is important to understand that classical dance is the chief kind of training in the world today. There is some training in contemporary dance; we do it at Scottish Ballet. Along with other teachers, I teach contemporary classes and I teach classical classes. All the kids who go to the classical schools dream about doing classical ballet. I wish that they would dream about doing classical ballet, contemporary ballet, jazz ballet, middle-of-the-road ballet and everything else, but their main dream is to do classical ballet. I have no doubt that if Scottish Ballet does only contemporary dance, it will have a terrible effect on the infrastructure of all the schools in Scotland—it will have an effect financially and on how those little kids feel.

The issue is complicated because many contemporary companies train in classical dance, but that is not the same as performing classical dance. The people who want to get into a classical dance company to do classical dance are not content to enter a company that does classical dance training but performs only contemporary dance. Many dancers like to perform a mixture and like to be versatile. Most classical companies have some contemporary dance programmes. The proposal will have a devastating effect on the dance schools in Scotland.

**Cathy Peattie (Falkirk East) (Lab):** I am interested in the effect on the dance community in Scotland. Do you consider the dance community in Scotland to be stakeholders in terms of the decisions that the board is making? If young people are involved in dance, they might expect to be involved in the company in the future. What effect will the proposal have on the future of dance in Scotland?

**Robert North:** I hate to be bleak, but I would say that the proposal spells a dim future for dance in Scotland. That is not because I do not love contemporary dance—I am one of its great supporters. There is a very traditional point of view in Scotland, which has been proven by all the budgets that I have seen. The whole infrastructure of dance in Scotland will be corroded.

One has to consider the other dance companies as well as the schools. Most of the other dance companies in Scotland are contemporary dance companies. We understand that the new company will be made up of two contemporary dance companies, which will swamp the market. Although they love contemporary dance, all the other contemporary dance companies in Scotland have expressed fears to me on that point.

**Cathy Peattie:** Do they feel threatened by the

decision?

**Robert North:** It will upset entirely the ecology of dance in Scotland.

**Cathy Peattie:** In your e-mail to the committee, you highlighted the issue of the morale of the dancers of Scottish Ballet and the fact that, until the announcement, morale was very high. What is the morale like now? I will ask others the same question.

**Robert North:** I am happy to say that morale is still high—the dancers are a very professional group. They are 100 per cent against the change. That is not because they do not want to do contemporary dance—they do more contemporary dance than most classical companies do—but because they want to do a mixture of contemporary and classical. Their morale is high, but they are shaky. We have a premiere coming up this week and the timing of the announcement is very unfortunate.

**Cathy Peattie:** Is the announcement a straitjacket on the future of Scottish dance?

**Robert North:** It is a straitjacket. The new model spells a limited and elitist company. I like limited and elitist companies, but that is not the right model for the national company.

**Cathy Peattie:** Does Renton Thomson think that Scotland can support a national ballet company, or are we too small?

**Renton Thomson:** When we used to do the full range of classical ballet we had attendances of well over 100,000 each year—our largest was 143,000. Six to eight years ago, we regularly performed to between 120,000 and 140,000 people. I could not tell the committee exactly what proportion of the total Scottish attendances represented, but I guess that the Scottish attendance was around 80,000 to 100,000. Compare that with the contemporary dance programme: when we did our “nlghTLiFe” programme, which had a reduced number of performances, we had an attendance of something like 3,900 people. I am sure that however successful our current bill is—unfortunately it is able to run for only nine performances—we will be lucky to play to as many as 5,000 or 6,000 people. My concern is that the subsidy for each seat becomes astronomical.

The amount of contemporary dance that can be marketed and sold will be assessed by a proper examination of the operation of the new model. The contemporary dance model did not work for our last performances in 1999, when, unfortunately, the expected sponsorship did not come forth. The total box office return was £136,000, but the publicity spend was even higher. Throwing that sort of money at

contemporary dance did not bring the audiences in, whereas our box office for "Aladdin" was well over £600,000 and when we did "Swan Lake", it was almost £900,000. Important financial and attendance consequences arise from all this.

**Mr McAveety:** You paint an interesting picture of the communications strategy within the company. Is there any formal structure in the working week whereby you and Robert North meet the chief executive to take an overview of direction or of how things are going? If so, was there a breach in the process? A key point of Renton Thomson's is that he feels strongly about the "lack of process". Could you explain that to me? It troubles me that that kind of communication impasse has resulted in a variety of views this afternoon, so that it is difficult to ascertain exactly the true picture.

**Robert North:** The only formal situation that we have to meet in is what we call the EMT—the executive manager's team. Chris Barron came to some of those meetings over the year, but Chris and I have no other formal arrangement to meet. I repeat that we never had a chief executive before and—I imagine—it was up to him to set the parameters for our meetings. However, we had an interim chief executive who, I suppose, I met about once every two weeks and sometimes more often. I spoke to him on the phone and we discussed how to plan for the future and move forward, but the key professional meetings were those management team meetings. I suppose that we had about 23 or 24 such meetings last year and I think that Chris came to seven.

**Mr McAveety:** Who was involved? Who were the key personnel?

**Robert North:** Me, Renton Thomson from finance, our executive manager, Norman Quirk, and all the heads of the other departments, such as publicity, marketing, technical and education.

**Mr McAveety:** Did any of those meetings have any discussion about a direction? I am still unclear about the distinction between classical and contemporary dance, but that will be my problem for the rest of my life. Did you have any discussions that would even suggest the kind of outcome that has resulted?

**Robert North:** Are you asking whether Chris Barron had any discussions or whether I did?

**Mr McAveety:** Was anything generated at either level so that people could even claim that there was at least something in the ether to suggest that there was a continuing debate about the future of the company?

**Robert North:** I discussed frequently—at every meeting—my vision and what I thought the company should do. We all had discussions about

that matter. Those discussions became clearer as the two years went on, because I could speak more clearly as I got to know the situation. However, there was no indication of a change in policy from the chief executive. In fact, we had been given a great deal of support for the policy that we were pursuing by the chief executive, the board and the chairman.

**Renton Thomson:** It would be true to say that there has been a feeling of great frustration in our management team, because we feel that we have been prevented from expressing all our views and trying to work out the best conceivable way forward, given all the budgetary problems.

**Irene McGugan (North-East Scotland) (SNP):** One of the people who wrote to us giving evidence reminded us of what happened in Ireland in the 1980s. She said:

"The under funded Irish National Ballet became a contemporary dance company, audiences fell dramatically and the company collapsed."

Given your experience of the dance world, is there a likely comparison with Scottish Ballet in the Irish experience? Should Scottish Ballet go down the contemporary dance route?

**Robert North:** The Irish example is frequently cited to me and exactly the same thing is happening all over Germany. Some people even think that the policy is to change a classical company into a contemporary dance company so that it will shut down—I will be brutal about this—and then the opera houses can have the money. I am not suggesting that that is what is happening here, but that is what happens in Germany. I can give you many examples at another time, if you would like.

**Irene McGugan:** Would your hopes and suggestions for the company's future have ensured stability, continuing accessibility and financial viability?

**Robert North:** Absolutely. I will be very clear: I know that people from the Arts Council are listening. We submitted high budgets, because that is what is done in the hope of obtaining more money. For 30 years, Scottish Ballet has managed to stay within its low funding level. If we were asked to prepare a budget for next year that would work, I am sure we could do it. We almost did that this year. If we had been allowed to appoint a fundraising chief, we might have gone into the black.

**Irene McGugan:** Have you met or heard from anyone, other than people on the board or the Arts Council, who supports the change in direction?

14:45

**Robert North:** Yes. The head of Dance Base in

Edinburgh, Morag Deyes, supports it. She is on our board now, but she was not before. I have read various letters in the papers from people who support the new model.

**Irene McGugan:** Is there an imbalance in comparison with the letters of objection?

**Robert North:** If I were the board, I would not take a vote.

**The Convener:** I will return to the issue of budgets. What we are hearing is remarkably similar to what we heard about Scottish Opera. That is causing alarm bells to ring in my mind.

I would like clarification about the letter that you submitted to the board on 4 September 2001. Are you saying that you have never been asked to produce a balanced budget and that every budget that you have been asked to produce has been over budget?

**Robert North:** Yes. I have memos on budgets that I have been asked to produce that say that I can go £150,000 over or that I should budget for more than the Arts Council is offering. That is because the board sincerely hoped that the Arts Council would give us more money and that more money would be available.

**The Convener:** Who sent those memos?

**Robert North:** The memos came from Chris Barron. I have minutes of the board meetings at which I was instructed on what to do.

**The Convener:** It could be useful for the committee to see some of that evidence. I thank both witnesses for attending.

The next witnesses are Duncan McGhie, chairman of Scottish Ballet, and Christopher Barron, chief executive of Scottish Ballet. I invite you to make an opening statement, after which we will ask questions.

**Duncan McGhie (Scottish Ballet):** On behalf of my board, I welcome the opportunity for my chief executive Christopher Barron and me to address the committee on the situation at Scottish Ballet. It is right and proper that any organisation that is responsible for the disbursement of public funds should be accountable to the Parliament and the people of Scotland. After the opening statement, we will be pleased to answer the committee's questions.

Before describing the background to the situation, I will make an earnest plea on behalf of the company to everyone involved today and in the difficult days and weeks ahead. One of the most encouraging aspects of the variety of responses to our announcement on 15 August has been the obvious passion and concern for Scottish Ballet that many people have in the company, throughout Scotland and beyond. I wish to

reassure the committee that that passion and concern is shared completely by my board. However, my plea is to allow management a period of calm in which to move the company forward from where we are today to even greater success.

I am concerned that inappropriate action, inaccurate statements, incomplete reporting of events or drawing conclusions out of context could have fundamental implications for Scottish Ballet and everyone who works in the company. That is why we welcome being here today to give the committee all the information and evidence that members ask of us.

I will describe the background to the decisions that were announced on 15 August. The previous occasion on which I appeared before the committee was 17 November 1999. Much has been achieved since then—our management team and our planning and control procedures have been strengthened and our reporting systems have been overhauled completely. I can now tell the committee with confidence that we are in control of our affairs. That could not have been said two years ago.

One of the procedures that were introduced was a proper strategic planning process designed to map out the way forward over three to five years. Work on the preparation of a three-year plan began early in 2000 and was not completed until March this year. The work on the plan was carried out by the management team of Scottish Ballet, with different assumptions being considered at each stage in the process.

In the beginning, the board encouraged the management team to present their aspirations as to how they would like the company to develop. Although that produced many interesting ideas, the overall financial implications were so far in excess of what we could reasonably assume would be available to us that we moved on to look for a plan that was both artistically exciting and realistically bankable. I am sorry to report that despite intensive efforts over many months involving the Scottish Ballet management team, the board did not receive any proposals for a three-year plan that were commercially feasible under the present funding arrangements. Accordingly, at its March meeting, the board was able to approve only a one-year budget, giving us time to reconsider the way forward.

One of the features of Scottish Ballet in the mid to late 1990s was that the company apparently lived within its means. The records show clearly that that was achieved by the most swingeing cutbacks in investment in productions. An average investment per annum of £71,000 in the three years to March 1999 may have squared the financial books over that period, but it did nothing

for the company's repertoire. That was partially addressed in the following financial year and even more so in the year to March 2001. It is unfortunate that in both years worrying and significant deficits were recorded—last year there was a serious deterioration from the budget that the board agreed.

At its March meeting, the board reviewed its position and discussed a number of key issues. The first key issue was the basis of presenting a full season—Scottish Ballet was able to perform for only 14 weeks last year on the main platforms in Scotland compared with the pattern in the past of more than 20 weeks. A full season of full-length productions was not sustainable within current funding levels. Secondly, the company's financial position was extremely serious. The board recognised that plans would have to be made to claw back the cumulative deficit that had built up by that time.

