

EDUCATION, LIFELONG LEARNING AND CULTURE COMMITTEE

Wednesday 7 May 2008

Session 3

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EDUCATION, LIFELONG LEARNING AND CULTURE COMMITTEE 11th Meeting 2008, Session 3

CONVENER

*Karen Whitefield (Airdrie and Shotts) (Lab)

DEPUTY CONVENER

*Rob Gibson (Highlands and Islands) (SNP)

COMMITTEE MEMBERS

*Aileen Campbell (South of Scotland) (SNP)
*Ken Macintosh (Eastwood) (Lab)
*Christina McKelvie (Central Scotland) (SNP)
*Mary Mulligan (Linlithgow) (Lab)
*Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD)
*Elizabeth Smith (Mid Scotland and Fife) (Con)

COMMITTEE SUBSTITUTES

Claire Baker (Mid Scotland and Fife) (Lab)
Ted Brocklebank (Mid Scotland and Fife) (Con)
Hugh O'Donnell (Central Scotland) (LD)
Shirley-Anne Somerville (Lothians) (SNP)

*attended

THE FOLLOWING GAVE EVIDENCE:

Barbara Absolon (EventScotland)
Lorne Boswell (Equity)
David Caldwell (Universities Scotland)
Professor Jan McDonald (Royal Society of Edinburgh)
Dr Donald Smith (Scottish Storytelling Centre)

CLERK TO THE COMMITTEE

Eugene Windsor

SENIOR ASSISTANT CLERK

Nick Hawthorne

ASSISTANT CLERK

Andrew Proudfoot

LOCATION

Committee Room 4

Scottish Parliament

Education, Lifelong Learning and Culture Committee

Wednesday 7 May 2008

[THE CONVENER *opened the meeting at 10:00*]

Creative Scotland Bill: Stage 1

The Convener (Karen Whitefield): Good morning. I open the 11th meeting in 2008 of the Education, Lifelong Learning and Culture Committee. Our first item is our continued consideration of the Creative Scotland Bill at stage 1.

The members of our first panel are Barbara Absolon, the international events director for culture for EventScotland; Lorne Boswell, the Scottish secretary of Equity; and Dr Donald Smith, the director of the Scottish Storytelling Centre. Thank you for joining us this morning and for your submissions in advance of the meeting.

The committee has a number of questions to put to you. So that we can spend as much time as possible on that, we will move straight to questions, the first of which is on the consultation process. The Scottish Government consulted on the proposal that is contained in the bill. Was the consultation adequate, or do issues arise because the consultation was on a previous bill, of which this bill is a radical alteration?

Dr Donald Smith (Scottish Storytelling Centre): If I may, I will shoot first on that. There are substantial differences between this bill and the previous one. Also, major features of the earlier consultation, such as economics not playing the prime role in the definition of benefits, seem to have been ignored in this phase. As became apparent during last week's committee proceedings, the transition process, which seems to be rewriting things, is totally impervious to any consultation. It would not be accurate to say that those who work at the front line of the sector feel that they have been thoroughly consulted.

Barbara Absolon (EventScotland): You will have to forgive me, but I was not around for the original consultation. I am aware of the outcomes and the paperwork that went with it, but it is difficult for me to compare what happened now with what went before.

Lorne Boswell (Equity): A huge and significant point, which the committee has already picked up on, is the interaction between what will be called creative Scotland and Scottish Enterprise. I think that I am right in saying that, in the draft culture

(Scotland) bill, the section on that was left blank with a "To be filled in later" comment posted underneath it. We have moved from that position straight to the bill that is before us. There is a complete lack of clarity about the interaction between creative Scotland and Scottish Enterprise. Huge changes are happening at Scottish Enterprise. It has identified digital markets as one of its core areas of activity, but the Government's economic strategy identifies the creative industries as a key sector. Those are not a perfect match.

The Convener: Committee members will pursue some of the issues that you have flagged up during the course of the morning, but I do not want to stray into their lines of questioning quite yet. I will stick to questions on the consultation process. What would the Government need to do to improve the process and to allow you, as important stakeholders, to feel that you are being consulted and listened to?

