

EDUCATION, CULTURE AND SPORT COMMITTEE

Tuesday 30 April 2002
(*Afternoon*)

Session 1

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EDUCATION, CULTURE AND SPORT COMMITTEE

13th Meeting 2002, Session 1

CONVENER

Karen Gillon (Clydesdale) (Lab)

DEPUTY CONVENER

*Mr Frank McAveety (Glasgow Shettleston) (Lab)

COMMITTEE MEMBERS

*Jackie Baillie (Dumbarton) (Lab)
*Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD)
*Irene McGugan (North-East Scotland) (SNP)
*Mr Brian Monteith (Mid Scotland and Fife) (Con)
*Michael Russell (South of Scotland) (SNP)

COMMITTEE SUBSTITUTE

*Cathy Peattie (Falkirk East) (Lab)

*attended

WITNESSES

Graham Berry (Scottish Arts Council)
Michael Clarke (National Galleries of Scotland)
Simon Crookall (Royal Scottish National Orchestra)
Martin Graham (National Library of Scotland)
Roy McEwan (Scottish Chamber Orchestra)
Duncan McGhie (Scottish Opera and Scottish Ballet)
Gordon Rintoul (National Museums of Scotland)
Mike Watson (Minister for Tourism, Culture and Sport)

CLERK TO THE COMMITTEE

Martin Verity

SENIOR ASSISTANT CLERK

Susan Duffy

ASSISTANT CLERK

Ian Cowan

LOCATION

The Chamber

Scottish Parliament

Education, Culture and Sport Committee

Tuesday 30 April 2002

(Afternoon)

[THE DEPUTY CONVENER *opened the meeting at 14:06*]

The Deputy Convener (Mr Frank McAveety): I call the meeting to order.

I am conscious that the layout of the room is unfortunate. There are four individuals in one bank of seats and eight in another. The difficulty is that we cannot fit everyone on the next row of seats.

We are now in public session. Could everyone ensure that their mobile telephones and pagers are turned off—otherwise it is a capital offence.

I welcome Cathy Peattie, who is the committee substitute on behalf of the Labour party.

Michael Russell (South of Scotland) (SNP): Delighted as I am to see Cathy, do we have to welcome her formally to every meeting?

The Deputy Convener: Under the rules, we must, although it is embarrassing for everyone concerned.

Cathy Peattie is the committee substitute for Karen Gillon, who is on maternity leave. Brian Adam has indicated that he might attend as an observer from the Finance Committee. Brian Monteith has intimated that he might well be late.

Michael Russell: Irene McGugan will be late as she is coming on a train from somewhere.

The Deputy Convener: Okay. Irene McGugan might be here later.

Item in Private

The Deputy Convener: I invite the committee to agree to take agenda item 6, which is a proposal for drafting a committee bill, in private. Is that agreed?

Members *indicated agreement.*

Budget Process 2003-04

The Deputy Convener: Item 2 is the continuation of our examination of the budget process for 2003-04. We are to take oral evidence on the Scottish Executive's annual expenditure report as part of the budget process.

Members will have received a briefing note from Professor Arthur Midwinter, a submission from the Scottish Chamber Orchestra and submissions from the National Museums of Scotland and the National Library of Scotland. The latter were circulated earlier and the clerks will ensure that everyone has a copy because they arrived only an hour ago.

We have a number of witnesses. For the first stage, I welcome Duncan McGhie, the chair of Scottish Opera and Scottish Ballet, Peter Winckles, the director of administration, finance and services for Scottish Opera and Scottish Ballet, Simon Crookall, the chief executive of the Royal Scottish National Orchestra, and Roy McEwan, the managing director of the Scottish Chamber Orchestra. I know that some faces have made regular appearances at the committee and I hope that we will enjoy this afternoon as much as we have enjoyed previous occasions. That is said with particular reference to Duncan McGhie. If the witnesses want to make brief opening remarks, the committee is happy to hear them.

Duncan McGhie (Scottish Opera and Scottish Ballet): I am happy to go straight to questions.

The Deputy Convener: We have received your submissions. If no one else wants to make any comments, I will invite questions from members.

Michael Russell: The purpose of the budget inquiry is not to delve into the past, but to look forward. That will no doubt relieve Duncan McGhie, among others.

I will pose the same question about the future process to each of you. No matter the spats and disagreements about the past, there is a genuine question to be answered about the correct and sustainable level of resources that should go to national companies, so that we can continue to enjoy their contribution to Scottish national life.

It is no secret to the committee that I am in favour of direct funding. Leaving that to one side, I ask each of you to comment as freely as you possibly can on what you think is a sustainable level of resources for your organisation, what that would achieve and what guarantees you would give if that sustainable level was to come into play, remain in play and be developed over time. I am conscious that in the past I have, for example, talked to Simon Crookall about a touring fund and to Roy McEwan about some of the difficulties

caused by the decline in commercial moneys for recordings. Those points are obvious in your submissions. I know that Scottish Opera has commissioned research on the matter in the past. I would like your views on sustainable funding, how it could be achieved and what it would mean to you. Do not attempt to write it on both sides of the paper at once. I know that this is a huge issue, but it would be useful to put your views on the record.

Duncan McGhie: I believe that the position can be resolved only by the national companies looking—not on a yearly basis, but over a sensible period of time—to see what are the peaks and troughs of requirements. I speak first of all with my opera hat on; I will cover ballet in a separate comment.

Scottish Opera has submitted to the Scottish Arts Council a six-year, fully costed and evaluated plan, which takes the company through to 2007. That has been done principally because of the time scale and commitments involved. We must plan ahead and enter into contracts ahead. The only sensible way to establish what a sustainable level of funding should be is to look over that sort of time scale. The context of our plan is the Government's national cultural strategy—this committee's strategy. We must respond to that.

Michael Russell: It is the Executive's strategy, not the committee's strategy.

Duncan McGhie: I sit corrected.

We have couched our plan very much on that strategy, by examining all our activity and considering how we can ensure that we are accessible, not only in the central belt, but throughout Scotland and beyond. That is the planning context.

The fundamental issue for Scottish Opera is that we have a full-time company in Scotland. By full-time, I mean that we have a full-time chorus and a full-time orchestra, which we supplement depending on the nature of the work that we do. That sets a level of fixed cost, which is the minimum requirement as long as we maintain the policy of having a full-time company.

On top of that, we have our activity. It is a sad reflection on what people are able or willing to pay that activity costs money. This is the first business that I have been in where the more that you do the more it costs. We are committed to maintaining ticket prices at a reasonable level and ensuring that people feel able to continue to attend. However, the implication of that is that activity costs money. The question then is, how much activity can we afford? That is where we face the chicken-and-egg situation of what is available and what could be available. Until we have that dialogue—which we currently are—with the Scottish Arts Council, we cannot identify a

sustainable level of funding. It is about what resources are available and what we can do with those resources.

There have been independent reviews of Scottish Opera. The answer to Mike Russell's final question is that, if we were to reach levels of funding of the order talked about in those independent reviews, the board would have the commitment to say that we would have to find for ourselves anything else that we needed. That is what we are about—major, international fundraising initiatives are under way and we must reach a level of funding in real terms at which we can say, "That's it." I must say, wearing both my hats, that we are concerned about level funding and the way in which that erodes our cost base. If a level of sustainable grant were maintained in real terms, our commitment would be to say, "Right. If we want more, we must find it ourselves."

14:15

That is Scottish Opera's position. The principles are the same for Scottish Ballet, although the organisations are in different situations right now. Scottish Ballet is looking to get through its transitional period. Following the appointment of the artistic director, which I hope will happen in the not-too-distant future, that person will assess the position. I imagine that, in a year's time, we will put forward the same sort of long-term plans to identify the level of sustainable funding that we require.

Simon Crookall (Royal Scottish National Orchestra): The simple answer to Mike Russell's question is that we believe that more is needed. We already raise a huge amount in earned income—more than £2.5 million in some years. In the current economic climate, we believe that that is almost as much as we are able to commit to.

The problem is that the levels of funding for all the national companies were set way back in the past. They have been adjusted by percentages here and there—some adjustments were larger than others—but there has not been a thorough investigation of what we require. I endorse Duncan McGhie's remarks about that.

It is interesting to look at what is happening in the UK from the orchestral perspective. The Arts Council of England is running a programme called stabilisation, which has gone into the funding requirements of each of the orchestras in great detail and for which a huge amount of money was made available. The equivalent programme in Scotland is called advancement and is much less well resourced. It has enabled us to embark on a programme of some improvements and further investment, particularly in our marketing and fundraising activities, but advancement is not the full MOT job that the stabilisation process provides

in England.

Mike Russell asked what we could achieve. Of course we could achieve more with increased resources. For many years, our accounts have had an underlying deficit. We have built into our plans at least an inflationary increase in the Scottish Arts Council grant, although I believe that that increase is not built into the Scottish Executive's budget. We could achieve more in the parts of Scotland that we do not reach at present, particularly as far as educational outreach work is concerned. That work is under-resourced and we find it difficult to satisfy the huge demand for it.

Roy McEwan (Scottish Chamber Orchestra):

As we said in our submission, the particular issue for the Scottish Chamber Orchestra is the volume of work. I refer to a comment that was made earlier: the more work one does, the greater the cost. The SCO has a track record of being relatively stable financially, partly because our structure is flexible—members of the orchestra are self-employed—and partly because we gear the level of work that we undertake to the amount of money that we have. Financial stability is not necessarily an issue for the SCO, as we achieved that throughout the 1990s. However, the ability of the orchestra to sustain a particular level of work is an issue for us.

One of our greatest problems is that the cost of financial stability is reflected in player earnings and conditions. Some of our players earn the same, in cash terms, as they earned 10 years ago. Mike Russell referred to the fact that we find it difficult to sustain some commercial areas of work, particularly recordings, at 1980s' levels. The classical music recording market has gone through major changes and will continue to do so. The economics of those changes are negative for orchestras. International touring is an area in which the orchestra used to excel. We are probably still one of the most travelled arts organisations in Scotland, but our volume of overseas touring is much reduced, because of the cost.

We are particularly concerned about those issues and we consistently argue for SAC funding for them. The Executive gave a considerable uplift to SAC funding last year. It is great shame that, this year, we seem to be entering a period in which we are losing the ground that last year's award made up. We are back in a situation in which the real value of grant aid is beginning to fall again.