Thirdly, and very important, although we heard many messages of support, an underlying theme was concern about quality. For example, our application to the Arts Council of England for a touring grant was rejected on the grounds of quality. We were advised that the company in its present form would not be invited to perform at the Edinburgh International Festival, which made us the only one of Scotland's national companies not to perform regularly at that prestigious event. Although audiences were supportive, the clear message from our marketplace was that we could—and must—do better.

At the meeting in March, the board appointed a sub-committee to work on proposals for the way forward to be presented to its planning session on 30 May 2001. The sub-committee was asked to consider all aspects of the way forward, including artistic leadership. On 30 May, the board and representatives of the Scottish Arts Council considered the findings of the sub-committee's work. The board decided that the company needed to introduce new thinking on the way forward artistically and, hence, that it would advise our current artistic director that his contract would not be renewed after it expired in August 2002. That decision was communicated to Robert North on 15 August, the first practical date after the board made its decision—the delay was attributable mainly to key people being on holiday.

The board also endorsed the sub-committee's first draft framework document, which began the process of creating the way forward for the company. I stress to the committee that I am talking about a beginning, not an end. Even today, nothing is set in stone. Much work has yet to be done to develop the thinking into a fully fledged plan that is capable of sustaining the company for the next several years. Crucial to that process will

be the appointment of our next artistic director, whose input to the development of the vision will be critical to its success. That is where we are today.

In recent weeks, much has been said about consultation. In fact, from the day on which my board first met in January 2000, we have listened carefully to the views of a wide variety of stakeholders about our affairs. The company's management and staff were fully involved in the planning process and their views were presented to the board by the artistic director, who attended every board meeting of Scottish Ballet when he was available. We have now launched the widest possible consultation process about the way forward. When people hear what we are doing, we receive considerable support for our plans.

The only decision on which we did not consult widely was artistic leadership, which was dealt with confidentially because of the personal nature of the issue—I am sure that the committee will understand. We will continue to consult widely as we develop our plans, but it is the board's responsibility to make difficult decisions and we shall not shirk from doing that in the best interests of Scottish Ballet.

The board has adopted three guiding principles in its leadership of Scottish Ballet. First, we are determined to pursue excellence in all that we do. When we are told by audiences, sponsors and friends that we could do better, we must respond. Secondly, we want to achieve real stability by creating a long-term plan that is exciting artistically, but which is fundable from the different sources that support us—the Government, local government, our sponsors and, most important, our audiences. Thirdly, we must exercise proper control and stewardship of the resources at our disposal.

I ended my previous evidence to the committee with a commitment to fight for the company, but to do so within the means available to us. I repeat that commitment today.

**The Convener:** Thank you very much.

I shall kick off the questioning and follow on from where we finished with the previous set of witnesses. Given his involvement in our national arts companies inquiry, Duncan McGhie will be aware of our concern that, wherever possible, national companies should run to budget. I was therefore worried to read in evidence and hear today that memos have been flying backwards and forwards between the chief executive and the artistic director, suggesting that budget increases of 5, 10, 15 and 20 per cent should be put in place and what it would mean to be given £200,000 a year over the next three years. I also heard that the board would consider asking the Arts Council

for a loan or an advance of £150,000 from next year's Arts Council grant. Are those accusations true and, if so, why are you surprised that the company could not put forward a set of balanced budgets within the current funding levels, given that it was never asked to do so?

15:00

**Duncan McGhie:** There are many points to your question and I will attempt to cover them completely.

The process of planning is not simply about saying, "Here is a fixed model, let us see what we can do with it." We have had an on-going and constructive dialogue with the Arts Council about opportunities to develop the company. We wished to present those ideas as part of our planning process, based not on speculative reasoning, but on well-researched reasoning. Hence, we examined different models. However, we did not do so just in the expectation that the extra money would come from the Arts Council. We were examining opportunities to increase sponsorship; the possibility of creating a new development board—we have now done that—to help us with our sponsorship activity; and audience development to increase our box-office income. There are many different ways to consider the model for the company.

However, the committee deserves to hear that when we were given an indication by the Arts Council of the likely level of funding for the three years that we have just started—to the order of £200,000 fixed for three years with no allowance for inflation—the board moved to create a budget within that process. That happened at the beginning of January. Between January and March, we considered many different models, but, sadly, at the March board meeting we did not have one that fitted our funding model. That is why the board did not approve an excess budget although it approved a one-year budget that was containable, as Renton Thomson said. We expect to break even on the budget this year, but it posed a challenge for the way forward.

The committee can be absolutely reassured that although we will push in every respect for more resource for the company, when we are told what is available, we will live within those means.

**The Convener:** I ask the chief executive whether he ever asked the executive management team formally to balance the budget and if so, when? We have evidence that no such request was made and that the team was told that it would have to wait until after the summer for that to happen and that the meeting never took place.

**Christopher Barron (Scottish Ballet):** No, the situation is slightly different.

I am chief executive of Scottish Opera and Scottish Ballet and we also run the Theatre Royal so I do not go to all the management meetings of all the teams that we run. We work through Norman Quirk, the executive director of Scottish Ballet, who is unwell at the moment, as well as with the management team, so I am not necessarily present at meetings. Although I do not have a date in my mind, the request to which you refer was certainly made around February and March. The request was to seek a programme that worked within the funding that was available in 2002-03. If that was forthcoming, it was clear that it would only mean a reduction in work, which we thought was not good enough.

**The Convener:** Is it true that there was a request for balanced-budget funding for only one financial year, but that previously, you asked for a budget for three years?

**Duncan McGhie:** The process—

**The Convener:** It is just to clarify matters for myself because I am somewhat confused as to why you asked for three years' unbalanced budget and one year of balanced budget.

**Duncan McGhie:** No, we did not do that. In January, we were looking for a balanced budget under the guidelines that were issued for the three-year period. It was only in early January 2001 that we received the indication of what the funding level would be for three years. Up until then, we had been bidding for more and I make no bones about it—we wanted more resource for our company. That was part of the planning process, but when we were told what was available, we worked to try to balance the budgets—we did it for year 1, but we were unable to do it for years 2 and 3, so we only approved a one-year budget.

**The Convener:** Can you make available to the committee copies of that request? That would help us.

**Duncan McGhie:** Absolutely, convener. You are welcome to receive anything that you require.

**Cathy Peattie:** I am interested in the consultation process. Who were the members of the sub-committee that was involved in proposals for the way forward?

**Duncan McGhie:** The sub-committee was a committee of the board. It comprised me, my vice-chairman David Smith, Lesley Thomson and Catriona Rayner, who is a specialist in strategic planning, in consultation with the chief executive and Peter Winckles. That sub-committee was the formal group.

**Cathy Peattie:** There was no finance director in the sub-committee.

**Duncan McGhie:** Peter Winckles was the

finance director. I also have a financial background.

**Cathy Peattie:** You have told us about the consultation that took place. However, I have a wad of information from people throughout Scotland who are involved in dance and from dancers in Scottish Ballet. They are concerned because the consultation that they expected to take place did not. However, you told us clearly that consultation did take place. I suggest that consultation takes place when people's views are listened to or are taken on board for future examination. That does not seem to have happened.

**Duncan McGhie:** I can only repeat that, in a short time, the sub-committee of the board created the beginning of a framework for the way forward. I stress that it was a beginning. On 15 August, we circulated that concept to well in excess of 300 organisations and individuals, such as the dance community, our sponsors, the unions, management and staff. That was the beginning of the real consultative process. If we did something wrong—we should always be big enough to admit that—it was that we did not emphasise in our announcement that such a framework was the beginning, not the end. I apologise unreservedly to the committee if that is the case. We shall consult widely on the process and develop it. The new artistic director must play a key part in the process. We are in a complex position. Do you want me to develop my argument?

**Cathy Peattie:** You agreed that the process was wrong.

**Duncan McGhie:** No. It was wrong that we did not make it clear in our announcement on 15 August that we were at the beginning of the process. The process is absolutely right. I can provide the committee with the full list of 326 individuals and organisations.

**Cathy Peattie:** Surely what you have just said shows that the process was wrong.

**Duncan McGhie:** I disagree. We had to start somewhere.

**Cathy Peattie:** The start of something is usually signified by people's views being listened to.

**Duncan McGhie:** As I said, my board listened to people's views from January 2000, when it first met, through to March 2001. It spent 14 months listening carefully to people. We have taken a lot of evidence about issues that we had to deal with.

**Cathy Peattie:** What communication did the sub-committee send to those people whose views it listened to? Clearly, if people are to be consulted, they must know that someone is listening to them. We might not always agree with those whom we are consulting, but information

must be fed back to them to assure them that their views have been heard. If their views are dismissed, they must know why. Has that been done?

**Duncan McGhie:** We are talking daily and weekly to the dance community and our sponsors. That process will continue for many weeks and months. There is no finite point to the process. That will come only when we, as a board, can present to the Scottish Arts Council our strategic plan for six years. The plan will be exciting artistically, but it will have a balanced budget. We are striving towards that end.

**Cathy Peattie:** How do you plan to take the stakeholders and dance in Scotland forward with you?

**Duncan McGhie:** We plan to take people forward by talking and listening to them. For example, I have a meeting on 13 October with the Friends of Scottish Ballet at which I expect to see a significant number of people. The meeting is on a Saturday morning and we will explain to people what is happening. I have cited that example because I am chairman of the Friends of Scottish Ballet, too. Christopher Barron is speaking to people day in, day out; we are listening to them. We shall refine the way forward. We want it to be right for the people of Scotland.

**Cathy Peattie:** It would be helpful if the convener were kept up to date with the consultation process. Those whose communications I have in my folder are not convinced by it.

**Duncan McGhie:** It is early days.

**Michael Russell:** In the light of what has taken place, have you ever been asked to resign as chairman of the Friends of Scottish Ballet?

**Duncan McGhie:** That proposition was put to me.

**Michael Russell:** In other words, you will be wearing your flak jacket to the meeting.

Let me take you back to the board meeting of 30 May 2001. In the evidence that you gave earlier, which we can have read back to us eventually, you said that, after the Scottish Arts Council had indicated what money was available to you in January, you planned on the basis of that money for the remaining period to develop the six-year plan.

**Duncan McGhie:** No, a three-year plan.

**Michael Russell:** So you were planning to develop a three-year plan on the basis of the money that would be available to you.

**Duncan McGhie:** That is correct.



**Michael Russell:** The board minutes state:

"The Directors agreed that the management should prepare an alternative plan which would inevitably involve a higher level of funding than the guidelines that the Scottish Arts Council suggested."

That suggests that you were preparing something different from what you have told the committee. The minute is of the meeting of the board of directors of Scottish Opera on Wednesday, 30 May 2001, at the Holiday Inn Express hotel.

**Duncan McGhie:** My evidence concerned the board meeting in March, not the board meeting in May.

**Michael Russell:** No. You mentioned specifically in your evidence the board meeting in May. Indeed, the beginning of the minute to which you refer starts in the same way and states that you were discussing the arrangements proposed by the chief executive for the preparation of the plan. However, the minute continues:

"The Directors suggested that management consider the recommendations for funding contained in the report by Sir Peter Jonas to the SAC and it was agreed that this alternative plan should not exceed the funding recommendations."

**Duncan McGhie:** Excuse me. There is some confusion. You are talking about Scottish Opera, not Scottish Ballet. I did not understand that we would be talking today about Scottish Opera.