We need longer-term indications of realistic funding and a reasonable, objective assessment of the levels of funding that are required to allow companies such as ours to operate. In reply to Mike Russell's question of what we would do if we were funded to the level that we would like, we

would be happy to stand by our track record in financial and artistic management.

Michael Russell: I want to follow up. It seems to me that you are all saying broadly the same thing, which is that a baseline reassessment is overdue. What has happened is that there have been increases here and there, of which some were celebrated, some were made at ministerial fiat and some were not announced—and some increases did not happen. You are saying that the time is right to reassess the real costs of providing what we want to provide in Scotland—if we choose to provide it—and to use that as a new baseline for future funding. Would you all agree with that?

Duncan McGhie: I would completely endorse that, but I have an important addendum. I say, and will always say, that we must help ourselves as well. There is, however, a question of confidence. As long as there is uncertainty about core funding—which will always be significant, if we are in existence—then some of our sponsors will ask whether we are okay and will hesitate, or worse, over funding. If the sort of review that you talked about established an acceptable level of core funding on which we could build, that would give sponsors the confidence to support us even more.

Cathy Peattie (Falkirk East) (Lab): This meeting is about scrutiny of the Executive's budget. You have expressed your feeling that there are insufficient resources in the arts council's budget for the national companies. I am keen to know what each of your organisations is doing to deliver on the national cultural strategy, particularly on social inclusion and education.

Duncan McGhie: How long have you got? I am sure that the education departments of all four companies do extensive work. Scottish Opera has a comprehensive education programme. For example, last year we worked with 170 primary schools in Scotland, from the Orkneys to Dumfries, and from the east coast to the west coast. With the generous support of local authorities, we have commissioned work such as the "The Tale o' Tam". During the Burns season we had 100 schoolchildren performing that work. We do that sort of in-depth work with a core staff of six or seven people. If we had a bit more money we could increase that work and could perform to not 150, but 250 schools.

In terms of the strategy, the importance of generating employment in Scotland must be recognised. Scottish Opera has a core staff of about 220, but staff numbers can peak at about 500 when we employ temporary workers. We find those workers almost exclusively in Scotland. We do not import anyone, other than specialist lead singers. As a result, along with all the other national companies, we contribute significantly to the employment situation in Scotland.

Simon Crookall: I am sure that we all have good tales to tell about our education work. We are about to embark on the Scottish Power schools proms, which is officially the biggest music education project in the UK. Last year, we won the Royal Philharmonic Society award for our work with nursery schools, which is well known to the Executive. With more resources, more can be done. For example, two people in our education department are doing a huge amount of work with roughly 40 of the 85 musicians in the orchestra. If we had more resources, we could undertake more projects and reach further.

Turning for a moment from schools education to social inclusion, I should tell the committee that, over the past three years, we have used lottery funding to develop a detailed project in Dundee. All our projects are funded either by sponsors, the local authority or the lottery. That project has culminated in the Royal Scottish National Orchestra big band performing a tea dance in a community centre. Everyone participated in that project.

Roy McEwan: Our education programme has been running from about the mid-1980s. At the moment, we are involved in two major projects, the first of which involves adults with learning difficulties based in Edinburgh and Glasgow and is funded by the lottery in conjunction with Tramway and the Traverse Theatre. We have also just secured lottery funding for a three-year composer-in-residence programme for Edinburgh schools. Although the orchestra tours extensively in Scotland, our education programme enables us to have much more contact with communities across the country.

It is interesting that we have all highlighted that much of this work is funded through sponsorship, project funding or the lottery. Despite the fact that we prioritise the work—for example, we have two full-time staff who deploy the orchestra all year round—it is still the cinderella of classical music because it is not core funded. Although our SAC funding takes into account everything that we do, education has never really been integrated in the same way. We would all have much more extensive education programmes if the resources were available.

Cathy Peattie: What you are saying is that all the organisations have to use other sources such as matched funding from the lottery, sponsorship from Scottish Power and so on to carry out your work. Would any increased funding be used for educational and social inclusion partnerships, or for the wider agenda?

Roy McEwan: It could be used for both. However, if we are talking about having a level playing field of core funding for our activities, the area that needs the greatest help is education.

Furthermore, as far as social inclusion is concerned, we probably need the ability to travel more throughout Scotland. Although we have a track record of rural touring in the Highlands, there are areas of Scotland to which we cannot afford to take the entire orchestra. There are ways in which one could invest in more activity in Scotland.

Jackie Baillie (Dumbarton) (Lab): We could get into a debate about what constitutes core funding and project funding, and how such funding might be applied. I suspect that, once the money arrives at its destination, you apportion it as you see fit. However, I am not going to go into that sort of detail.

There are potentially three main sources of funding. There is grant assistance, some of which you receive from the Executive; performance income, which is declining in some cases; and corporate sponsorship. I am quite interested in hearing how you intend to maximise funding from the latter two sources, because simply relying on direct funding is not necessarily healthy for the innovative or creative life of the national companies. I should also point out that, although we could discuss whether the amount of direct funding is sufficient, at least it is stable. As a result, I was slightly concerned by Duncan McGhie's comment that corporate sponsors were worried about the stability of that funding. That is not in question.

Duncan McGhie: On the last point, it is a fact that at this point in time we have a grant funding settlement to March 2003, but not beyond that. That is the uncertainty that I was talking about. When the Bank of Scotland sponsored our Ring cycle programme, we were looking forward four or five years. The way in which corporate bodies consider their commitments is not annual, but much longer term.

14:30

What we do to maximise our performance income is to continue—as all the national companies try to do—to produce excellent work of relevance to the people of Scotland to attract them to our performances. That is the fundamental point. If we fail to deliver excellence we will lose out. It is the single, key driver. We are looking to ease up ticket prices, but I would say that that is not a huge contributory factor.

Corporate sponsorship is declining—not just for Scottish Opera, but right across the board—as companies come under greater pressure from their shareholders. The way forward is through individual sponsorship, rather than corporate sponsorship. Please do not take that to mean that we ignore corporate sponsors—it is quite the reverse. However, we need to appeal to individual sponsors. We have an established development

board, which is chaired by Baroness Smith of Gilmorehill. We undertake several initiatives, not only in Scotland—recently, I was in North America investigating fund raising for Scottish Opera over there. We are looking in other territories, as I am sure are the other national companies. The committee can be assured that we are working hard on that, but it is not easy.

Simon Crookall: I talked earlier about the advancement programme. The two main planks of that are ticketing or performance income and sponsorship. In terms of ticketing income, comparisons were drawn with other orchestras in the UK and there was a clear difference in the amount of resource that we allocate to that. We tend to promote more concerts ourselves, whereas in England local authorities promote concerts; that means that we were spending roughly £4,000 per concert less than our colleagues in the UK. Therefore one of the main planks of investment through advancement is to put more money into marketing resources and to maximise activities in that area. We are projecting increases in ticket income because of that.

I endorse what Duncan McGhie has said about sponsorship. Corporate income is now very difficult to obtain. We have reached a plateau of about £350,000 a year of sponsorship income. Most of that comes from big sponsors such as Scottish Power and the Bank of Scotland. There is not much more corporate funding out there in the current climate. As many companies move their headquarters south, they become less interested in activities north of the border. That is a reality that all the arts companies must face.

We are putting a lot of investment into developing individual gifts and we have friends schemes, patron schemes and so on. That is where the growth in development income is likely to be in the future.

Roy McEwan: Although we have been running audience development programmes across Scotland, the greatest focus of our activities has been in Glasgow and Edinburgh, which is where we generate the most substantial box office income.

We have an issue about halls, which is a key part of audience income generation through ticket sales. In Glasgow, we are waiting eagerly for the refurbishment of City Hall, which will make a significant difference to our box office potential. In Edinburgh we work between two halls—the Usher Hall and the Queen's Hall—and that presents particular challenges. We have been working on audience development programmes in Edinburgh, Glasgow and Aberdeen to introduce new audiences to the orchestra's work. Over the last two or three years, our audiences have been increasing slowly and are currently fairly stable.

There is a lot of work still to do and the west of Scotland has considerable potential for the SCO, once City Hall reopens.

Our fundraising picture is similar to that of the other companies. The pattern of declining corporate income is nationwide, although we are holding the line on that. Our shift in activity is into individual giving, which seems to have the greatest potential. Recently, we have managed to obtain private funding to increase the number of staff in our fundraising department from two to three. That department is concerned particularly with trust income and individual giving.

Duncan McGhie: My colleagues will know the history of other income sources better than I do, but the Arts Council of England's withdrawal of the cross-border touring grant undoubtedly had an impact on all our companies, I believe. I am sorry; Mr Crookall suggests that the impact was only on my company. That impact was unfortunate.

In the past five or six years, income from local government has shifted. I make no comment, but I will give the facts. In 1995-96, Scottish Opera received £358,000 from local authorities. Last year, we received £86,000. That source of income has changed hugely, for all the reasons with which we are familiar.

Simon Crookall: That is common to all the national companies.

Jackie Baillie: I will return to Duncan McGhie for a couple of questions. You will be pleased to know that you are in the same position as the rest of Scotland, because the current comprehensive spending review runs to March 2003, and I know of nobody who has commitments beyond that. Earlier in the year, we spent much time on Scottish Ballet. The number of its performances during 1999-2000 fell by about 45 per cent. Has that position been reversed? The figure affects the income that Scottish Ballet receives.

Duncan McGhie: The reduction was the board's response to the constrained budget. The more that we do, the greater the cost. We made a positive but regrettable step to live within our means, which is a commitment that I have made to the committee before and to which I still hold. We are in transition. We have agreed a transitional budget with the Scottish Arts Council for the current year. I hope that we will do more. We have tried to maintain the level of our education work, but main stage performances have been curtailed because of budgetary constraints.

In opera and ballet, we are concerned about the lack of investment in new productions. When we took "Cosi fan tutte" to Inverness, the audience reacted to the fact that the production was a revival and had been seen before. Audience numbers were slightly disappointing. I return to

Mike Russell's point about a sustainable level of income. There is no doubt that part of the balance must involve the level of funding to support investment in new productions, because sooner or later, audiences will walk, and we will be in even greater difficulties.

Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): How worrying is the fact that lottery income is shrinking and will reduce further, unless Billy Connolly revives the lottery's fortunes? Such funding is funnelled through the Arts Council. Are you uncomfortable with receiving that money through the Arts Council, because the Arts Council's budget has other demands and the political will to shift proportions in that budget may impact on you? Would the group of national companies prefer to have a separate fund that came directly from the Executive? Would that give you the certainty that you worry about?

Duncan McGhie: That question is difficult to answer. We have excellent co-operation with the Arts Council and we have a healthy debate about what we require. It is clear that the Arts Council has a range of priorities. That relates to the whole budgeting process—not just to us or the Arts Council—and involves the extent to which a top-down as opposed to a bottom-up approach is taken.

I come back to Mike Russell's suggestion of a fundamental review that considers the long-term needs of the national companies. After such a review, the Arts Council, the Executive or whoever can decide whether they want to fund those needs. The vehicle for that funding is of secondary importance to the process that should be followed.

Simon Crookall: Ian Jenkins mentioned the lottery. Lottery and project funds are always additional rather than core funding. It is important to us that the core fund does not decrease. Lottery funds are always extra. I agree with what Duncan McGhie has just said.

Roy McEwan: As with sponsorship over the years, if there is a new or developing stream of income, however much it is seen as an extra, it has a nasty habit of becoming something on which one relies. Lottery funding might not be core funding, but we are all relying on it to enable us to do a large amount of work, including education work, for example. A decline in that funding stream would be a source of worry.

The level of resources and the propriety of the process are more important than whether the money comes through the SAC or by any other means. We all have a good working relationship with the SAC.

The Deputy Convener: If I have picked up what you are saying correctly, the common theme is that the resource base has been impacted on by

local government reorganisation and the emergence of different priorities. What partnership strategies do the national companies have with local authorities? What relationship do they have with the Convention of Scottish Local Authorities in trying to get a standard approach, if that is possible?

For the next few years, the local authorities' resource base from the Executive budget will give greater stability than perhaps has been the case since 1995 or 1996. Given that, how will the national companies influence and shape the decisions of local authorities to assist with some of the core work that they do? Do local authorities have a common perspective on the role of the national companies or the cultural activity in which they engage?

Duncan McGhie: Clearly, the main centres of Glasgow and Edinburgh are important to our funding, although we have performed in one way or another in 28 of the 32 local authorities in Scotland over the past 12 months.

We have a regular dialogue with the key local authorities. A member of Glasgow City Council attends all our board meetings; she is fully informed about what is happening and is party to all discussions. I appointed a director, Dr Vicki Nash, the chief executive of East Dunbartonshire Council, specifically to help us to think about how we work and co-operate with local government.

I believe that we do the best that we can. Unfortunately, the response from local government is that we are a national problem and not a local problem, so we have to get help from elsewhere. That is the response that we have heard recently.

Jackie Baillie: Contrary to that response, the criticism that tends to come from local government is that the national companies are not doing enough in local areas. That is worth reflecting on.

Duncan McGhie: I would be happy to be judged on that. There are community centre concerts and a range of activities in schools. I do not have a problem responding to that.

An example of the problems that we have faced relates to the theatres in Glasgow. We had lengthy discussions with Glasgow City Council, right up to the level of the chief executive and leader of the council. However, the council's decision to put the King's Theatre out to outside contractors had a direct impact on the Theatre Royal, which in turn had a direct effect on the funding of Scottish Opera. None of that is good.

There are problems, but you can be assured that we are involved in constant dialogue and explanation. There can be no question that people in local government do not know what we are doing. However, they have their own difficulties in allocating more finance.

The Deputy Convener: I think that it is worth probing this issue. I am conscious of the shortage of time, but I would like Mike Russell to come in at this stage, too.

14:45

Michael Russell: The perspectives here are quite fascinating. I heard what Jackie Baillie said in relation to some local authorities, but we need to bring two other aspects into play. First, if we consider Roy McEwan's experience and look at the map of where the Scottish Chamber Orchestra has performed, it is evident that there are few council areas where it has not performed. If the argument that has been put forward were true, every council would be queueing up with money.

Secondly, the local authorities' problem with budgetary constraint means that they are not as free as they were. They might expect organisations with "National" in their title to seek national funding. Surely that response arises. Perhaps Roy McEwan and Simon Crookall will reflect on those points.

Roy McEwan: There is a lack of clarity about where responsibility for the national companies lies. The settlements that were made with some of the national companies in the mid-1990s influenced the local authorities' view that the companies were a national responsibility.

Having said that, I think that all that we can do is continue to seek partnership with local authorities and to work with them, whether we are giving concerts or doing something else. For companies of our size, taking performances round the country is the most expensive thing that we do. However, regardless of whether we are talking about concerts, education work, social inclusion or collaboration, all that we can do is try to find common territory, work together and build up partnerships. Nevertheless, it is hard work to sustain a constant presence across the 32 local authorities. We do a lot, but it is not easy—the resources for us to do that work are not always available locally.

Simon Crookall: We did a lot of work with COSLA to clarify such distinctions. However, I am afraid that the steam rather went out of that work and we have not had those conversations for some time now. Our main relationships are with the principal cities in which we perform. Relationships with other local authorities tend to be on a project basis; we take the orchestra to locations other than the principal cities when the resources are available.

Ian Jenkins: To what extent do the national companies regard themselves as rivals in negotiations with local government? To what extent do they work together?

Roy McEwan: We work together in a number of places. We have done so in Perth and Inverness, for example, where the three Scottish orchestras—the RSNO, the SCO and the BBC Scottish Symphony Orchestra—work in conjunction. We are all pitching for resources and for the attention of individual local authorities, but we work together quite closely to ensure that we cover the country, in terms of performances and other work. There are examples of collaborative work between us in education, too. It is not in our interests to get in one another's way.

Simon Crookall: I would say that our work is entirely complementary. I do not think that we are rivals and I do not think that any of us go head to head in any particular sense.

Ian Jenkins: I am glad to hear that, although I was not talking so much about performances as about your approach to local government funding. I was wondering whether you would have a better chance of getting a whack of public money as one group working together, instead of as four lots of people asking for a wee drop each.

Simon Crookall: That was the spirit in which we originally approached COSLA. As I said, we had lots of discussions with COSLA, but the focus has slightly dissipated.

Duncan McGhie: Ian Jenkins's point applies not just to dealing with local government, but to wider fundraising. Even in Scotland, there is a limit to the number of guys who can write out big cheques. We must inevitably chase the same people to some extent.

The Deputy Convener: Let me ask for a contribution from a woman who used to give out big cheques.

Jackie Baillie: It is not just guys who write cheques, you know.

Let me return to you what you said about COSLA. My recollection is that, after local government reorganisation, it did a piece of work about recommended funding levels, which it shared with each of the 32 new local authorities. I have to declare a slight interest, because I used to be one of the local authority grant officers with whom that information was shared.

In the context of increased local government resources—they were certainly increased in the local authority that I worked for—the issue is not whether a company is national, but how many performances it delivers locally and what people are getting locally for their money. I accept that you may have covered each of the 32 local authorities at some point in the past 12 months, but for Scottish Opera the funding went from £358,000 to £86,000, which would have sent shivers down my spine if I were doing your

accounts. There is a desperate need to get closer to local authorities and what they are after. That should be on the cards for you all, if it is not already.

Simon Crookall: I agree, but the problem is matching the resource with the cost. There is a limit to the number of venues in which large orchestras can perform as a full orchestra and the cost of travelling to those places is additional to the cost of the work that we are doing in the main areas of activity. However, it is our experience that people at local authority level want more performances in their areas.

Duncan McGhie: We would be happy to consider any fresh initiatives that we can take part in. We think that we do a lot, but if there is more that we can do, we will do it.

The Deputy Convener: Is there a mechanism, other than what has been mentioned, that could pull together the Executive and key players at local government level to find a national strategy to fund local delivery of many of the cultural activities in which your organisations are involved?

Simon Crookall: The simple answer is that there is not, but we would welcome such a mechanism.

Duncan McGhie: I endorse that. If nothing else, the ability to share knowledge would help. For example, in relation to Jackie Baillie's point, do local authorities think that we should be doing more? Let us get the facts out on the table. We would be happy to co-operate across the four companies.

The Deputy Convener: Issues that constantly arise are access and participation. I am sure that you have produced documents saying that you wish to address those issues, but there is a gulf between a statement of intent, your resources and what you claim needs to be done to deliver the outcome. There may be space in the Executive budget and local government settlement to open up the issue.

I admit that you still need to win over political advocates and champions at a local level. Perhaps it was such support that gave rise to the artificial circumstance prior to reorganisation, when a number of major authorities contributed to arts activities disproportionately and more than their citizens were aware of, although that had a beneficial effect in some areas, because it created a more positive environment in the wider community. Arts bodies have to come to terms with that change and find a way forward. I urge you to think about that. The issue is as much about partnership with the Executive as it is about our response to the budget.

If there are no more questions, I thank the

witnesses for their time this afternoon. We have given you 25 minutes more than we anticipated. I do not know whether that is a good or bad sign. We will take a two-minute break while we change over to the next witnesses.

14:53

Meeting suspended.

14:59

On resuming—

The Deputy Convener: We will now hear evidence from Graham Berry, director of the Scottish Arts Council. Is this the first time that you have been back before the committee since your appointment, Graham?

Graham Berry (Scottish Arts Council): Yes.

The Deputy Convener: Enjoy it then and congratulations on taking up your new post—Graham was formerly the head of funding at the SAC. We have an opportunity to discuss the SAC's view of the Executive's budget and the council's allocation. I believe that you wish to make some opening remarks. We will follow them with questions.

Graham Berry: I will make a brief statement. I hope that to the Education, Culture and Sport Committee it is a truism that Scotland's identity is bound up in its arts, culture and language. I want to ask what value Scotland puts on developing and sustaining its arts and culture.

The 2003-04 budget plans for total expenditure in excess of £22.2 billion. The figure for the Minister for Tourism, Culture and Sport's portfolio is listed as £180.3 million. That is less than 1 per cent of the total budget. The actual figure is 0.81 per cent, which seems like an afterthought rather than a figure for something that should be much further up the agenda.