**Michael Russell:** Whatever we are talking about, there is always confusion between Scottish Opera and Scottish Ballet in the minds of the board. You have asked Scottish Ballet to prepare a series of plans without its being able to achieve those plans because you have been planning for budgets that are way above the money that has been granted to you.

**Duncan McGhie:** No, absolutely not. I have written notes of what I have said to the committee. Between January 2000 and January 2001, we were looking at what was right for Scottish Ballet. I make no secret of this—yes, we were looking at whether there was a justifiable case for us to go to the Scottish Arts Council for an increase in our grant. That was our objective. We did not achieve it, but when we were advised at the beginning of January of the decision about our funding, we worked until March to examine a three-year plan for Scottish Ballet that was based on that restricted amount of money.

**Michael Russell:** Were you still planning with your board to consider alternatives?

**Duncan McGhie:** Not at that time.

**Michael Russell:** You were two months later. What changed during that time?

**Duncan McGhie:** As I said, the company was in

a serious financial position. It did not have plans for the way forward and we needed to look at a different model. A planning process is not correct if it is restricted by funding—we should be driven by what the business is about, which is dance, the development of dance, education work, accessibility, ticket pricing and other factors. We then prepare a planning process for the outcome. I say unashamedly to the committee that I will fight for more money for Scottish Ballet until I am told that no more funds are available. We will then live within our means.

**Michael Russell:** To put it generously, it seems to me and to many people that there is an inconsistency. Am I correct in saying that there is now a single board for Scottish Opera and Scottish Ballet?

**Duncan McGhie:** Scottish Opera and Scottish Ballet are legally two separate companies. They have the same directors, who have legal responsibilities for the two companies and exercise that responsibility.

**Michael Russell:** Therefore, if a person who was not a lawyer looked into the room, he would think that the board was the same.

**Duncan McGhie:** The same board of directors.

**Michael Russell:** Good. At least 13 times over the past 20 years, Scottish Opera has received emergency funding. It has been bailed out constantly—we have debated such matters before. That has not happened once to Scottish Ballet. However, you are now saying in your evidence that Scottish Ballet has not been able to keep up to the required standard. You are arguing that that has been due largely to a shortage of money. You mentioned three points and said that, to obtain excellence, real stability and proper control and stewardship, you would decimate Scottish Ballet. Even a non-critical observer would say that the two organisations are not receiving equitable treatment.

15:15

**Duncan McGhie:** Although I am not convincing you, Mr Russell, I hope that I have convinced other people that I am here to fight for Scottish Ballet just as much as I fought for Scottish Opera.

I wish to put a few facts on the table. Our auditors provided the schedule that I am about to read from. It is an independent view. I shall be happy to leave it with the committee. In the year to 1997, £85,000 was invested in new productions of Scottish Ballet. In the year to 1998, the investment was £90,000. In the year to 1999, the investment was £39,000. That level of investment is completely unacceptable to the board. Yes, it achieved the right bottom line, but when we

invested in new productions in the years to 2000 and 2001—surprise, surprise—the deficits arose. We have a significant problem of squaring the circle within the financial constraints. We must use all our guile and wit to come up with a model that is acceptable artistically to the committee and works financially.

**The Convener:** I share Michael Russell's concern. It appears that Scottish Opera has one set of rules and Scottish Ballet has another set of rules. During our national arts companies inquiry, we were told that artistic expression could not be limited by financial constraint. I remember those words clearly, but Scottish Ballet is limited by financial constraint. I am not saying that what Duncan McGhie is doing is necessarily wrong. We must continue to monitor such action. However, it has become apparent that Scottish Opera receives substantial increases in funding when it goes over budget, yet Scottish Ballet receives no comparative increase in funding. We cannot deal with that issue today, but the committee will continue to take further evidence on it.

**Duncan McGhie:** I understand your argument, but it is for those who decide on the allocation of funds to deal with such matters.

**The Convener:** Indeed.

**Duncan McGhie:** I wish to clarify one point for the *Official Report*. In the financial year to March 2001, Scottish Opera came in under its budget for the first time in a considerable period. I hope that that is good news for the committee.

**Michael Russell:** You are talking about a budget that has been increased unexpectedly by £2 million, yes?

**Duncan McGhie:** No, excluding that.

**Michael Russell:** Gosh, you must be awash with funds. Why do you not give some to Scottish Ballet?

**Duncan McGhie:** That would not be a proper and appropriate action to take.

**Michael Russell:** We will note that interesting remark.

You say that you are fighting for Scottish Ballet. I do not want to fall out with you, but if I have to I will. The volume of evidence in front of the committee contains more than 80 items—and items are still coming in. That evidence has led me to believe that you are not fighting for Scottish Ballet, but fighting with Scottish Ballet. The wide range of people involved is remarkable. Two past chairmen of the company oppose such action. One of your youngest dancers has submitted a response, as has John Percival, the distinguished critic and editor.

I take up Cathy Peattie's point. No one in that

wide group of people seems to have understood that he or she is taking part in a consultation exercise. They think that an *ex cathedra* pronouncement, which they regard as utterly wrong, has been made with the support of the Scottish Arts Council. I shall come to the point about the Scottish Arts Council in a moment. How can you regain ground from such a proposal now, given its huge weight and the deep concern of the committee and many other people about it?

**Duncan McGhie:** By working hard at it.

**Michael Russell:** If such action is a consultation exercise, what about starting with an apology for having got off on very much the wrong foot?

**Duncan McGhie:** Convener, I have apologised to the committee today. I am not frightened to apologise, Mr Russell, if I feel that an apology is merited. However, we are at the beginning of a process. A big task is ahead of us. The company is not awash with a vast quantity of people to carry out that task; people are working days, nights and weekends to do it. We will continue to work hard and to communicate with those people. We will continue to explain. Then, when we are at the point of finalising the consultation process, the big challenge will be to produce plans that work. I sit here today not certain that we will achieve that but certain that we will work damn hard in trying to do so.

**Michael Russell:** Are you certain that you have started in the right way?

**Duncan McGhie:** I believe that we have.

**The Convener:** Your clarifications have been helpful. The committee is at the beginning of an inquiry, not at the end. We are taking evidence; we have not yet reached any conclusions.

**Irene McGugan:** Renton Thomson told us that the changes would involve cost savings because contemporary dance companies traditionally bring in a lower income. He cited a number of reasons for that, including lower ticket prices and smaller audiences. Where will the cost savings come from? What impact will they have on the jobs of dancers and musicians?

**Christopher Barron:** In the middle of August, we announced our framework document, which was to look to the future but without prejudicing the position of a future director coming in. We are preparing a future working plan for the Scottish Arts Council.

If there is confusion, it is in the debate between what is called "contemporary" and what we mean, which could be called "modern classical". We are not considering experimental dance. The jump is not so great from where we are today. We are taking a modest step towards taking in original contemporary choreography that is completely

based on classical training. That was in our original press release. We have reassured many people in the past few weeks—successfully, I believe.

I am not looking for huge savings. I accept that there would be apprehension if we were doing triple bills all year round, but that is not where we are going. We need time. I believe that the process that we have started is correct: we have given ourselves a year in which to get a new director and we have given ourselves time to talk to a lot of people. In the arts, it is important that the companies—the people who are making the work—take their own decisions and take their life in their own hands to work things out. It would not be good enough if we were to find another director and say: “Come and sort us out; come and make dance in Scotland.” We have to be clear about what we want to do in our community.

This week, at the first consultation meeting on the strategy of the Scottish Arts Council’s five-year dance plan, I was excited that we are part of that process. I am not saying that we need big savings; I think that Renton Thomson was ahead of the game on that one. I will be working with him.

**Irene McGugan:** You cannot deny that, as things stand, you have an uncostered model. That makes it difficult for people to know what the future holds. When will you be able to put figures to your new ideas?

**Christopher Barron:** Next year will be a transitional year, but it is not as if everything just stops as we go into it. A lot of costing has already been done as we search for a new director. The plan that I spoke about takes the transitional year—2002-03—into account and that plan has to be submitted by the beginning of November. That should reassure people—and you are right to say that people need reassurance.

**Irene McGugan:** In response to Cathy Peattie, you said that your board began, as part of the consultation process, to listen to audiences way back in January 2000. Was Robert North not appointed some time around mid-1999? Did he, in your eyes, have only six months to establish his artistic integrity and influence?

**Christopher Barron:** No, no—quite the contrary. Robert started in September 1999—

**Irene McGugan:** So he had only three months.

**Christopher Barron:** A new board had to start the process of listening, which it did over a long period. The decision on artistic direction was taken in May 2001. You can work out the arithmetic from that.

**Mr Monteith:** Mr McGhie, from your introduction and answers to my colleagues’ questions, you seem to be arguing that—in a phrase with which

you will be familiar—Scottish Ballet suffers from structural underfunding. Can you confirm that that is what you mean? You suggested that the Scottish Ballet programme is not sustainable under current funding levels and that there is structural underfunding.

**Duncan McGhie:** I am about to give you a long answer just to say yes. It is regrettable and unacceptable how little the company can do on the main platforms in Scotland. The period of 14 weeks is unacceptable for a national company. However, I remind the committee that, although the company is working for only 14 weeks on the main business, that does not mean that it is not active in many other ways. I do not want to mislead the committee in that respect.

The objective of moving to 20-plus weeks, which the company has done in the past, is not scientific. There is a feeling that Scotland deserves such a period. However, if that period was based on the mix of work that we have been undertaking, it would not be fundable. I put on my coat and hat at this point, because the sad fact is that it is the first time in my entire working life that I have come across a business that runs at a marginal loss each time it takes part in a little activity. That is the challenge faced by the entire arts world. The only way in which to square the books is to reduce activity. I do not think that Scotland wants that to happen. I believe therefore that there is a structural underfunding problem in Scottish Ballet.

**Christopher Barron:** The next-largest company in the United Kingdom is the English National Ballet, which receives £4.73 million from the Arts Council of England. That will help the committee to understand the capacity of the company.

**Mr Monteith:** Mr McGhie, you talked at the outset about looking for success. Can you define a successful Scottish ballet company?

**Duncan McGhie:** It would be a company that audiences of all ages throughout Scotland wanted to see in increasing numbers. The company must be a true international ambassador—as Scottish Ballet has been. A successful company would tour England and Europe and provide people with an opportunity to perform and work in it. I contend that all those factors make a successful company, along with the stability to which I have referred.

**Mr Monteith:** Thank you. Such information is useful. We shall take it into account in our inquiry.

You touched on quality and mentioned the refusal of the grant application to the Arts Council of England for touring down south and your failure to attract an invitation to the Edinburgh International Festival. On Robert North and quality, I wish to quote Nicholas Dromgoole, the well-known critic. He said:

"At my last count over eighty dance companies, in both Europe and America, include in their repertory, ballets he has created. He also has a distinguished record as a company director, from his successful direction of Ballet Rambert onwards. His latest full length work 'Carmen', which I saw in a crowded and enthusiastic Glasgow theatre, and which was warmly received on the company's recent tour in Portugal, seemed nothing short of brilliant—theatrical, musical, and exhilaratingly creative as dance drama."

That is certainly a satisfied customer. Why was Scottish Ballet able to attract support to perform in Portugal, but unable to do so to tour elsewhere?

**Duncan McGhie:** I can only repeat the evidence that I have given to date. It is unacceptable that a national company does not perform at the Edinburgh International Festival. I am merely telling you what we have been told. You may wish to consider inviting representatives of the festival to comment on the position. I am sure that Mr Brian McMaster will be pleased to give evidence to the committee.

I assure you that, when the decision was made by the Arts Council of England, considerable lobbying was exercised both by us and by the Scottish Arts Council to overturn the decision. However, it was not changed.

The listening process has been instructive. I am not saying that everything has been bad quality but, as I have said, we could do better. I believe that we must strive to do that. I make no comment on the absolutes. However, I feel that in the longer term we must continue to move up the ladder of excellence.

**Mr Monteith:** I want to move to a different aspect of your evidence, the issue of sponsorship. I worked in marketing for 16 years and I often had to recommend to clients whether they should sponsor artistic events.

Do you think it would be easier or harder to convince me that one of my past clients might sponsor Scottish Ballet, given the possibly more testing repertoire and possibly smaller audiences—initially smaller, but they might grow—that might be produced if you go ahead with your plans? Do you think it would be harder or easier to convince marketing people to spend their sponsorship money on a new repertoire from Scottish Ballet?

15:30

**Duncan McGhie:** I have some marketing experience, having acted in a marketing capacity for my previous firm. I was involved in decisions about sponsorship. I therefore claim to know a little bit, but might not have your depth of experience.

Clearly, sponsors are looking for a complete

package; most of all, they want to be associated with success. Success is something that Scottish Ballet has experienced over the years. That is why organisations such as the Bank of Scotland have been excellent sponsors of Scottish Ballet and I hope they will continue to be so. However, we must not be complacent and sit back. Corporate sponsorship is not getting any easier to find as corporate budgets are tightened. We have to continue to demonstrate our willingness and ability to progress and come up with innovative packages. I am confident that we will do that as part of the overall process.

**Mr Monteith:** You have been asked about the future prospects for dancers. What are the future prospects for musicians associated with Scottish Ballet?

**Duncan McGhie:** We very much welcome the involvement of our musicians. They have been a vital part of the history of Scottish Ballet. We are considering their involvement as part of the overall process. Our objective is to grow the company, not to reduce it. I am hopeful that we will continue to have an active role for our musicians in the years ahead.

**Ian Jenkins:** I want to go back to your announcement of 15 August. Is it not now clear to you that it looks like a decision that has already been made, a fait accompli? That makes it difficult to accept what you have said again today, that it is the start of something and not a decision that has closed a gate on the issue.

**Duncan McGhie:** There is no gate being closed, Mr Jenkins. I have to keep repeating that.

**Ian Jenkins:** Do you understand that that is how people feel?

**Duncan McGhie:** I understand the concerns and I have made my comments to that effect already.

**Ian Jenkins:** In making your decision—whether it has been made or is being shaped—what do you consider to be your responsibility as a national company for the rest of the dance community in Scotland? Do your plans encompass the provision of education and other dance companies, or are you simply making the decision for your own world?

**Duncan McGhie:** Absolutely not. We have to work with the SAC in the development of dance. Dance is developing and exciting things are happening with dance in Scotland at the moment. Dance Base, for example, is a wonderful new facility for dancers. The SAC has appointed a new director for dance. Those are just two examples.

We see dance in Scotland as developing and exciting and we want to play our part in it. That is why we work hand in glove with the SAC to ensure

that what we are doing is part of the overall strategy. You will no doubt hear shortly, convener, from the Arts Council about its concept of developing a strategy for dance for Scotland. We want to be, and are, part of that, Mr Jenkins. We will not exercise muscle. We would not get away with that. Our board would not want us to do that, nor would you or the SAC. We want to be part of the development of dance for Scotland.

**Michael Russell:** I shall be brief because I want to quote somebody and ask for your opinion on it, Mr McGhie. It is worth having this on the record. The quote is from one of your youngest dancers, Jocelyn Giles, aged 23, who has been with the company for three years. I will put on record what he says and ask for your response to it. We have heard a lot of things that have reflected badly—intentionally, I think—on one individual. Let me just read this to you:

“Whatever the outcome of this inquiry don’t let anyone doubt what Robert North has achieved at Scottish Ballet. Taking over a depressed company in 1999 he has brought in new works which have excited people throughout Scotland, England, Northern Ireland, the Republic of Ireland and other countries in Europe. He has managed to do this for the most part—”

this is coming from one of your dancers—

“with a board and a chief executive that were always trying to undermine him and his dancers. Please don’t get me wrong. I’m not a Robert North disciple, but I am a dancer and, believe me, dancers know the difference between spin and actual dance knowledge.”

I also have a petition from all your other dancers and have had endless letters from people. I ask you again whether you do not think that you have got off on the wrong foot on this matter. Would it not be better to go backwards rather than forwards at this stage?

**Duncan McGhie:** I always want to go forward, Mr Russell, because we are where we are and we will move forward positively. We are in a process of meeting and talking with the dancers. They provided us with a list of 28 questions that we have answered fully in writing. We plan to continue to meet with them to explain the way forward and to listen to their views. We will take that as part of our consultation process, so that we can shape the right way forward for Scottish Ballet. I remain committed to talking to the dancers at any time.

**Mr McAveety:** There was strong evidence in the submission earlier about the lack of information and direction from you and the board to the artistic director, and vice versa, about the direction of the company. Can you comment on that? You said that during the process the board undertook an evaluation. Were any papers produced for that and would they be helpfully illuminating? My big problem is that there is a massive distinction between what you and the two gentlemen who

spoke earlier say about the likelihood of the success of contemporary dance compared to a combination of classical and contemporary dance.

You indicated in your financial overview that audience figures are a major issue, but the evidence that we have been given—which might be a singular viewpoint—seems to suggest that being a contemporary dance company only would make things more difficult for the company in the future. I want you to comment on that process. Also, if there are any papers that went to the board for consideration and that allowed you to make what was a dramatic decision in August, could we have access to them?

**Duncan McGhie:** The answer, Mr McAveety, is that I am absolutely certain that you can have access to anything, but I am not sure how. We can talk with the clerk afterwards, convener, about the process of doing that. I will happily—

**Mr McAveety:** Were papers that specifically looked at artistic direction produced for board meetings? Would they illuminate for us the debate that resulted in the final decision?

**Duncan McGhie:** Are you talking about the decision by the sub-committee of the board?

**Mr McAveety:** I suppose we are talking about that sub-committee, but there might also have been other processes. It would help us to know, because we have received a volume of evidence that suggests that you have got it wrong. This might be act 2 of a three-part tragedy. I do not know. Can you tell me whether there is information available that could help us to arrive at a fuller picture?

**Duncan McGhie:** The papers that we considered at the meeting on 30 May 2001 will be made available to this committee. With regard to another point that you made, we need a factual statement. Since I became chairman of the board, the artistic director and the general manager of Scottish Ballet have attended, when they could, all board meetings of the company—that was also the practice of my predecessors—and were party to all the discussions. On occasions, our diaries did not allow that to happen, but the artistic director and the general manager were usually present at board meetings.

**Mr McAveety:** There is a distinction, Duncan, between board meetings and meetings of a sub-committee. Was the relevant debate in the sub-committee and not in the board meetings till latterly?

**Duncan McGhie:** No. I am sorry. The board gave the sub-committee a specific remit. However, the sub-committee met in private.

**Mr McAveety:** Finally, you have referred, in response to a number of questions, to this process

beginning. In case I get it wrong, what process is now beginning?

**Duncan McGhie:** The process of taking forward the concept that we have created and discussing it with a wide variety of people. We will not talk to the dance community only. We will talk to sponsors and the Arts Council and we will happily come back to the committee. We will follow whatever process is appropriate, but that will lead to the appointment of a new artistic director who will contribute to the work to prepare an artistically exciting and fundable six-year strategic plan for Scottish Ballet.

**Mr McAveety:** That was a helpful answer, as you made a distinction between what was said earlier and what people may have understood. For those who agree with the direction set out in the August statement, the process is beginning. I have an advantage in that I know no distinction between any of the issues involved, so I can take a punter's view and ask whether we should agree with you on the process. Do people's submissions have any value in the debate that you claim that you will engage in?

**Duncan McGhie:** They are of huge value. As I said, nothing is set in stone. We are suggesting the start of a process on the way forward. We will listen. We need to do much work.

**Mr McAveety:** My problem is that you say that the process is based on the vision that was identified in August. I might agree with that—I do not have a fixed view—but it excludes many contributions that we have received verbally and in writing.

**Duncan McGhie:** All I can say is that the system did not work. We could not square the circle. We can provide you with details of the strategic plans that were prepared. We are not talking about writing on the back of a fag packet. Much work was done to consider how we could operate. I am not proud of the fact that we had a budget for the year to March 2001 that included a £95,000 deficit, which we felt was manageable. That turned out to be a £262,000 loss. When the board became aware of that in January and February 2001, we realised that we had to take dramatic action. I am sorry, Mr McAveety, but something must change and move on.

**Mr Monteith:** Will the six-year plan that you mentioned involve the full merger of the companies, as originally envisioned?

**Duncan McGhie:** I have gone on record many times—although not in evidence to the committee—to say that we are dealing with two different art forms. As I understand how it was envisioned, the full merger was flawed. I would like to think that all the national companies could work together on what could be done to share facilities.

We have a wonderful facility at Edington Street, which we hope might be extended for a dedicated dance facility in Glasgow. We are considering that option. However, my board and I think that the art forms are different and must always be managed separately.

**The Convener:** As I am convener, I always have the last word. I have one question for my benefit. In the brave new world that you envisage for Scottish Ballet, could my one-year-old son go to see "Aladdin" when he is older?

**Duncan McGhie:** Yes.

**The Convener:** Thank you. That provided some clarification. What will be different?

**Christopher Barron:** We will do new work. We will take some original work that is made in Scotland and produce work about Scotland.

**The Convener:** Nevertheless, you will continue to do what I would interpret to be classical ballet.

**Christopher Barron:** We do not do new work at the moment, so doing that will be a departure. We must face the way in which dance is developing and proceed with that. Adding that into our broad repertoire makes much sense, as Scotland becomes more confident in dance. Now is a good moment for dance. We must play our part, as the major client of the Arts Council in dance for Scotland.

**The Convener:** I am confused. You say that you can still do classical ballet as I interpret it—forgive my ignorance as a mere mortal—and "Aladdin" would be part of modern classical ballet, as would "Carmen", which I greatly enjoyed. I see nothing wrong with doing contemporary work alongside that to showcase Scotland at its best. I hope that all our national companies will continue to do that. However, some conflict exists, because the evidence that we have received is that people do not believe that modern classical ballet is part of your plan, yet you say clearly that it is.

**Christopher Barron:** The same training is used for all types of repertoire, as Robert North explained.

**Michael Russell:** He explained the situation differently. He used fairly dramatic terms and a political analogy. What you say is not what he said.

Is it not arguable that the confusion is simply a means to get rid of Robert North? Nothing much else will change. Your chairman said that nothing was set in stone, but you are about to get rid of your artistic director, and that is set in stone.

**Duncan McGhie:** The board has decided to move on.

**Michael Russell:** That is set in stone. Have you

simply chosen a rather elaborate way of getting rid of someone whom you do not want?

**Duncan McGhie:** No. We are taking the company forward from an unsustainable position. At its meeting in February—forgive me if I have the date wrong—the board took legal advice on whether we were in danger of trading insolvently. That shows how critical the situation was. Therefore, we had to look forward and move on. That is what we are doing.

**The Convener:** It would be useful for the committee to have some of that evidence. If the dancers agree, it would also be useful to have the list of questions and written responses that were given, because the dancers are at the heart of Scottish Ballet, and it is important for us to know what questions they are asking, what responses have been given and what dialogue is continuing.

**Duncan McGhie:** That is fine by me.

**The Convener:** We will speak to the dancers' representatives about that. I thank the witnesses for their evidence and adjourn the meeting until 4 pm.