The SAC's budget line in the Executive document is £36.3 million. That is 20 per cent of the portfolio of the Minister for Tourism, Culture and Sport. As a proportion of the overall budget, however, the figure is 0.162 per cent, which is barely noticeable, yet Scotland's identity is bound up in its arts, culture and language.

The main point that I would like to make is that the SAC's budget for 2003-04 will stand still at £36.3 million. That will have a serious effect on all the arts. The committee has heard about the effects that it will have on some of the major companies in Scotland, but all the arts will suffer extremely badly next year if no increase in grant is made. In the current year, there was no increase in grant apart from an earmarked sum for drama, which was a precursor to the formation of the

national theatre. I understand that the plan is to make another earmarked increase for drama next year.

I hope that the committee will consider an increase in the SAC's budget and an overall increase in the culture budget, as that would put the issue further up the agenda.

Cathy Peattie: Good afternoon, Graham. I agree that Scotland's identity is bound up in its arts and culture. However, the majority of money that comes through the Scottish Arts Council seems to go to the three companies from which we have just heard evidence. How do we achieve a celebration of Scots culture and identity through the arts when the money seems to be unevenly distributed?

Graham Berry: The large companies get a higher proportion of the budget of necessity. The national companies are large organisations that employ large numbers of staff. The arts performances that they mount are large-scale events that are expensive to mount. Likewise, the drama companies and the various arts centres absorb a fair amount of money. However, below that level, the amounts of money that a lot of the arts need is quite small; we can sustain a wide variety of arts activities by targeting small amounts of money to traditional arts, to specific projects in music and drama and to writers' fellowships and bursaries, for example. Relatively small sums of money can achieve quite a lot. An examination of the SAC budget will demonstrate the breadth of support that we give below the level of the national companies and the major, building-based drama companies, which absorb a high proportion of the budget.

Cathy Peattie: Would you not agree that the companies and organisations that receive a smaller amount of money are those that are bound up with Scottish national identity—language, Scots traditional music, community arts and that kind of thing?

Graham Berry: All the arts organisations that we support add to the Scottish identity and Scotland's culture, although some are seen to add more specifically to what might be regarded as the traditional arts. It is difficult to separate them—they all add to the culture of Scotland. I do not think that some do and others do not. There is always a Scottish aspect to what companies and individuals do.

Cathy Peattie: I might disagree with you on that, but we will not get into that.

In the process of scrutinising the Executive's budget, we want to consider how well the money has been spent. I am interested to know how the money that is allocated to the Arts Council is being used to implement the national cultural strategy

and where the issues or problems are.

Graham Berry: It is almost two years since the national cultural strategy was published and quite a lot has been achieved in implementing the various aspects of it, through money that has come from the Scottish Executive and the national lottery. We have entered into arrangements with most of the social inclusion partnerships and we are encouraging them to undertake projects to develop arts plans. There have been several activities in connection with the national theatre, which was specifically mentioned in the national cultural strategy. A working party met last year and determined a model for the way forward. Work will continue in the coming year to develop further the proposal for a national theatre.

Traditional arts activities are being funded by an additional grant from the Executive as part of the national cultural strategy. I hope that you saw the "Scottish Women" tour, which ran from Skye to the Borders and was extremely well received. A lot of the individual organisations that we support, such as Fèisean nan Gàidheal and Pròiseact nan Ealan, which we already core fund, have been given additional grants to sustain and develop their activities. Quite a lot has been going on to develop the cultural strategy. There was a bit of a blockage in the schools cultural co-ordinators programme, but we are now making good progress in developing that programme with the Executive. A steering group was recently set up, which will ensure that a large number of Scottish local authorities—all of them, I hope—will have cultural co-ordinators in their schools.

Cathy Peattie: The "Scottish Women" tour was an excellent example of the kind of work in which the Arts Council can be involved for a small amount of money. I would like a lot of the smaller amounts of money to be spread further.

Michael Russell: I am interested in Graham Berry's analysis of the total sums of money available. What proportion of the money that the Arts Council receives goes to the national companies, including the putative national theatre?

Graham Berry: In the current year, about 41 per cent of the total budget—about 44 per cent of the total grants budget—goes to the four national companies.

Michael Russell: We heard in evidence from the national companies—I do not know whether you were present for that—that they face difficulties just as you say that many arts organisations face difficulties. Is the time right for a baseline reassessment of the national companies' needs? As part of that, should there be a reassessment of whether the best way to fund them is through your organisation or directly from Government?

Graham Berry: It is always useful to reassess organisations' needs. There is a difficulty in singling out the national companies for reassessment. As I said, we have tried in the past year—and I hope that we will try next year—to develop drama to pave the way for a national theatre. A range of organisations involved in visual arts, crafts and literature could definitely sustain larger grants.

As I have outlined, the real question is the total amount of money that is available for culture. The most recent reassessment of the baseline for the national companies was in 1995-96, when there was a fairly large increase. Where does one draw the line? The limits are the levels of activity, imagination and inspiration, which can be found in spades in all arts organisations, not only in the national companies.

Michael Russell: I must disagree—it is not the first time that I do so and I am sure that it will not be the last time. It seems to me that the opportunity exists to ask some basic questions about arts funding in Scotland. I am with you on the most basic issue, which is the proportion of the national wealth that should be applied to the national soul—so to speak—which is much lower than it should be. However, out of that arise questions about our priorities. If one of our priorities is the funding of national companies—which appears to have been the case for the past several decades—would not it be wise to work out exactly what the level of output that we have heard about today should cost in a reasonable market? I agree with Cathy Peattie that we should examine the way in which that priority skews the debate. Other artistic priorities in Scotland must also be assessed.

I am speaking about a review that is more fundamental than simply considering what we get for our money from the national companies. One question is whether we spend enough on the arts in Scotland. If we agree that there is a different way of analysing expenditure, other questions are what our priorities are and how much each of them should realistically cost.

Graham Berry: That is quite a long question. I am not sure how to answer it.

Michael Russell: With respect, it may also be a good question, so perhaps you could respond to it.

Graham Berry: It is always valuable to have a full assessment of what is required in the arts. The priorities must go beyond the national companies to all areas of the arts. We must assess how much those areas require to fulfil their aspirations.

Michael Russell: I want to press you a bit further on the issue. You and I have known each other for a long time. We have worked together, so you are used to me badgering you and you are

quite good at resisting me. Let me badger you a bit more.

If the traditional music organisations that Cathy Peattie and I support say to you that, for the past century and a half, traditional music in Scotland has not been supported in the way that it deserves, or if Irene McGugan puts forward a similar argument about the Scots language, or if I say the same about Gaelic, you will have a lot of competing priorities. However, at no time in recent years have we said what our priorities are—I do not think that the national cultural strategy does so—or how much they would cost. In the best of all possible worlds, how much would it cost to look after those areas, which have been neglected? Surely there is an opportunity to ask those questions.

Some years ago, the Scottish Arts Council carried out an extensive consultation, the report of which was written by Joyce McMillan. In our new democracy, should not we build on that report by asking basic questions about what we should do for the arts in Scotland?

Graham Berry: Yes. That question is always worth asking. This year, the Scottish Arts Council will undertake an internal review of where we think the priorities lie.

We can change priorities only within the available resources. I keep coming back to the fact that we do not think that the size of the pot is sufficient to make the changes that we desire, because any change in priority has to be at the expense of another organisation. However, it would be worth while to consider the range of activities and see what is needed to sustain them to meet reasonable aspirations.

15:15

The Deputy Convener: Unlike Mike Russell, I have a rhetorical question. Why do we presume that we can manage issues only if there is growth in the budget, instead of examining how to wean people off historical funding, to facilitate the development of new art forms? A number of us are keen to find a way for the Scottish Arts Council and other organisations to provide assistance.

Graham Berry: A problem arises, because any new organisation that needs a subsidy will, if it is reasonably successful, continue to need a subsidy. In a sense, we are fortunate that the majority of organisations that get through our door and receive core funding tend to be successful. There is accretion in the number of organisations that we are asked to support. If we drop an organisation from the list of organisations that we support, it is not because it is not performing satisfactorily or because it is not meeting the criteria for public expenditure, it is simply because

there is not enough money to go round, which is not a good answer.

One always hopes that organisations will start to generate more funds themselves. Of course, most of them do to a reasonable extent—all arts organisations work hard at keeping their costs down and earning extra money—but the nature of the beast is that they are unlikely to become self-sustaining. The arts organisations that we support need to be protected from the market. If we left them entirely to the market, they would lose their identity and we would lose their variety and excellence. We would be poorer for that.

Irene McGugan (North-East Scotland) (SNP):

I would like to investigate further the national cultural strategy, to which Cathy Peattie referred. What priority does the SAC give the national cultural strategy, given that the SAC is charged with assisting to deliver its aims and objectives? You gave a good account of some of the initiatives that you have made progress on, but 63 objectives were outlined in the strategy, yet the budget documents list only five significant actions that are under way.

Would you welcome regular funding specifically for the SAC to deliver the strategy's objectives, instead of continuing with the current arrangement, whereby you have to consider projects that, to a greater or lesser extent, would have gone ahead whether or not they were in the cultural strategy, and which may not have applied for funding in the past in any case?

Graham Berry: The national cultural strategy gives us an overall framework within which we work. We are developing a corporate plan, which will look forward to the next five years. For each of the actions that we propose to take in the next few years in response to our own art form strategies, we are identifying a statement or a point in the national cultural strategy. We are able to identify our activities in relation to the overarching plan.

As I have mentioned, progress is being made in a number of areas of the cultural strategy because additional money has been awarded. I mentioned the schools co-ordinators and the traditional music programme. Clearly, if more money was associated with the national cultural strategy we could achieve even more in those areas and in others.

Other activities that are mentioned in the cultural strategy that we need to consider include creative industries, which involve many organisations. Activity in that field needs to be co-ordinated and promoted differently from normal, subsidised arts activity and a boost of funding would be desirable.

We are developing an international strategy to help to promote Scotland's image abroad. To return to the notion of a country's identity being

bound up in its arts, we recently returned from an event called "Distilled" in New York, which was associated with tartan day in America. We are planning a similar event in Sweden with the British Council later this year. There is a range of other activities. We have identified about £300,000 from our own resources to develop international activity. That is a tiny sum, but it will help Scotland's artists to go abroad and experience other cultures and will allow artists from other countries to come and share their experiences with Scotland's artists. We would appreciate additional funds for a number of areas.

Ian Jenkins: Are there countries of a similar size that seem to do arts funding better?

Graham Berry: I think that there are. Each country has a different mechanism. Some fund the arts more locally and others fund them more nationally. It is difficult to find an exact paradigm and say that we would like to copy that approach. Other countries seem to value their culture more highly than Scotland does. Again, the issue relates to putting the arts further up the agenda and getting the budget line nearer the top than the bottom.

Ian Jenkins: Are there organisations that are similar to the Arts Council that are mechanisms for delivering funding in other countries?

Graham Berry: That seems to be the most successful method.

Cathy Peattie: You mentioned cultural tourism. I am aware that the Arts Council has worked with VisitScotland on cultural tourism and has promoted traditional arts. What do you think about that? What is your view of joint working with other agencies to promote Scottish culture abroad, to encourage our artists to tour and to bring people into Scotland to enjoy our culture?

Graham Berry: I am delighted that culture is one of the five areas in the tourism action plan. As you say, we have worked with VisitScotland specifically in relation to a traditional arts programme. Meetings have been set up with VisitScotland to ensure that such work is continued in other areas of the arts.

The arts do a tremendous amount for tourism—members should think of Edinburgh in August and the Pitlochry Festival Theatre, which runs a programme from May to September in rural Perthshire. There is the Fèisean movement and a range of galleries and theatres. Individually, they may not attract tourism, but as a whole, they definitely attract people from overseas. Working with VisitScotland is important, as is an international policy that allows Scottish arts to be seen more internationally than they perhaps currently are.

The Deputy Convener: Thank you. I hope that that was lighter than the last time we met.

The meeting will be suspended for two minutes to allow a change of witnesses.

15:24

Meeting suspended.

15:27

On resuming—

The Deputy Convener: We have three new faces with us. Dr Michael Clarke is the director of the National Galleries of Scotland; Dr Gordon Rintoul is the director of the National Museums of Scotland; and Martin Graham is the head of administration for the National Library of Scotland.

As we have done with previous witnesses, we offer the opportunity to make an opening statement, following which we will go straight to questions. Does any of the witnesses wish to make an opening statement?

Gordon Rintoul (National Museums of Scotland): I will make an opening statement on behalf of all three of us. We thought that it would be useful to make a few general points about what we are about and what we do for Scotland.

To begin with, it is important to note that we are all charged with providing a repository for Scotland's memories and artefacts, for this and future generations. We all have tens of thousands—millions, in the case of the National Museums of Scotland—of items in store. Some of those items are on permanent display to the public and some are displayed every so often.

We believe that we are key contributors to the implementation of the cultural strategy. One of our key roles is to enable and promote participation in cultural activities throughout Scotland and among visitors to Scotland. Let me give members an idea of the scale of our activities, which is often not appreciated enough. Between us, we have a total of about 2 million visits a year to our exhibitions and library reading rooms. There are more than 7 million page visits to our websites and millions of people worldwide see Scotland's cultural heritage through the items that we lend to institutions throughout the world, as far away as Australia, for example.

Education is a priority for all three of our institutions. I have been in post for only seven weeks but, even in that short time, it has become clear to me that there is a misconception about our role. Although our main institutions are based in Edinburgh, we are all involved, in different ways, in delivering services and activities across Scotland. Digital access has become a priority for all three of

us. The National Museums of Scotland was a key partner in the foundation of the Scottish resource access network. The National Library of Scotland is a partner in a consortium called resources for learning in Scotland, which will provide digital access to a range of educational activities for those who may not be able to get to the capital.

15:30

The National Galleries of Scotland and the National Museums of Scotland lend many items to galleries and museums both large and small to enable the national collections to be seen in communities across Scotland. In our different ways, we all provide training and advice to institutions across Scotland. Doing that is not a fundamental part of our remit—except in one small area—but we think that it is important that we should provide assistance to some of the smaller institutions.

We do a range of specific things across the country. For example, for several years the National Museums of Scotland has run a very popular educational programme called discovery on the move. It is funded partly by a charitable trust and partly by private sponsorship. In essence, it is a travelling discovery centre, which has gone all the way from the Highlands and Islands to the Borders, visiting a great number of schools and other institutions. That has helped to bring some of the national collections to people across the country.

Another priority for all three of us is to be more inclusive and to attract a wider audience. Those of us who work in museums, galleries and—from what was said by earlier witnesses—the arts have been concerned about that for a number of years. We never have quite enough resources to do what we would like to do but we all chip away at it. We work with different community groups, either locally or further afield, to try to provide services for people across the spectrum. We have been able to make progress by doing projects in particular schools and particular communities. I will give members one example. In the past year, the National Museums of Scotland has run projects with three social inclusion partnerships. In future, we will step that up to six projects a year.

Another area that is worth bringing to the committee's attention is tourism. The role that we all play in helping to provide an important and distinctive tourism product for Scotland is not appreciated often enough. People think of visitors to this country going to the Highlands or playing golf but, in fact, something like 25 per cent of the visits to the National Museums of Scotland are from foreign tourists. The figure is similar for the National Galleries of Scotland. We are a key part of the tourism infrastructure.

Our priorities are fairly well aligned with those of the Executive. We would always like to do more; and we would always like to have more resources to enable us to do more.

I have summed up some of the issues with which we have to deal and we are happy to answer questions.

The Deputy Convener: A key theme that has emerged in recent years is the balance of resources. I am a representative of a Glasgow constituency. In the west—and, in case anyone does any research, I hasten to add that I have been culpable of not asking this question—we often hear people asking how we define a national museum. How do you link in with local authority museum provision, which is equally important as far as local attractions and local tourism potential are concerned?

Gordon Rintoul: There are a number of answers to that question. The treasures for which we care are not ours—they belong to the people of Scotland. We look after those treasures for future generations. We are not specifically responsible for providing funding to local authorities, but we provide advice wherever we can. We have the expertise in a large number of areas that most local authorities do not have. It is not feasible for every local authority in Scotland to employ experts in every discipline, from archaeology to the decorative arts. Our staff provide the advice to which local authorities do not have access internally. That advice may relate to identifying an item that someone has found or dug up or it may relate to ways of caring for and preserving an item, so that it will be there for future generations. We work very closely with people up and down the country.

The Deputy Convener: What particular challenges does the museum sector face?

Gordon Rintoul: The museum sector faces the same challenges that are faced by the culture sector as a whole. On the one hand, there are funding challenges. Resources are of key importance. The museum sector—not just in Scotland, but in the UK as a whole—has had to deal with terrific turmoil in the past five or 10 years, as local authority budgets have been squeezed and capped. Fundamental consideration needs to be given to the way in which we, as a country, fund and support culture, including museums. A healthy society needs a healthy cultural sector. A key part of a healthy cultural sector is a healthy museum sector.

The Deputy Convener: How do you view your relationship with the collections in Glasgow?

Gordon Rintoul: Glasgow has collections of local, regional and international importance. The vast majority of our collections are also of

international importance. It would not make sense to have all the collections of national and international importance in Edinburgh. It is terrific that Glasgow also has an important role to play. We have worked closely with Glasgow City Council in the past and will work even more closely with it in the future.

The Deputy Convener: Should that be recognised in the resourcing of the Glasgow collections?

Gordon Rintoul: That is for the Executive to consider. However, there are interesting lessons to be learned from the report “Renaissance of the Regions”. That report focused on the funding gap in major regional museums in England and proposed that additional funding be made available by central Government to enable local and regional museums to be sustained in the long term and to encourage partnerships with national institutions.

Cathy Peattie: I would like to return to the issue of the cultural strategy. Given that this afternoon we are discussing the Executive’s budget, what are you doing to deliver the cultural strategy? I am interested in the relationship between the budget and delivery of the cultural strategy.

Michael Clarke (National Galleries of Scotland): The targets and criteria that are set out in the cultural strategy include bringing world-class performances to Scotland. The National Galleries of Scotland intends to bring world-class exhibitions to Scotland.

If you will forgive me, I would like to describe briefly the Playfair project, which—as I am sure you know—is well under way. We believe that the project will enable us to provide many of the services whose importance the strategy, quite rightly, underlines. Those include educational facilities. We in the National Galleries of Scotland are very aware that, because of restrictions imposed by the way in which the existing premises are constructed, we cannot at the moment provide fully up-to-the-minute educational facilities.

The Playfair project, which will provide a link building between the Royal Scottish Academy and the National Gallery of Scotland, will enable us to provide suites of education rooms, information technology galleries and lecture theatres. We intend the building to be open as long as possible during the day and into the evening, to ensure that primary, secondary and tertiary sectors of education, and the widest possible range of the population, can use and access our facilities. Naturally enough, we think that there will be a big knock-on effect on the number of tourists. Our conservative estimate is that the project should attract an extra 0.25 million visitors. I hope that, if we get the facilities and the exhibitions programme

correct, many more than that number will visit, even discounting the so-called displacement factor.

The project will also provide a considerable information and communications technology facility. The ICT facility will be accessible on the spot, but will also enable us to practise what I might call digital outreach. We will be able to develop programmes or a series of information packs. Like a spider's web, as it were, the information will be spread throughout Scotland and will be easily accessible across the country. Those are some of the areas of the culture strategy that we hope—indeed, we are certain—to improve on once the facility comes online.

The first phase of the project is the renovation of the RSA building. That is due for completion next summer, when we will open up with a big Monet show. Perhaps the more exciting phase is the one that I have just mentioned, which will include all the underground facilities. That is due to open to the public in early 2005.

Martin Graham (National Library of Scotland): The development of the National Library as a hybrid library was mentioned pretty clearly in the original cultural strategy document. We have made some progress on that. Obviously, we are keen to make more progress, but as the committee will no doubt be tired of hearing, that depends on funds. That process involves combining the use and collection of material in formats such as paper and print, in which they have been collected for centuries, with the new services that are available through the technology, either online or in hand-held electronic forms. Users will be provided with the services that are required to access the material in our reading rooms in George IV Bridge, which is just round the corner from here, and through our website or other networks.