15:46

*Meeting adjourned.*

16:00

*On resuming—*

**The Convener:** We move to the third set of witnesses, who are from the Scottish Arts Council. I welcome the chairman, James Boyle, the director, Tessa Jackson, the head of dance, Cindy Sughrue, and the head of funding, Graham Berry. I understand that James Boyle wishes to make an opening statement.

**James Boyle (Scottish Arts Council):** I will kick off by declaring that we are all exhausted. We have been in a meeting of the SAC since 8.30 am so our resistance is low. We would rather not be here, but we were happy to come and answer questions. I will explain the context of the situation to members and make a couple of comments.

The SAC's job is to consider dance as a long-term proposition. Our five-year plan, which is around 18 months old, sets out the criteria for that consideration. The question for us is whether the proposed changes at Scottish Ballet are consistent with that plan. The plan's aims are to ensure that there is scope for nourishing and sustaining professional excellence in Scotland, for encouraging audiences, for training and for getting dance, in all its forms, to all parts of the country.

Members know about the initiatives with which we are pursuing those aims, so I do not need to

repeat them. There are initiatives at the new world-class Dance Base—which is a couple of hundred yards from here—Edinburgh's Telford College and Dundee College.

For my sake, I will keep my points about the changes at Scottish Ballet simple. Scottish Ballet came to the SAC with the simple proposition that it was thinking of making a change. It has the right to make a change because that is its business. One question that I had was whether the broad changes that were proposed were within the framework of the plan that the SAC has outlined and established in Scotland. The answer to that question was yes.

The principal and first change was to terminate the contract of the artistic director of Scottish Ballet. I asked a few questions on that, including a question similar to the convener's about whether the proposed change was one of substance or was in the continuum of what Robert North had established. In other words, will we see the small classics that we are used to seeing plus modern dance?

From Robert North's answer to Ian Jenkins's question about whether "Carmen" is classical modern or modern classical, we can see that there is confusion everywhere. I approached the matter slowly and the two answers that I received were that the proposed changes were part of the continuum of what Scottish Ballet had been developing and that they were within the framework of the SAC's well-established plan for dance in Scotland.

Scottish Ballet had a managerial right to make that change but, as Duncan McGhie conceded, the change has not resulted in happiness. That is patently obvious and the reason why we are here. There is considerable unhappiness and we agree that the communication could have been better. However, we are satisfied on the core of the matter and that our broad allocation of moneys is husbanded well. The SAC's grant to Scottish Ballet comprises almost three quarters of the SAC's total subvention to dance in Scotland.

The nub of the matter for us was whether the change was within our framework and the continuum of what existed and whether there was anything that would lead us to believe that there would be a significant change in audiences. In the summer, we were satisfied with the answers to those questions.

**The Convener:** One of my primary concerns, which is shared by other members, is about finance. You have listened to today's evidence, a lot of which has been contradictory and concerning. You are aware of our concerns about how Scottish Opera operated in the past and it is clear from the evidence that Michael Russell

brought to the committee that the trend that we are concerned about is continuing. Were you aware, from the evidence that you received, that Scottish Ballet was asked to produce budgets that were beyond what the SAC had committed? If so, what action did you take?

**James Boyle:** I will bring Graham Berry in on that because, as members know, I did not take up my post until May 2001. We see the budgets at different points in the year. I do not agree that we are back to the old days and to square one—our management team is able to produce three-year budgets and that figure will shortly be six years. That is a quantum leap forward.

We are trying to move from being diffident and dissident bankers for organisations to being a champion of art forms by being a development agency. We are all trying to change our posture, and the first thing that I have to look for is financial probity. In Duncan McGhie we have that probity. He has long experience of turning in accounts in industry. The SAC wants all the dealings in financial matters to be public. That is why Duncan McGhie and Chris Barron appeared in public at our meeting this morning. In previous meetings, I have put correspondence into the public domain, which is the right way forward. I am not interested in secret diplomacy.

Our other criterion for whether the change at Scottish Ballet was acceptable was simply whether a door was opening or shutting on conversations. The change is a door opening, because the process does not begin until an artistic director has been appointed. The assurance that a door was opening was key to our attitude.

**Graham Berry (Scottish Arts Council):** We have a satisfactory budget for the current year from Scottish Ballet and it is its responsibility to work to that budget. We monitor that by receiving regular management accounts and reports on the progress that is made. Each organisation, in the run-up to producing a final budget, produces a range of versions of budgets, which is legitimate because it allows them to determine what will work.

Organisations tend to use the budgets as grant applications to the SAC and to a range of other organisations. Therefore, those budgets do not achieve the status of being a budget until they are approved finally by the board and are rooted strongly in a clear artistic plan and clear assumptions—and those two things relate to each other. The budget must be balanced or managed so that the cash facilities that are available to the organisation are controllable throughout the year.

As a condition of the grant, we insist on seeing the final budget that has been approved by the

board. We receive that budget usually after we have made a formal offer of a grant to the organisation. Until that time, budgets go through several variations and, as Mr McGhie mentioned, organisations try to press us for more funds so I expect them to produce a variety of budgets.

**The Convener:** Have you given a 15 per cent increase in funding from your budget to any organisation in the financial year that has just ended or in the financial year to come?

**Graham Berry:** Yes. I am sure that some organisations have received such an increase, but I cannot tell you offhand which they were.

**The Convener:** Could you get that information for us?

**Graham Berry:** Yes, of course.

**Mr McAveety:** One of the key issues that has been addressed in written evidence that the committee has received and in oral evidence that we have heard today is that of the process of change. What is your view on that process? Do you share the view of the process that was submitted by Mr North, the chief executive or the chairman of Scottish Ballet?

**James Boyle:** Let us return to the business of the door opening. A critical moment is that in which the decision is made to terminate somebody's contract. There are all sorts of contextual factors, as you will understand. Mr North now has six to eight months of his contract with Scottish Ballet to run, which is an awkwardness that no one would seek. You can regard that as the context for what is happening.

Scottish Ballet's prospectus, of which you may have a copy, is an impressive document. Duncan McGhie and Chris Barron would say that it has probably been published a couple of weeks too late. I do not think that there is anything sinister in that. Scottish Ballet is fully aware that the real process of taking soundings will begin with the advent of the new artistic director. Duncan has said that he initiated the contacts—and he did—in August. One cannot argue with that; it is legitimate and on paper. It is a pretty solid record of consultation.

**Mr McAveety:** We asked Duncan McGhie about the information that was provided to either the sub-committee or the board to allow it to evaluate the direction of the company. Have you or the SAC had access to that information, allowing you to arrive at an independent view—if it can be called that—of that new direction?

Fairly strong arguments have been made that the new proposal would have a substantial and negative impact on the infrastructure of dance in Scotland. As you have a key responsibility for that, do you support those arguments? If not, why not?



**James Boyle:** No, I do not support those arguments. I know exactly what is being proposed to take place at the premises in West Princes Street and at those that Duncan McGhie mentioned. A huge amount of sentimentality is mixed up in such arguments. I invite Tessa Jackson to give you the detail.

**Tessa Jackson (Scottish Arts Council):** We were clear that the announcement of 15 August was about opening a door to a process of discussion and consultation in which a range of different options for a long list of things would be considered. That range of options has subsequently been published in a prospectus that you may have, which has been changed several times in its formulation. Nothing is set in stone: that is a working document for comment and consultation.

We were in agreement with, and fully supportive of, the idea of Scottish Ballet being able to undertake the exercise of opening a door and discussing. We have agreed with Scottish Ballet the work plan for this year until the end of the financial year in March 2002, with a budget, and that work is progressing. Some of it has been talked about already.

We will give all organisations core funding—regular funding—for the next financial year. We give them a planning figure around which they begin to put their plans together, as Graham Berry has described. The planning figure for Scottish Ballet will remain the same as for any other core-funded organisation until we hear otherwise. As you know, we have made a bid to the Scottish Executive and we are asking everybody to plan on a standstill basis. The announcement in August was made on the understanding that Scottish Ballet was embarking on consultation on possible ways forward. We were assured that there would be discussions with a wide range of people—the dance sector, audience members and friends. That has taken place, as Scottish Ballet has described.

We will be interested in some of the information that has come forward today. It will ensure that, when we receive Scottish Ballet's plans—we believe that that will be in November—we will be able to consider what it is proposing and we will be able to determine whether that fits in with a national dance strategy for Scotland.

As James Boyle said, we have been on a rolling process, if you like, over the past 18 months of bringing into the future our vision of dance for Scotland. A number of things have changed. There are some new buildings, new developments and new people, for example. We must ensure that Scottish Ballet, Scottish Dance Theatre and a number of other companies that are listed in our briefing paper understand how everybody fits

together and where people are going. We are consulting on our own dance strategy simultaneously—that is helpful.

16:15

**Michael Russell:** I understand the SAC's desire to have a broad and open discussion about the direction of dance in Scotland, and your document contributes to that discussion. I also understand the need for that discussion not to close off any options. However, there are other things that I do not understand and I want to ask James Boyle in particular about them.

Tessa Jackson is quoted in a press release as appearing to support a done deal in respect of a major change in the company's direction. In essence, the deal appeared to be over and done with. Duncan McGhie and his chief executive have said that that was not the case and that there was meant to be consultation. Given the difficulties that have since occurred, and with the benefit of hindsight, do you accept that the press release and the involvement of the director of the SAC were regrettable?

**James Boyle:** Tessa Jackson said:

"We welcome the artistic plans announced by Scottish Ballet today. SAC is keen to see the Company develop artistically and increase its audiences. We share a common concern for the future success and financial security of the Company, and Scottish Ballet has developed these plans with those in mind."

I do not see how that is inconsistent with anything else that we have said.

**Michael Russell:** The word "plans" seems slightly difficult. We have heard that a door was being opened and that possible proposals were given. The SAC briefing says:

"On 15 August 2001, Scottish Ballet announced an outline proposal for a new direction for the company."

The press release seemed to describe a cut-and-dried plan to change things massively at Scottish Ballet, against the wishes—as we now know—of virtually its entire staff and certainly most of its supporters. I think that the press release was largely responsible for the file of evidence from people who are opposed to the changes. That may not be the case, but given what has happened—

**James Boyle:** I agree. If you are asking whether, with hindsight, things could have been worded better, I agree. People as eminent as Robert North, Duncan McGhie and Chris Barron have disputed what the terms modern, classical and classical modern mean. I want to keep things simple. I understood that the change was not massive—that is why I kicked off by discussing it. My understanding is that the change is in the

continuum of what Scottish Opera has been doing for the past couple of years. I agree with Mr Russell that constructions on words such as "plans" have been infinite, but I think that that reflects fear of change. Could that have been ameliorated? With hindsight, more talking could have been done to help matters.

**Michael Russell:** You will know from your experience that managing change is essential in artistic or media organisations. With hindsight, was it appropriate for the director of the SAC to appear to endorse plans or proposals that were still vague and that were bound to cause huge concern? I hope that the SAC thinks about that. Would not it be better for the SAC to play a different role rather than to jump in at the beginning and become part of the problem?

**James Boyle:** If the SAC did that, that would be wrong, but I do not think that it did. We are disputing the interpretation of words.

We were entirely clear about what we were endorsing—Scottish Ballet's right to manage and the termination of Robert North's contract. We had satisfied ourselves that that was precisely the opposite of what you are implying, although clearly the communication process was not good enough. I absolutely concede that, but we were clear about the scale not being massive.