We want to provide access—and we are already doing so—to a certain amount of digitised material from our own collection. Also, the library is making a large input into the RSA project that Gordon Rintoul mentioned. In addition, we are negotiating deals with electronic publishers to provide the general public with access to a wide range of online journals, which are otherwise available only to people who have access to them through university or college libraries. We will continue our process of combining the kinds of material to which people can have access. The consultation that we carried out last year showed that people are keen that we should continue doing what we do as well as moving into the new areas, which is what we are keen to do.

Like the other institutions—and as is mentioned in the cultural strategy—we are involved in education. Until fairly recently, we were linked

mainly with higher education activity, but we have moved somewhat gradually into school education. Again, we are taking advantage of the technology by developing websites that are specifically related to the school curriculum. The websites allow us to make material in our collections widely available while allowing us to preserve the collections from the deterioration that would result if people were to consult them as often as they consult the websites. We are also keen to be involved, through the RSA project in particular, in developing that technology for lifelong learning by making collections available for people, wherever they might be, who want to see them.

Michael Russell: I have a question about the past and a question about the future. First, I will ask about the immediate past. I think that all of us are energised and excited by innovations that have taken place in your institutions in recent years. Michael Clarke talked about the Playfair scheme. The Museum of Scotland is another innovation.

That, however, has not been a one-way process, has it? For example, the National Library closed its science reading room. I participated in the debate on that issue in the chamber. The Royal Museum has closed the Lumière cinema. I also had discussions with Gordon Rintoul's predecessor about the difficulty of refurbishing and renewing exhibits in the museum. That is done on a longer time scale than we or you want. The National Galleries also have difficulty with bodies that represent exhibiting artists, which points to not only an institutional problem but a financial one.

I understand your desire to paint the situation as rosily as possible. However, on the issue of long-term sustainability, we heard from Graham Berry this afternoon about the small amount of the national cake that is spent on the arts and heritage in Scotland. Will you reflect on that with us and on the fact that we need to be more ambitious? We must also ensure that innovative developments do not replace things that people value.

15:45

Gordon Rintoul: I agree with some of those points. We must recognise in this country—but it also an issue for the whole UK—the key part that a vibrant culture sector plays in a vibrant society. In economic terms—tourism and so on—we must look at examples abroad in which investment has been made and benefits are being gained. For example, New Zealand has invested substantially in a new national museum of New Zealand—Te Papa—that is recognised throughout the world for providing world-class facilities and services for the whole nation. That is because the national Government, unlike this country, has invested in the culture sector.

I have been in post, as I said earlier, for only eight weeks, but I know that resources are an issue for all of us. We are well aware of the constraints within which we work. A key challenge for the National Museums of Scotland, now that the Museum of Scotland has existed for several years, is to work closely with the Executive to solve the problem of the renewal of the Royal Museum of Scotland. The fact that there has been a woeful lack of investment in the Royal Museum for decades is all too apparent to visitors when they step through the front door.

We would dearly love to do something about that situation and have made a start by gaining major support from business sponsorship. For example, probably one of the largest business sponsorships in Scotland is the £1 million that BT gave to the National Museums. Part of that, I hope, will kick-start the renewal of part of the Royal Museum by establishing a gallery on the topic of communications. However, that will be only the start of a long process.

Martin Graham: You referred to the closure of the Scottish science library reading room. I must emphasise that the National Library will continue to provide a science service through its general reading room in George IV Bridge. I think that that point was made during the parliamentary debate on the issue. However, the closure of the science library is the kind of difficult decision that has been forced upon the trustees by the level of funding that we have had for the past few years.

I am glad to say that we have been given additional funding from this year forward that will enable us to do some of the things that we and our stakeholders want to do. Our purchase grant is a main area in which funding is falling further behind. That relates to what I said about the hybrid library development.

As you will be aware, the National Library is a library of legal deposits and receives free copies of everything published in Great Britain. That privilege is valued at about £3 million a year. However, we have no legal right to receive electronic information or anything other than print on paper. An increasing amount is being published electronically but our purchase grant has been frozen at the present level for some years and there is no indication of it increasing until the end of the present funding period. We are falling far behind the other major libraries in the UK and many of the main university libraries in the United States. If we are to have the collections and resources that the people of Scotland need, we will require additional funding.

Michael Clarke: Your question was in two parts. On the issue of exhibiting artists, we are making good progress in discussion with the artist groups and I am sure that we will come to an amicable

solution. As you might imagine, the problem for everyone involved is trying to develop a balanced and equitable apportioning of the time available to everyone who wants to use this new facility. On the one hand, one wants to be fair to the artists' societies and not bring about a situation in which their activities are severely compromised; on the other hand, one wants to use the wonderful new facilities for the benefit of the maximum number of people. We are beginning to see light at the end of the tunnel on that issue, however.

You also mentioned the desirable level of national funding for culture. I do not suppose that any of your witnesses this morning will say anything other than that the maximum possible should be invested in culture. In France—although it might not, at the present time, be the most desirable comparison in all respects—there has been a massive investment from the centre in culture, particularly in the museum and gallery fields. The museum field also has interesting examples of the working relationships between national and local authority museums.

In the typical French way, the system has been controlled from the centre, but there has been strong national investment of personnel in all the regional centres. That has drawn more financial investment out of the regional centres. It has brought more expertise to those centres on the understanding that, with matching funding from central Government, they will boost their own investment. The end result is that France now has much better institutions across the country and a much better tourist potential and has received great economic benefit. That is an example that could sensibly be considered.

Michael Russell: I am sure that it is, and that provides a neat bridge to another question. I want to ask about the integration of cultural activities in Scotland. If one were starting afresh in Scotland, one would not set up the three institutions that we have before us today—for a variety of reasons, only one institution might be set up. I am not suggesting that that is what we should do—before Gordon Rintoul, who is only eight weeks into his job, looks alarmed—but there is an argument for re-examining the way in which the three national institutions are constituted, given that those constitutions—particularly that of the National Library—are rather archaic.

A single institution involves horizontal integration, which relates to how you three work together, but there is also the question of vertical integration within your areas. For example, how well can Gordon Rintoul work with other museums in Scotland—in a leading role, undoubtedly—to make sense of the diverse museum sector, parts of which are badly funded? Many librarians have told me that there is a gulf between the library service in Scotland and the National Library, partly

because of the way in which it is constituted.

Although I am conscious of the time, I ask for brief thoughts from each of you on vertical and horizontal integration.

The Deputy Convener: Welcome to the MBA course on arts development in Scotland.

Michael Clarke: The National Galleries are already a combination of three institutions, as we perform in Scotland the functions that the National Gallery, the National Portrait Gallery and the Tate galleries perform in England, using the same central services. We are an example of the economic integration of several different institutions into one.

Gordon Rintoul: Just as Michael Clarke says that his institution is an amalgam, I could say that we are the Science Museum, the Victoria and Albert Museum and the Natural History Museum rolled into one. I do not know whether, if one started with a blank piece of paper, one would end up with a single, monolithic institution or whether one would want to. Having three institutions means having three times as much energy and innovation as a monolith. We collaborate closely—the directors of the three institutions get together regularly. We share expertise, look to gauge services and help each other out. We also lend things to each other. Although we are three separate institutions, we work together to our mutual benefit and to the benefit of the people of Scotland.

Michael Russell: What about the vertical element in the museums sector?

Gordon Rintoul: We do not have a specific obligation to work throughout Scotland, except in the area of documentation. However, we ignore that in practice and undertake a huge amount of work throughout Scotland. For example, we help with the running of Biggar Gasworks Museum. That is a small museum based in a working gasworks that is one of the few remaining town gas plants in the world. It does not belong to us—it is owned by Historic Scotland and involves the local charitable trust—but it is important to the local community, so we help to run it. We even provide some funding to help to do that. A senior member of my staff is also involved with the Museum of Scottish Lighthouses at Fraserburgh.

We do not have to be involved with those museums, but we believe that we ought to help wherever we can provide advice and support to museums throughout Scotland. I believe that that is a fundamental role of a national museums service. We do what we can. We would like to do more, but it is a matter of resources.

Michael Clarke: Yes, only a few years ago, the National Museums and the National Galleries

combined on a proposal for a national loans scheme to take some of the national treasures out and about in Scotland. Such a scheme would also have had the add-on benefit of enabling the receiving institutions to apply for funding to upgrade their facilities. We applied for lottery funding but, unfortunately, the bid failed. However, our willingness and ambition to do something along those lines was evident.

Martin Graham: I reinforce what my colleagues have said about co-operation between the institutions. There is a lot of contact at a range of levels—curatorial, administrative and so on—from which we all benefit.

In the libraries, a great deal of vertical contact takes place. We are involved with the local authority libraries in the collection of material, to ensure that somewhere in Scotland all the local material is collected that sometimes slips through the legal deposit net. In a more organised way, the National Library's inter-library services division is involved with inter-library lending and acts as the Scottish centre for that. I am told that 60 per cent of the requests that we receive for inter-library loans come from Scottish libraries and that 95 per cent of those are dealt with either from the National Library's lending stock or by referral of the request to a library that we know has the requested items.

More generally, our specialists are involved in advising and helping colleagues throughout the country—as are those in the National Museums and the National Galleries—in the gamut of local authority libraries, special libraries and university and college libraries.

The Deputy Convener: I am conscious that the minister is here to speak to us and that we are half an hour over time. Forgive us for shunting you sideways to accommodate the minister. Perhaps you could tell him on the way out that you graciously allowed him in. Thank you very much for your time.

16:00

Meeting suspended.

16:03

On resuming—

The Deputy Convener: I apologise for the delay. We welcome Mike Watson, the Minister for Tourism, Culture and Sport; the head of the Scottish Executive's sport, the arts and culture division, Bob Irvine; Riona Bell, from the finance and central services department; and Laura Petrie, the director of finance for Historic Scotland. I think that I have got that right. You are sitting so far away from us that I cannot see you properly. Sorry about that—it is the nature of the room.

Mike Watson has waived the opportunity to make an opening speech, as he is conscious that members have other agenda items to discuss. We will go straight to questions.

Cathy Peattie: I would like to start by asking about the national cultural strategy. The committee is interested in the way in which the strategy is being implemented and the way in which budget headings are being used to promote the work of the strategy. I am particularly interested in how the cultural strategy is to be rolled out in terms of the traditional arts, community drama and all the areas that impinge at a local level.

The Minister for Tourism, Culture and Sport (Mike Watson): The cultural strategy is about a year and a half old and is beginning to have an effect. That is certainly the case in terms of funding and, in particular, the way in which we have directed funding. The targets for the national cultural strategy were to involve as many people in the arts who had previously, for whatever reason, not been involved or engaged. We channelled funds with that aim in mind.

We allocated £1.5 million to the Scottish Arts Council for the traditional arts over the three-year period from 2001 to 2004. That funding is beginning to take effect. We also gave funding of £30,000 per annum over three years for the joint Scottish Arts Council/VisitScotland traditional music and tourism initiative, which came to an end in 2001. The funding to the SAC followed on from that initiative and it led to 19 projects being funded throughout Scotland. That funding is important for the development of the traditional arts.

We recognise that traditional music is not only about the folk music of Scotland in various forms, but about other music including piping. Money has been given to the Piping Centre. A much under-publicised aspect of traditional arts is story telling. In October 2001, the SAC announced £800,000 in funding for the Netherbow centre in Edinburgh with a view to developing story telling. Another initiative saw the opening last year of the traditional music centre at Plockton High School. Some areas of the traditional arts that have not been as fully funded as others are now being

given much attention.

Cathy Peattie: You highlighted a lot of positive work such as the centre at Plockton, cultural tourism and so on. However, we heard earlier from Graham Berry of the Scottish Arts Council that 46 per cent of the money that goes to the SAC from the Executive is spent on national companies. The remaining money is spread over all the other arts, including some that you mentioned.

Do you intend to reconsider the balance? That would ensure that projects such as the centre at Plockton or the cultural tourism pilot are extended and that more resources are allocated to continue the work beyond three years or to develop it further. We know that the cultural tourism approach was successful. The pilot was good and we are keen to encourage more tourism in Scotland. I am unaware of other budgets that have been allocated for that work.

Mike Watson: We are keen to develop the concept of cultural tourism. That hits the part of my portfolio that does not concern the committee. Nonetheless, the two are interlinked and work to their mutual benefit.

The Scottish Arts Council has announced its intention to provide additional resources to other kinds of music than that which is associated with the national companies. That is a matter for the SAC, but I know that it is talking about giving greater attention and financial resources to contemporary music and jazz. However, the SAC has stressed that that funding will not be at the expense of the national companies.

I am aware that that reply does not answer your question. I am in no doubt that the national companies are important to Scotland. It is important that Scotland has an opera company, a ballet company, an orchestra, a chamber orchestra and so on. It is important also that those companies should be funded, as there is no way that they can be run profitably. That is not the way that it is done elsewhere in the world and it would be inappropriate to seek to do so in Scotland.

I am more concerned about increasing, when possible, the resources that are available to the SAC. The committee knows that the spending review for the next two years is under way. It would be wrong for me to suggest that we should take money from one recipient and give it to another when the national companies are in varying degrees of difficulty, although they do the best that they can with the resources that we give them. They provide a backbone to the cultural feel of Scotland for people who live here and who visit the country. We must bear that in mind. I am unhappy about the deficit financing that is necessary for those companies. We are considering ways of emerging from that.

Michael Russell: Graham Berry also said that the SAC, which is the principal funder of the arts, receives 0.162 per cent of the national cake. The *Official Report* will have to be consulted for the exact quotation, but I think that he said that a failure to increase funding significantly in the next few years would damage severely the arts in Scotland.

Mike Watson mentioned the national companies, which Graham Berry and the companies described as significant employers. Like us, they will have to meet an increase in employers' national insurance—although I am glad that we are all contributing—which will reduce the budgets that they expected to have. What is your reaction to that? What does the future hold for the national companies if their share of the national cake will damage them?

Mike Watson: The fallout of the budget two weeks ago is being felt throughout the public and private sectors. The change represents a significant additional cost to the national companies and the national institutions. We are still assessing the full effect, but there is no doubt that it will be significant. However, we must accept that we are in the same position as everyone else. Adjustments will have to be made, because the size of the cake will not increase.

Let us be honest. The SAC could always use increased resources. I do not know how the percentage that Mike Russell quoted compares with figures in other countries and I do not know what point Graham Berry was making. At the beginning of the previous spending round, resources to the SAC increased considerably. Flat funding has been provided since, but that must be considered in the context of that large increase. The situation is difficult, but everyone—public and private—must bear it. The additional national insurance contributions are aimed at helping the national health service.

Michael Russell: Witnesses from the three national institutions referred to the difficulty with financing, even without the national insurance increase. They described their difficulties in sustaining the services that they felt should be sustained. The new director of the National Museums of Scotland was stronger than I had expected him to be.

That concern applies to Historic Scotland and to the Scottish Civic Trust, because the deterioration in Scotland's built heritage is not being stemmed. You are not solely responsible for that, but you are in the Cabinet to fight for resources for the arts and heritage. The figures show that increases in the next three years will be minimal. Can you offer any encouragement to all those bodies that you will achieve more than that?

Mike Watson: I can give you only the same commitment as I have given them: I will do my best. I will argue tenaciously for the greatest amount of resources that I can achieve for the portfolio that I am responsible for. My colleagues compete just as tenaciously for their own portfolios.

We are about to start detailed discussions on the spending review. I have made proposals on that for discussion with the Minister for Finance and Public Services and the First Minister. I give an unequivocal commitment that I will emerge with the best possible deal for the three parts of my portfolio.

Michael Russell: My final point is on the languages of Scotland, which you mentioned. The report from Donald Meek and his group is due to be published in the coming month. Do you expect that the report's recommendations will have financial implications? If so, will additional resources be allocated to those recommendations over and above the figures that are before us, or will the Meek report's results require you to find resources from within existing budgets, thus effecting a reduction in some existing budgets?

16:15

Mike Watson: I hope that the Meek report will be published in May. I have received the report already and it is being prepared, presentationally, for publication. I do not think that it would surprise anyone to learn that the report seeks additional resources for Gaelic. It also makes other proposals, which I will factor into my negotiations on the spending review. There may be a means of accommodating some of Professor Meek's proposals by reconfiguring existing resources.

It is fair to say—I have said so publicly before, so this is no revelation—that if Gaelic language and culture is to be sustained, emphasis must be placed on ensuring that the maximum number of young people learn Gaelic, particularly in Gaelic-medium schools. Relative to recent years, the levels at which such education is taking place are high and I want them to grow further still. Around 2,000 young people are learning in Gaelic in 59 primary schools and I repeat that, for me, that is where the emphasis must be placed. It is clear that I will not be able to provide all that the Meek report seeks, but aspects of the report deserve to be taken forward. I will argue for the resources to do so in the context of the spending review.

Ian Jenkins: We have talked about the national companies, but I would like to drop down a level and talk about a different kind of national company. I know that you are interested in the Scottish Youth Theatre and the National Youth Orchestras of Scotland. How should those

organisations be funded, given that they seem to have a slightly different national status? Are they able to count on your absolute support for the place that they should have in the SAC budget and in other budgets for the arts?

Mike Watson: We are keen to stress, as I have done on many occasions, that the key word in culture and sport is access. Access by young people to sport and culture is particularly important. People who develop habits—good or bad—at an early age tend to maintain them. I want to develop in young people as many good habits as possible and to encourage them to develop their cultural activities as much as possible.

You are right to say that I have personal experience of the Scottish Youth Theatre. The youth orchestra and the youth jazz orchestra are also important when it comes to ensuring that the next generation of talented young Scots emerges. I was able to provide £3.5 million for drama earlier this year, some of which went to the Scottish Youth Theatre. On the orchestras to which you referred, the SAC is aware of the need to ensure that there is appropriate support for young people and it has my support in pursuing that policy.

Ian Jenkins: Cathy Peattie often talks about traditional arts. There should also be a secure place within the budgets for the pipe bands and silver bands that are at the heart of many communities. Do you agree that such bands are part of the social inclusion and communities agendas?

Mike Watson: Bands that are community based probably make a greater call on local authority support. However, they are part of the traditional music field to which I referred in my response to Cathy Peattie.

Earlier this month I was privileged to be part of the tartan day parade in New York. That was an amazing experience, not just because of the number of pipers present but for many reasons, including the fact that the pipers came from so many countries. Equally, Scotland provided an encouraging number, many of whom were quite young. There is still a tradition in Scotland of wanting to learn to play the pipes and drums. That tradition will never die and the local support that it is given is important.

Ian Jenkins: What is the relationship between your department and the education department in terms of cultural co-ordinators in schools?

Mike Watson: It is a joint initiative by Cathy Jamieson as Minister for Education and Young People and by me. The plan had been for the two of us to launch the cultural co-ordinators in schools project in two days' time. Unfortunately, Cathy Jamieson has other business to attend to that has overtaken that plan, but the project still

will be launched in Kilmarnock on Thursday morning.

Initially, the project will provide £1.75 million over two years to enable schools to provide cultural co-ordinators and to ensure that as many young people as possible have access to culture in its widest sense. The initiative will be overseen by the Scottish Arts Council, but it will not involve only those activities that the SAC typically encourages. It will also involve Historic Scotland and will encourage awareness of heritage, ensuring that young people are introduced to galleries, museums and libraries.

I want to ensure that the maximum number of people have access. The funding will be weighted towards schools in less advantaged areas, although not exclusively so. The project will be open to all local authorities and I very much hope that as many as possible will participate.

Mr Brian Monteith (Mid Scotland and Fife) (Con): Over the past 10 years, public funding for the arts in Scotland has grown immensely, not just because of an increase in funding from taxpayers, but particularly because of the introduction of the lottery. That has led to greater public support for arts bodies and arts initiatives, but concern is being raised about the ability of the lottery to maintain its previous level of funding. Does that concern you? Could it mean that you might face greater pressure on the funding that you exert control over?

Mike Watson: It concerns me. It seems that people are buying fewer lottery tickets or buying them less often, and that affects the amount of money that is available to good causes. As you say, a significant amount of funding has come to the arts and culture over the past seven years since the lottery began. We are aware of the point that you raise, and we are considering it.