**Michael Russell:** Assuming that the situation is what you have just said it is, an objective observer might say that it is a lot of fuss about nothing. However, it might be a fuss about the fact that a board of directors, which had the absolute right to do so, and for whatever reason, terminated the contract of its artistic director. That happens all the time in football, and it can happen in ballet too. If that was the case, was not there the most enormous mismanagement of the situation? Four weeks after the announcement, we have all this evidence and a parliamentary inquiry. If we are in this mess now simply because a company wanted to terminate a contract, that is a damning indictment of the management of the company.

**James Boyle:** It is the judgment of the committee members and the convener whether it is worth holding a committee meeting. The committee has documentation and it is a function, let us be candid—

**Michael Russell:** That is not the question. Is not the situation about mismanagement? If that was the intention—

**James Boyle:** Literally speaking, Mr Russell, it is not mismanagement. I have been careful about my words. Scottish Ballet was managing completely within legitimate parameters. If you are asking what kind of stooshie we are talking about—a big one or a little one—I think that it is a hell of a stooshie, but it is a little one really. If you

are asking whether the situation is regrettable, the answer is yes—Duncan McGhie has conceded that.

In the natural run of things, people who are opposed to the decision will lobby the convener and members of the committee, and those who are for the decision will come and give evidence. The pile of "anti" submissions is bound to be a big stack; that is in the nature of things. The rest of us will then come in and say yes.

**Michael Russell:** There is not even a wee stack of submissions saying yes. One or two people are supporting the decision. Others are in the position that you are in, and I think that you got off on the wrong foot with Tessa Jackson's involvement in the press release. You are in the position of saying, "Let us have a discussion, a debate and an involvement in considering what the proper process is."

A large number of people are concerned and worried; they make up the audiences that the arts need. They are dancers, technicians and musicians, all of whom are now worried and concerned. I am certain that we will hear that again from the trade unions later this afternoon. The reason for that concern—I choose my words carefully—is bad management, if not mismanagement.

If the board's intention, as Mr Boyle has indicated, was to drop the pilot, there are ways of doing so that do not result in parliamentary inquiries. That makes me think that nothing has changed in the management of Scottish Ballet since the previous time that the committee held an inquiry into it.

**James Boyle:** That is not so. There is a very substantive difference in the management now. We have all referred to financial probity, and we have got that—and planning—in spades.

Communication is not good anywhere in the arts world and I have no intention of defending bad communication. One of our jobs in the Scottish Arts Council is to examine the whole business of how we confer with the public and how we talk to Parliament and others. We are not good at that. I need to make that model practice in the Arts Council for others to look at. We tend to wrong-foot ourselves, but I will let Tessa Jackson speak for herself on the matter of the press release.

**Tessa Jackson:** The press release and the supporting statement proposed ideas. With hindsight, which is so useful, I can see that one of the things that did not come out—a committee member picked up this point earlier—is that we are talking about a process. My statement was supportive of the process that we are in. We would be seeing plans and would be able to have a formal process of our own in the dance committee,

as well as the Scottish Arts Council, regarding what was being proposed.

There is a mixture of meanings between modern, classical and contemporary. Will styles of ballet such as that in "Aladdin" be included in the programme in the future? Until we get into a little more detail, none of us will be able to come out with the same understanding and meaning. My regret about what has happened is that all sorts of words have been used on all sorts of occasions and have had different meanings for different people. Our role was to be supportive of an open process—with certain points of conclusion—so that the company could manage itself. It was our full understanding that there would be consultation on plans and proposals and that we would have a formal opportunity in November, when plans for three years became available, to discuss the meaning of the future plans.

We are interested in considering several points in the press release. I have not seen any further detail besides what is in the prospectus. We have had no further discussion of it, but I look forward to discussing it. It has been stated that Scottish Ballet will be a smaller company that is about young dancers and bringing them on in a classically trained background. What does that mean? I do not know yet, and will not know until we have had a full discussion about it. It is important to support the tradition of classical ballet in Scotland for young people.

**The Convener:** I want to clarify that you do not believe that the process that we are engaged in is set in tablets of stone. Is there an open door regarding where we are going, what might happen and where the future of Scottish Ballet lies? Is the process set in tablets of stone?

**James Boyle:** Absolutely not. The process has hardly begun. It is with the recruitment of the artistic director that you really get into stride with consultation.

**The Convener:** My concern is that Tessa Jackson has indicated that the process will end with a presentation to the Arts Council in November. It is now mid-September and the board of Scottish Ballet will have to make a decision—I imagine that that will happen in October—prior to the plan going to the Arts Council. Given the strength of feeling—whether it is based on misinformation, wrong information or confused information—it will be difficult to square the circle and conclude the process satisfactorily, with the involvement of all the stakeholders, including those whose livelihoods depend on the future of Scottish Ballet, by October, so that the plan can be presented to the Arts Council in November. If we are honest about the process being open and full, perhaps a longer consultation period is required.

**Tessa Jackson:** It is difficult when one is giving an answer, but I have been describing our understanding of the statement in the press release. At that time, there was a process in which we would see plans. One could not say in August whether one would feel that the plans were right or whether there would need to be a continuing process. We must decide whether we are happy with the overall strategy for dance for Scotland.

One of the guarantees that we discussed was that there should not be a detrimental effect on other companies and other activities in Scotland. We have a track record of supporting companies such as Scottish Dance Theatre; we have increased our support for that company this year because of its trajectory. We believe in it and support it; we have a clear description of what it is doing.

We must see the plans and decide what issues arise from them. If, as a result of that and of what we have heard today, we have to refer back to the chief executive and chairman of Scottish Ballet, and if they say that, having heard everything, they need further time, it would be important to give them further time.

**James Boyle:** There will be no door shutting in November. It will be possible to start the recruitment process to get an artistic director, but not to get someone in place by then. We are happy to have Robert North producing "The Snowman" at that time.

**The Convener:** There has been much talk about certain ballets attracting large budgets and others attracting smaller budgets or smaller audience figures. Do you envisage the plans including budgetary projections, feasibility studies and marketing and sponsorship projections? We have heard evidence today—we have not decided whether it is right or wrong—that if you move to contemporary dance, the sponsorship and audience figures will be lower and the budgets therefore might not match as easily.

16:30

**James Boyle:** First, we are not going in the direction of contemporary dance. We do not commit suicide.

We are looking carefully at the projections. I am asking the Scottish Arts Council officers to review our funding schemes and our funding of the core organisations. I am concerned not only about that, and about the questions that Frank McAveety and Mike Russell in particular asked earlier, but about understanding the whole picture. That is exactly what we were doing this morning on the specific matter of the budget for Scottish Ballet.

**Tessa Jackson:** In August, we discussed the

fact that there needed to be full business plans. My understanding of a full business plan, which I am sure I share with Duncan McGhie, is full projections on a number of accounts. It depends on what issue one is looking at, but we would need to have a certain level of detail and to know to what extent the organisations had had prior experience of certain box office returns for certain styles of performance. We would require to have that information before us to take an informed view.

**Cathy Peattie:** The convener and Tessa Jackson will recall that the discussions on a merger of Scottish Opera and Scottish Ballet included discussion of joint working—back-up staff and musicians across the board working together—which would be good for Scotland and our culture and good for the people who are involved in the industry. I do not see much evidence of that. Does it make sense to have one board making decisions for Scottish Opera and Scottish Ballet? Is Scottish Ballet losing out because of that structure? I do not think that the original plans have worked. We still have the joint board—I need to be convinced that it is working.

**Tessa Jackson:** There are two legal boards, comprising the same membership. They have a responsibility to one company—either to Scottish Ballet or to Scottish Opera—for the appropriate support and running of that organisation. The legal responsibilities of the directors are very clear.

On working together, there has been huge value in bringing together the two companies at board and chief executive level. The organisations are going through separate processes concurrently; as the chief executive outlined, the difficulty lay in the amount of work that required to be done at the same time on very different issues. However, there are separate staffing structures under the chief executive, the finance director and the joint board.

I could not describe to you—other than by conjecture—how things might be if there were separate boards; I have only known the joint board. Duncan McGhie and I started our jobs at a similar time. I am not sure, in all honesty, what one would hope to gain in terms of the collaboration of organisations by separating out the boards. I am talking about the closer collaboration—the sharing of resources, knowledge and expertise—that we exhort all arts organisations to try to adopt. Options for facilities must be considered, but we must examine all that in great detail before we can form any view.

**Cathy Peattie:** The board's legal responsibilities are clear. Do you think that Scottish Ballet is at a disadvantage in having the same board as Scottish Opera?

**Tessa Jackson:** No, I do not. There are a number of board members—you may have the information in front of you—who have clear and considerable expertise in ballet and dance, and in the wider performing arts.

**Michael Russell:** Who are those people? Can you name them? Can you tell me the total board membership?

**Tessa Jackson:** Yes. Morag Deyes, who has recently joined the board, has a specific dance background as a dancer and as someone who has run dance companies and festivals. Lesley Thomson was on the original Scottish Ballet board when the two boards were separate. Deborah Stewartby has been on the joint board.

If I answer the same question for Scottish Opera, there is not a former opera singer on the board, interestingly enough. Another thing that always concerns us—we have gone through this conversation so that it was clear to all parties—is that although the finances are entirely separate, our Scottish Ballet grant from the Scottish Arts Council is subject to that of Scottish Opera. It is not a case of moving something from A to B.

**The Convener:** Perhaps we could get that breakdown at a later date so that you have a chance to go through the details. We will not put you on the spot any more. I would not like to be in your position.

**Mr Monteith:** Mr Boyle, in your introduction you made a point that you have reiterated a number of times: if the proposals were within your framework and the continuum of what Scottish Ballet has achieved and planned for the future, you would be satisfied to proceed and for more detailed proposals to be drawn up. Are you saying, therefore, that if the change meant that it would not be within the continuum and was not within your framework, you would have rejected it?

**James Boyle:** Absolutely.

**Mr Monteith:** That is what I thought. Very good.

In the briefing document that you kindly prepared, you say that Scottish Ballet has not presented large-scale classical works such as "Swan Lake", with which people are familiar in Scotland, and you say that it is the SAC's wish to ensure that such work is made available to the Scottish public. You also say that you look forward to seeing Scottish Ballet's detailed plans for achieving such work on a touring basis through the development of a touring consortium with the large theatres in Scotland.

Is it not also the case that if the SAC supported such a method of bringing work to Scotland, it could do that with Scottish Ballet's existing structure and programme, given that the company does not stage "Swan Lake" or the large classical

works? In other words, what is being proposed does not require this part of the proposal as a component—

**James Boyle:** The document does not say that. Honestly, it does not. It says that, given the changes, we also have the ability—as you know there is a new cross-border touring agreement—to offer the highest levels of ballet. I do not know whether the evidence is in the document, but there is plenty of evidence from the past three years that audiences for the highest level material have increased dramatically. You will know that from the returns at this year's Edinburgh festival.

**Mr Monteith:** What we have heard today suggests that much of the detail will essentially depend on the future direction of the artistic director. It took two years to recruit Robert North after the departure of the previous artistic director. There is concern that events must move forward at some pace, with some consultation. How will it be possible to undertake a feasibility study until an artistic director is appointed, or will the future artistic director be given a blank sheet of paper?

**James Boyle:** It takes time to recruit. That is one of the reasons why Chris Barron gave Robert North early warning, which was a gracious move. It is only right to tell a person that his contract will not be extended. Such notice gives the organisation the advantage of having time to recruit, but has the disadvantage of causing unhappiness to the person whose contract will not be renewed.

**Mr Monteith:** I was referring to the difficulty of developing plans without the artistic director being in post.

**James Boyle:** We are not talking about feasibility studies, but about the broad financial parameters that we are trying to nurse along in various stages. Such a dynamic consultation process will continue for several years. Scottish Opera has a three-year plan that will be followed by a six-year plan. I am also looking to Scottish Ballet to develop in human time, starting with at least a three-year plan after which I want it to have a six-year plan. The caveats relate to public funding and what can be guaranteed to people. All things being equal, we want such a process.

**Mr Monteith:** Scottish Opera has an artistic director and can foresee to a great extent where it is going in three or six years. I am concerned that assurances are being given today about the future for dancers and musicians and what the audience can expect, although Scottish Ballet does not have an artistic director and is unlikely to have one for a considerable time. Can assurances be worth anything until such time as an artistic director is in place who can produce the detail that we all want?

**James Boyle:** That is absolutely right. All we

can express at the moment are our intentions. The aim is for a person of international class to be the director, but that is the business of Scottish Ballet. It could recruit the wrong person, but that is a disaster scenario.

**Mr Monteith:** Are you suggesting that the good intentions that have been talked about today are the parameters for the new artistic director?

**James Boyle:** That is all they can ever be.

**Irene McGugan:** Will Scottish Ballet be able to recruit anybody to the post, given the present difficulty?

**James Boyle:** The present issue is most unfortunate. It does not make the position easier, but it cannot affect Scottish Ballet's resolve to recruit the right person. I am sure that Scottish Ballet wishes profoundly that the present difficulty had not happened. As Mr Russell said, that is politics.

**Ian Jenkins:** I was pleased when Duncan McGhie spoke about quality, but I was worried when he talked about Scottish Ballet not being able to go to England and not performing at the Edinburgh International Festival. At what point do such issues become a factor in whether the Scottish Arts Council continues to support it?

**James Boyle:** The main aim is to go for excellence. It is no use funding a second-rate company. I should have said to Brian Monteith that our assurances are worth something. They are not Confederate dollars. We are building a whole infrastructure through education programmes, Dance Base and initiatives in Glasgow.

All that is reflected in Scottish Ballet's prospectus. Those projects are more than just good intentions; they are on the ground already. We are building up to a peak. Scottish Ballet is no different from any other core-funded organisation. We are looking for top-class results and success must be a criterion.

**Mr Monteith:** I do not have a question for the SAC as such. However, it has given details of the funding that is made available to all the dance companies it supports, but there is no mention of audience figures. For the benefit of the committee, I would like Scottish audience figures for those dance companies to be made available so that we can have an idea of their size.

16:45

**Tessa Jackson:** We will be happy to supply the committee with that information.

**The Convener:** I thank the witnesses for giving evidence to the committee. If we require anything else, we will be in touch.

We will now hear from representatives of the trade unions that are involved with Scottish Ballet, which are Equity, the Musicians Union and the Broadcasting Entertainment Cinematograph and Theatre Union.

I seek clarification from the witnesses. Do you wish to speak separately or are you going to make a joint opening statement? Or in harmony?

**Paul McManus (Broadcasting Entertainment Cinematograph and Theatre Union):** We are going to speak separately, convener.

For those who might not know, BECTU represents all the production, support and technical staff in Scottish Ballet. A number of different issues are confused in our minds and the minds of our members. Our members have many serious concerns and have lost a lot of confidence in the management of Scottish Ballet over the detail and the handling of the proposed consultative plan. That is not to say that we are concerned about the direction in which the company is going, although what I have heard today has clarified some issues and confused others.

It is good to hear that we are at an open door and at the start of a consultative process. Like many other people, our members heard the news on the day it was announced and they were not clear about the process. They had not been involved in prior discussions and that is where the loss of trust comes from. Some senior people throughout the company had no idea that the announcement was going to be made. Those people would have hoped to be involved in some of those discussions and to take staff along with them. It was therefore a shock and a disappointment that the announcement was made in the way that it was.

However, we had intensive meetings with our membership following the announcement. Our members' view—somebody has used this analogy today—was that of a football team. The management had decided to change the gaffer as is their right. We are, however, looking for reassurance that the good work that has been done in the past year or so under the current artistic director and by staff and management will continue.

We do not see the plans as a sweeping change of direction. The covering letter that I received from the manager of Scottish Ballet said that the management is adding a dimension to the company. It is not changing anything or sweeping anything away—rather, it is broadening the base. BECTU will be having discussions with Scottish Ballet about that in the near future. We have concerns and questions about the size the company will be afterwards and we have concerns

about aspects of bringing English companies and other companies into Scotland and how that will affect Scottish Ballet. Our main concern is about the consultation.

To our minds, a question is unanswered from the previous occasion on which we talked to the committee about the national companies. The matter that has not been addressed, but which needs to be addressed, is structural underfunding. The arts in Scotland remain badly underfunded. Much of the evidence that we have heard today is based on the fact that not enough money is going into the arts. People see the extra £25 million going to England and they wait expectantly for Scotland and Scotland's Government to recognise that the arts need more money.

**Lorne Boswell (Equity):** On behalf of the dancers, I thank the committee for holding its inquiry because this is the first opportunity that the dancers have had to air publicly some of their concerns. I also abuse the privilege of appearing before the committee by asking it to scrutinise the Executive's budget in relation to arts expenditure—particularly for next year. Perhaps that is something that we could talk about on another occasion.

As Paul McManus said, there are financial implications to the matter. The main thing that concerns the dancers is their jobs. There are proposals, which are vague and have not been explained well, for 12 apprentices and which appear to suggest that 12 jobs will be replaced with 12 apprenticeships. There also appears to be an abandonment of ambition. There will be a scaling-down of the company to one that is not performing on a large scale, but which is acting as a promoter to import on a large scale. The dancers believe that that significantly affects their job prospects.

The second aspect affects the income of the company, which will not be playing on a large scale, in large auditoriums and to large audiences. It is more expensive to produce for medium-sized auditoriums.

The dancers also believe—as the committee has highlighted—that Scottish Ballet and Scottish Opera seem to be treated differently. There appears to be one rule for the ballet and one for the opera. As far as the dancers and I understand it, that is financially driven. The same strictures do not seem to apply to the opera.

There are disadvantages in having the merged board. I highlight the proposed move of the facilities—which appeared in *The Sunday Times* this week—from 261 West Princes Street to Edington Street. The facilities in 261 West Princes Street are terrible and an upgrade is long overdue. However, those facilities are in a residential area

and are accessible, particularly for the ballet's outreach work.

Edington Street is just under the motorway, on an industrial estate. It is not somewhere that I would like to walk with any of my children on a dark winter night. The intention to move to Edington Street is probably more to do with the fact that Scottish Opera is on the site than with its being the best place to relocate the ballet.

The dancers think that it is strange that those uncosted plans—it is vital to come back to that point—were endorsed by the SAC. There are two significant points of disagreement that the dancers have with what we have heard before. The first of those is about consultation; there has been no consultation by any process that the dancers understand. An announcement was made and they had several meetings with the management and the board, but there appears to have been no change. The announcement that was made on 15 August is being driven through. There was no consultation prior to the announcement and there appears to be little prospect of changing minds now that it has been made.

The second point of significant disagreement is that the dancers see no benefit in the merged board as it exists. I have given the example of the move to Edington Street; there are possibly other examples as well. The fact that we find ourselves in this situation indicates that the dancers feel that their board has not responded to them and has not looked after their concerns in the way that they expected.

Over the past few months there has been a fundamental breakdown between the dancers and their board and, as the committee is aware, the dancers are calling for the reinstatement of an independent board that can look after their concerns exclusively.

**Ian Smith (Musicians Union):** I share the concerns of my colleagues. It would help the committee to understand the worry about our members' being employed by Scottish Ballet. When I last appeared formally before the committee, it was to discuss the employment of our members who are fully contracted in their employment by Scottish Opera—I refer to the orchestra of Scottish Opera.

The Scottish Ballet orchestra is slightly different in as much as members are employed as freelance musicians, as and when they are required by the productions that Scottish Ballet plans to perform. I will not bombard you with statistics, but those musicians—who number between 30 and 50, but whose numbers are augmented as required—would expect employment opportunity on a freelance basis for between 24 and 30 weeks a year. Although it is

not guaranteed, that is certainly enough employment opportunity for them to relocate to Scotland to become part of the infrastructure of Scottish musical life—to teach here, to work here, to buy homes here and to have families here. You get the picture.

After many years of trying to do something about the national companies, Lord Lindsay failed to merge Scottish Opera's orchestra with the BBC Scottish Symphony Orchestra. After—surprise, surprise—no consultation whatever, a done deal that the merger would take place was announced by the then director of the Scottish Arts Council. However, I am happy to say that the merger never took place.

I could say, "Here we are again", and ask which version of the scenario we are in. At the last version of a merger opportunity—because that is what we all sat down to discuss—my remit was, selfishly, to secure strong, long-term employment opportunity for my members. That would mean long-term security for, in this case, Scottish Ballet and Scottish Opera.

Sir Neil McIntosh was appointed by the then Scottish Office to chair a committee of inquiry into the possible merger of the Scottish Ballet orchestra with the Scottish Opera orchestra. After a great deal of heartache, research, proper costing and business planning, we achieved a matrix that we were prepared to put to the Scottish Office, now the Scottish Executive. In my view, that put us in a stronger position than the position in which we are today. Therein lies the essence of the problem.

Ian Jenkins mentioned the word "contemporary". We are all confused by what the company means by "contemporary" and what its direction will be. We know that that direction will be artistically determined when the new artistic director is appointed. It is unfortunate that we find ourselves in this position on behalf of our respective members—a position in which the new direction that the company will take and the new form that it will evolve into are not yet known.

Five or six years ago, we were in a position of reasonable strength that came from a position of potential disaster. The Scottish Ballet orchestra is as essential a part of the company as any other element. The fact that it is not fully employed and that its members are employed freelance does not make it any less significant to the company. The orchestra members had three weeks' work when—I say this with great respect—the politicians were trying to sort out what to do with the national companies. Unsurprisingly, many people who had performed as members of the Scottish Ballet orchestra for more than 20 years and who in the 1980s had saved the company from bankruptcy by agreeing to go on to a contract

of services and not involve the company in paying backdated class 1 insurance, are now being hung out to dry.

We are worried about the situation. I have had meetings with Chris Barron with whom I have an excellent working relationship. Our professional relationship has been good in respect of Scottish Opera and I hope that that will continue with Scottish Ballet. However, my members are saying, for example, that our performance of "The Snowman" at Christmas 2001 and into 2002 will be the farewell performance of Scottish Ballet. I hope that that will not be the case. I am assured that an orchestral resource will be required for the company and I hope—although no one has mentioned it—that that will continue to be the Scottish Ballet orchestra.

Our industry is made up essentially of self-employed people, a concept with which I have no difficulty. Members of the Royal Scottish National Orchestra, the Scottish Opera orchestra and the BBC Scottish Symphony Orchestra are employed on contracts, but all other musicians in Scotland are employed on a freelance basis, and I do not mean only those who work in the classical music industry. It is a huge, significant and successful industry. I hope that the direction we follow after the inquiry clarifies certain issues, such as whether there will be one company or two companies, one board or two boards, one chief executive and one director of services.

We all went through political mayhem on behalf of our members to reach a correct solution. I hope that we are not in a weaker position today than we were then. I hope that out of this inquiry comes a position of strength that secures—I cannot use the word guarantee—the maximum employment opportunities in the national companies for the maximum number of artists in Scotland for a long time.

**The Convener:** Thank you very much.

Were Lorne Boswell's members informed of the decision before or after the press release was issued?