Tessa Jowell, the minister at the Department for Culture, Media and Sport who has responsibility for the lottery, has announced a review of lottery funding. There is some suggestion that there could be a shift in emphasis from capital to revenue funding from the lottery, and that will obviously have implications as well.

I am certainly aware that, in Scotland, we have the ability to be flexible in our approach to the funding that we get, but that flexibility will be circumscribed by decisions that are taken at Whitehall. I want to ensure that the maximum amount of money continues to come into the arts. If the lottery is not providing that money, for whatever reason, we will have to examine carefully the funding that the Scottish Arts Council gets.

Mr Monteith: Previously, funding had been earmarked for the national theatre, but because of

concerns about funding for current drama you announced an allocation of additional funding, some of which utilised the support that was going to be available to the national theatre, although the commitment still remains. To what extent does the Executive still have a political will for the national theatre? Would you resist further pressures from other theatre companies that say that the money for the national theatre might be better used for local rep?

Mike Watson: The commitment to the national theatre remains. I looked at that long and hard after taking over my current position. That was before the announcement of additional money for drama. I felt that it was incumbent on me to listen to what the theatre sector in Scotland was saying. The majority view was that it would be wrong to introduce the national theatre at this stage, while some of our provincial producing theatres were in difficulty. I sympathised with that view and I attempted to deal with that matter in the £3.5 million of additional funding that was announced earlier this year.

Theatre in Scotland has to be in a sufficiently robust position for the national theatre to be brought into existence. There is a fair bit of misunderstanding about what the national theatre would mean. I know that that is not true in Brian Monteith's case, but recently a respected newspaper referred to the national theatre in terms of bricks and mortar; it does not involve bricks and mortar. It is important to understand the role of the national theatre, which would be a commissioning company. I want the national theatre to be introduced as soon as possible, but I want that to happen when theatre in Scotland is in as strong a state as it possibly can be. That is why some of the funding that was earmarked for the national theatre was used in the way that it was.

Cathy Peattie: I was privileged last week to meet women from the teams that won the Olympic and world championship curling tournaments. I spoke to them about why they got involved in sport, and it was interesting to learn that all of them got involved in sport at school and as young people. How does the minister view budgets and resources being used by sportscotland and others to encourage youngsters, in particular young women, to participate in sport? There is an issue about young women not participating in sport to any level when they reach a certain age. I am interested in how budgets can be used to encourage and develop sport in schools.

Mike Watson: I am keen to do that. I do not want to bang a drum too loudly but, when I was convener of the Finance Committee, we encouraged all the committees to introduce or develop mechanisms to show the gender impact of planned spending. I am doing that within the

portfolio for which I have responsibility. It is important to accept that the impact of spending is often different on women and men. I want to know what the differences are. We make that point in the annual expenditure report.

Some ground has been covered in sport, because lottery sports funding must be applied in a way that takes account of gender factors and is not seen to be biased. Issues include the facilities that are available for women to participate in sport. Members will see the target that we have set ourselves in the AER for encouraging women to participate in sport and increasing their number.

Women, more than men, participate in indoor sports, which demand different facilities. To put it at its crudest, it is self-evidently more costly to put up a sports hall than it is to lay out a football pitch. Another issue concerns women who have young children. They may well have the ability, the aptitude and even the time to participate in sport, but if the local sports facility does not have child care facilities, participation may not be possible for them. I want to address such issues.

One of the impacts of sports co-ordinators in schools, who have now been in place for about two years, is that more girls are participating. There are positive signs that the sports co-ordinators in schools are involving more young people in sport in general. Schools are already reporting that progress and more girls are coming forward.

Those are the positive signs that I am looking for, but I accept that we must monitor and have benchmarks against which we measure progress year on year. I will certainly attempt to do that and I hope that there is continued progress.

The Deputy Convener: One of the committee's concerns is that it wants to receive the Executive's response on the sport in schools strategy. I do not know whether that response is winging its way to us—it is certainly not sprinting.

Mike Watson: It is winging its way to you. Coincidentally, I signed it today.

The Deputy Convener: Funnily enough, the response is doing a sprint today, compared with the long distance that it has been doing for three months.

Mike Watson: It may be winging its way by e-mail later today—it is certainly on its way. I apologise for the delay, but the response will be with the committee very shortly.

The Deputy Convener: I am conscious of the fact that we have only a few minutes left. So far this afternoon, much has been said about the impact of reorganisation on the relationship between national companies and local authorities, and about the need to address the long-term

strategic investment needs of national companies. The issue of whether the relationship between national companies and local authorities could be co-ordinated more effectively was raised. Reference was made to a report that was being put together with COSLA and that ran into the sand. Could the Executive facilitate or encourage development in that area? That might be a useful way of dealing with the medium to long-term investment strategies of national companies.

16:30

Mike Watson: I am due to meet COSLA shortly to discuss issues of the sort that you raise. COSLA also has input to the joint implementation group for the national cultural strategy. I am not familiar with the specific initiative to which you refer. Local authorities tend to be more likely to support a national company if that company is based or performs in their area.

I do not know what Duncan McGhie said when he gave evidence to the committee on behalf of Scottish Opera, but I know that Scottish Opera's outreach programmes touch 28 of the 32 local authorities in Scotland. That is an impressive statistic that is not widely known. I did not know about it until recently. Perhaps Scottish Opera needs to communicate the statistic that I have cited more effectively in the public domain. Local authorities should appreciate that a great deal of work is being done in schools and communities, through opera go round and shortened forms of opera that introduce people to the genre. That is very important.

This weekend at the Burns festival in Ayrshire, "Tale o' Tam", an opera based on "Tam o' Shanter", will be performed for the first time. That is an example of how young people can be introduced to opera in an imaginative and hitherto untapped way. I want to see more initiatives of that sort. Anything that enables people to engage with culture and the arts—particularly with an area that people dismiss as too expensive or too highfalutin for them—is to be encouraged. Such barriers should not exist, and many local authorities are doing what they can to break them down.

My response to your question is rather convoluted, but if local authorities can work together to provide assistance to national companies, I would be more than happy to encourage them and to work with them. Assistance could take the form of provision of buildings, rather than funding. Scottish Opera, for example, does not have permanent rehearsal space for its orchestra.

The Deputy Convener: A common theme of the evidence that we took was the need to tackle perceptions of the role of national companies in

local communities. There is no dispute about the fact that national companies have been present in many local authorities. However, councils have concerns about how valid and systematic some of the work has been. They are not sure about the long-term advantages, the sustainability and the accessibility of what is being done.

I understand that COSLA was undertaking work with the national companies. The committee has taken that on board, but it might be useful to attempt to establish the status of the work that has been done. That might help us to identify barriers to delivery. I am concerned—I do not know whether other members feel the same way—by the suggestion that change is dependent on growth in budgets. I do not think that such growth will always be possible, or that it is the only way of managing different approaches to organising the delivery of services. How could local authorities and the national companies work together more effectively?

Mike Watson: I will explore that issue with COSLA. I am sure that local authorities would not want me to direct them on how they should use resources. However, if there are ways of improving the working relationship between local authorities and national companies, I will certainly listen to what they have to say.

The Deputy Convener: Useful signals would be helpful.

I intended to end with a flourish, but Jackie Baillie might want to ask a question.

Jackie Baillie: That was five minutes ago. On you go, convener—finish with a flourish.

The Deputy Convener: I just woke you up.

I thank Mike Watson for giving evidence to us this afternoon in a fairly extensive session. That was useful.

Letter from BECTU

The Deputy Convener: Agenda item 3 is a letter from BECTU—the Broadcasting Entertainment Cinematograph and Theatre Union—on restructuring at the Scottish Media Group. Karen Gillon, the committee convener, has responded to BECTU asking for more details on the impact of SMG's decisions. We hope to receive a reply some time next week and I feel that it would be best to await that reply before making any further decisions. Do members agree?

Members *indicated agreement.*

Traditional Music Inquiry

The Deputy Convener: Agenda item 4 is our inquiry into traditional music and the completion of our report. Following our discussion last week, a procedural paper has been prepared. Do members agree to note the contents of that paper and to await Cathy Peattie's report?

Members *indicated agreement.*

Purposes of Education Inquiry

The Deputy Convener: Agenda item 5 is our inquiry on the purposes of education. The committee's advisers have suggested a list of 20 possible witnesses. We could hear from 10 witnesses, or sets of witnesses, before the summer recess. Do members have any comments on how we should tackle this fairly large task?

Cathy Peattie: Drawing up a list of possible witnesses is difficult. However, it is very important that the trade unions give evidence. Simply inviting the Educational Institute of Scotland would be too narrow.

The Deputy Convener: Do you have any specific suggestions?

Cathy Peattie: Other teaching unions should be invited. The committee knows from its experience with the Standards in Scotland's Schools etc Bill that different trade unions have different views on certain issues. I know that the Headteachers Association of Scotland will give evidence, but I feel that we have to broaden our inquiry.

The Deputy Convener: That is a fair point. Do members agree with Cathy Peattie's suggestion?

Members indicated agreement.

The Deputy Convener: I should declare an interest—I am a member of the EIS—but I agree with Cathy too. We will talk to the Scottish Trades Union Congress and to other teaching unions. I do not see any problem with having two or three unions at one evidence session.

Irene McGugan: Mike Russell was keen that Joe Farrell should come and give evidence. He is involved in this subject and is willing to give evidence.

The Deputy Convener: A few months back when issues such as university access and basic standards in grammar and punctuation were being discussed, I remember that Joe Farrell had strong views. I see no reason why we could not invite him, although opinions differed on the way in which he undertook his analysis.

Mr Monteith: It would be of great benefit if we were to invite Professor James Tooley. He is professor of educational philosophy at the University of Newcastle upon Tyne, so it would not be too difficult for him to get here. He has been a research fellow at the University of Oxford and the University of Manchester and has done a great number of comparative studies on education across the world. Being able to put things in an international context would be useful.

Members indicated agreement.

The Deputy Convener: Are members happy with the list that we have, with those three suggestions incorporated?

Members indicated agreement.

The Deputy Convener: We will sort out the final list and work out our schedule.

16:38

Meeting continued in private until 16:42.

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