**Lorne Boswell:** I suspect that the press release was issued first, but my members were informed on the same day.

**Paul McManus:** We were informed on the same day, but it may have been before the press release was issued. It was either the same day or the previous day.

**Ian Smith:** I was shown a copy of the press release the day before it was issued and I immediately began contacting our members.

**Michael Russell:** That is an interesting answer. We have evidence that Robert North and the director of finance were shown a copy of the press

release an hour before it was issued, so why was Ian Smith shown a copy of it the day before?

**Paul McManus:** It was given out as a recognition of our importance.

**Michael Russell:** Obviously so. Apart from that, does such action not show yet again the woeful level of consultation within the organisation?

**Ian Smith:** I can only speak for our members. Fortuitously, we had arranged a meeting of the orchestra committee on the terms and conditions of employment at Scottish Ballet for the day after the issue of the press release. There was no pre-planned meeting on the press release. I was telephoned by Chris Barron and Peter Winckles, the director of administration and services, about the press release. I was on my way to a meeting in Edinburgh and called in at Elmbank Crescent, at which time I was shown the press release—I can only speak for myself.

**Michael Russell:** What day was that—the 14<sup>th</sup>?

**Ian Smith:** The 14<sup>th</sup>—the evening of the day before the press release was issued.

**Paul McManus:** It is irrelevant whether our members were told on the day of the press release or the day before. The key point is that we would have preferred for there to have been extensive consultation to get the staff on board before the organisation went public with what was in our view an amended direction. Whether it was the start or the end of a consultation exercise, the staff should have been treated with courtesy and allowed to have input into the proposed change.

**The Convener:** That was the answer that I was hoping to tease out of you. Given that you are integral to the future of Scottish Ballet and that it could not operate without any of your members, you should have been better informed of the process long before it began, rather than the day before.

**Cathy Peattie:** Yet we have heard that the process was under way prior to the press release being issued. Are the witnesses aware of any members of staff feeling part of that process? Had anyone discussed a way forward with them prior to the press release being issued?

**Paul McManus:** No.

**Cathy Peattie:** We have heard today that much evidence had been gathered prior to the press release.

17:00

**Paul McManus:** I took the chairman's comments to mean that the new board would listen to people's views about the standards and reputation of Scottish Ballet. Given the questions



that were asked, I specifically spoke to some of our members during the adjournment and they were adamant that they were not asked for their input and views in any of the regular EMT meetings or through any other process in the months leading up to the announcement. I do not know whether the board asked for that to happen but it did not happen or whether the board did not ask for it to happen. All I can say is that the matter was news to our members on the day on which they were told about it.

**Cathy Peattie:** Are you confident that your staff will be listened to now that the process has started? Is there an appropriate form for questions to take? Will a process be in place to ensure that they have an opportunity to comment on the plans?

**Paul McManus:** For members of BECTU, it depends on what the staff are asking for. As with any such exercise, much good work has been done over the past year. We have broadened audiences and increased social inclusion work. We will want assurances that there will be a continuum. Given what the chief executive, the chairman and representatives of the Arts Council have said today, I am hopeful that members of BECTU will be listened to. We shall want on-going meetings with the chairman and chief executive to make sure that that happens. I am sure that members of the committee will be the first to know if matters are not dealt with accordingly.

**The Convener:** I should hope so.

**Lorne Boswell:** I do not think that the dancers are confident that they will be listened to. One of their major worries concerns the abrupt nature of the way in which they were told about the change in artistic direction. The dancers unanimously support the work of Robert North. They know what it is like to have been through a period of uncertainty; in 1997, 1998 and 1999, at the end of the previous regime during the interregnum between Galina Samsova and Robert North, the company lacked direction and lost money in spades. The dancers do not believe that they can influence plans; they think that plans have been made already and the fact that the plans have not all been revealed is incidental.

**Ian Smith:** There are examples of good practice that can help in such matters. Perhaps it is time that Scottish Ballet and Scottish Opera considered direct input to their boards from their employees. That happens in the Royal Scottish National Orchestra, throughout the freelance sector and in all four London orchestras. There is no problem with it. If a member of staff's remuneration is being discussed, the other employees leave the room. Such practice takes place in many areas of commerce and industry and is nothing to be frightened of. At least it means that employees

who will be affected directly by a long, short or medium-term change are part of the consultative process. Employees who are on the board must observe confidentiality. I have been in that position and know that such a practice works. Information that can be shared is passed to colleagues so that there is a free flow of information from the management to the employees.

**Michael Russell:** Each witness has referred to the last time he or she has sat in committee—the experience has clearly implanted itself on memories. During the inquiry into national arts companies, it was recommended that there should be a new means of communication and involvement, the exact nature of which was to be discussed. I was in favour of involvement of the type that has been talked about, although I remember that Paul McManus was not so much in favour of it. The committee made such a recommendation, which was put to the new chairman of Scottish Opera and Scottish Ballet, Mr Duncan McGhie, who refused specifically to allow such action to take place. I believe that a letter refers to that refusal.

It strongly concerns me that this inquiry is an extension of the inquiry that the committee undertook two years ago. In that inquiry, we were worried about the communication that took place, the way in which staff were not involved and the way in which decisions were made and then hidden until their effects became known; yet, two years later, we are back in the same situation. Indeed, the situation may be worse, as the change seems to have been badly botched in addition to everything else. Let me build on that background and on the question of involvement and consultation.

Each of the witnesses represents a reasonable number of people who are employed within the company or who are employed by it on freelance contracts. Lorne Boswell has given evidence that the dancers support Robert North's work. As professional trade unionists, if one of your members was in Robert North's position and was told an hour and 15 minutes before a press release was issued that he was going to lose his job, although that member had never been told that his performance in the area of which he was in charge was unsatisfactory, would you not tell that member that he had a substantial grievance against the company for which he was working?

**Lorne Boswell:** It is invidious to talk about individual circumstances. Mr North was informed that his contract would not be renewed. That is always an employer's option, just as it is an employee's option not to renew a contract on a certain date. However, I agree with you entirely about the way in which the situation was handled.

**The Convener:** I do not think that we should ask

questions in the committee about an employee's personal circumstances. That would be inappropriate.

**Michael Russell:** I could argue the opposite, on a point of order, but I will not bother. Although those personal circumstances are germane to this discussion on the evidence that we have heard today, I shall not pursue the issue.

**Ian Jenkins:** I agree with the point that Ian Smith made about board membership. Because there is in effect a joint board, it would be possible to distinguish the two boards according to the representation on them of the work forces, without having to split the whole thing into different boards. On one board there would be someone with a specific interest in Scottish Ballet and on the other someone with a specific interest in Scottish Opera. In that way, the consultation to which you refer would take place.

**Ian Smith:** That would give a feeling of ownership rather than of exclusion.

**Paul McManus:** There is a danger in having one person different on the two separate boards. I am not a great fan of sticking members of staff on boards and saying, "Get on with it", as that puts them in an invidious position and it generally does not work anyway, as they get kicked out of all the important bits of meetings. Some boards contain a Scottish Trades Union Congress representative or a full-time official, and I am told that some good partnerships are constructed on that basis, although I have not seen any of them working.

**Mr McAveety:** Come into the new world, Paul.

**The Convener:** We have.

**Paul McManus:** Sorry, Frank. We have someone on the board of the Eden Court Theatre for the Federation of Entertainment Unions and the arrangement there works very well. However, it would not work to have a member of staff on that board. Because of the nature of Scottish Opera and Scottish Ballet, I am not against having a full-time official or an STUC official representing staff on the board, but I do not think that staff representatives work.

**The Convener:** There appears to be a genuine difference of opinion among the trade unions.

**Cathy Peattie:** I am interested in the governance issue that Lorne Boswell raised, concerning whether the employees of Scottish Ballet feel that the board takes ballet as seriously as opera. We have heard that the board takes its legal responsibilities seriously and that there are dancers on the board. I am interested in the trade unions' views on governance and whether what is in place is working.

**Lorne Boswell:** It is abundantly clear that it is

not working—we would not be here if it were. In a sense, we are between a rock and a hard place. Without consulting, the board has decided to go one way, but the dancers want to go another way. It is rather like the two gentlemen on my left, one of whom is a Rangers supporter and the other is a Celtic supporter: the Celtic supporter is desperate to get away to watch tonight's match, but the Rangers supporter is talking slowly. I do not see a way out of the situation without some kind of major concession on the part of the board.

**Paul McManus:** I will pick up on that briefly.

Many of our members look back to the not too distant past, when there were basically two separate boards at war with each other and with the Arts Council—they would not pick a war with us. Our members honestly believe that there is little need to go down that road just now.

A mess exists and there are grave concerns that we need to work through, but we do not want to open up a can of worms. Over the coming months, our members seek honest, open consultation among all the stakeholders and perhaps hope that in a few months the Education, Culture and Sport Committee will ask whether the mess has been sorted out.

17:15

**Ian Smith:** I beg to differ with Paul McManus on that—as it is our prerogative to do. In my experience, a degree of representation has always proved to be a good thing. In the consultation process, having no information always leads to people putting two and two together and coming up with different answers. The consultation process is critical.

The current model is that I deal with one chief executive and one director of finance and administration in my negotiations. I think that I am dealing with one board, but the situation is not clear enough. Duncan McGhie said that the merger was flawed and that it failed. Tessa Jackson has said that Scottish Ballet will be a smaller company—I apologise if I am misinterpreting what she said. A smaller contemporary company, in my cynical view, does not maintain an orchestral provision. Therefore, the concerns need to be addressed clearly.

We need to communicate. James Boyle said that communication in the arts is hopeless. That is news to me. In the music industry we communicate well. If, as the chair of the Arts Council is admitting, poor communication is a general problem, all of us need to address it soon. Perhaps that again raises the question whether the remit for the national companies is through the Arts Council or through the Executive. This is not the time or the place for that discussion. None of

my colleagues in the room wants to be back in front of the committee to re-invent the wheel two or three years down the line.

**The Convener:** I do not think that my colleague Mr McAveety would be happy if we began to debate some of those bigger issues now. I am more than happy to do so, if others want to continue.

**Mr McAveety:** There is a major cultural experience somewhere in an hour and a half.

**The Convener:** There are issues about the orchestra that we want to gain further information on. Obviously, we would be concerned if there was no future for the orchestra in Scotland.

If there are no further questions, I will thank—

**Michael Russell:** I want to get something absolutely clear, which each of you referred to at the start of your evidence. When you saw the statement with Tessa Jackson's name, among others, on it—whether you saw it the day before or the day after or on the day is not as germane as what was in the statement—did that appear to you to be an invitation to consult on an endless series of options? It does not seem to have appeared to anybody else to be that. Did your members take a different view?

**Paul McManus:** Our members took the view that that was the plan to go forward with. Although management was more than happy to meet us and talk to us at length about it, the impression that our members got was that that plan was the way forward.

**Lorne Boswell:** I did not get the impression at all that the statement was an invitation to consult. The members were horrified. They were seriously upset at the time, because they were coping with the fact that Robert North's contract was not being renewed, as well as with developing plans.

**Ian Smith:** It was not thought that the statement opened the door to a fuller and richer communication process. It appeared to be a done deal that the modus operandi of the company would be changed from that day forth.

**The Convener:** Clearly, that is something that we have reflected on at some length over the past three and a half hours. Lessons will be learned for any future consultation.

We have heard that a list of questions has been submitted by the dancers. The board is happy to give us its list of answers. Are you happy for us to obtain the list of questions?

**Lorne Boswell:** Absolutely.

**The Convener:** I thank the witnesses for attending.

*Meeting closed at 17:19.*

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