Dr Smith: Some kind of practical road map needs to be drawn up. At the moment, the whole thing is on the level of policy debate. In fact, the bill reads like a set of compressed policy papers that have been shoved together. There is no real practical idea of the delivery mechanisms or of the structures of the new organisation and how it will relate. All the discussion seems to be about how the new organisation will relate to all the other quangos and their remits; what about all the people who are doing the work on the ground up and down the country? When will they be consulted and get the chance to discuss the shape of the organisation and how it relates and delivers? There is a need for a practical road map, which is not necessarily part of the bill, but which allows people to make positive contributions. At the end of the day, the success or failure of the organisation will depend on those who deliver on the front line, so surely they should have some kind of input on the shape of the organisation. They are the people who have worked with the previous body for many years.

Elizabeth Smith (Mid Scotland and Fife) (Con): I would like to pursue a more philosophical line. What I read in the papers leads me to believe that there is a problem with definitions. The Government has shied away from defining terms such as "arts", "culture" and "creativity" because it is too difficult and it might dampen some of the creative industries' enthusiasm if the definition was made too rigid. From a couple of your submissions, I note that you feel that, because the Government has not defined those terms, the bill is too vague. Do you think that there is any point in the bill in the first place? Are there any definitions of "arts", "culture" and "creativity" that would be useful and helpful to us when we are discussing

any legislation, whether it is this bill or another one, or is that a non-starter?

Barbara Absolon: I know the difficulty in defining the area. EventScotland breaks events into sport and culture, but I have informally renamed them “sport” and “non-sport” because it is terribly difficult to cover all the things that people think should fit into a definition of “culture” or “the arts” that everyone understands. It is a task.

Dr Smith: It is possible to define the terms. The arts are at the core of it, and for centuries, they have been understood to be music, literature, drama and the visual arts, with the addition of film and the new media. A definition that relates to the practical activities would be hugely helpful. Otherwise, how can the remit be the basis for prioritisation, accountability or even comprehensibility among the general public about what the organisation is supposed to be about? People understand what the arts’ main activities are. Of course, we are going to be considering their economic, cultural and social benefits—that is absolutely right and we want those to be included—but surely the arts and their all-round benefits are at the core of the proposals.

I do not believe that it is impossible to define the terms. We have done it quite happily for decades. What is the problem? Also, when we set out the definition, we suddenly realise how large the job is before we start on running Scotland’s culture and a slab of the Scottish economy. If you think about all the forms of music, for example, you will see that it is quite a big job. It is perfectly possible to define the terms in an open-ended way, using the word “including” in case there is a new discovery. To turn away from centuries, if not millennia, of understanding what the arts are about seems to be slightly daft.

Elizabeth Smith: Is it a fundamental mistake on the Government’s part not to have a definition in the bill?

Dr Smith: I am not going to wave a flag for some abstract cause. The practical point is that if we do not begin with a workable definition, all the rest becomes difficult. Prioritisation, relating the budget to the remit and accountability for delivery of the remit all become more difficult. Where is accountability going to come from if we do not begin with some kind of practical definition?

Elizabeth Smith: If we can work out a practical and acceptable definition to underpin the bill, will the rest of the process fall into place, or are there other fundamental flaws in the bill?

Dr Smith: A definition would be a huge help, because the bill would begin at first principles and people would begin to understand what we are talking about. As I say, a definition would not be

constraining; instead, it would be hugely clarifying for everybody. I do not see a problem with that.

Elizabeth Smith: Some people are wondering whether we need the bill in any case, as some of the aims and objectives could be achieved without parliamentary legislation. Am I correct in saying that you would like legislation, as long as it has a justifiable definition embedded in it?

Dr Smith: The bill process has already proved its worth, because the committee has done an effective job in bringing all the issues to the surface. Previously, many of us had been frustrated by the lack of an open discussion about what was going on. It would be a huge shame if, after nine years of discussion and debate on the issue, there was no direct link between our country’s cultural life and its democracy through legislation. However, if we are to have legislation, it must be functional and have a purpose. The bill at present seems to be creating more confusion than purpose.

Rob Gibson (Highlands and Islands) (SNP): Last week, when Dr Holloway was asked about the need for a definition, he said:

“That is theology, and theology is irresolvable but endlessly debatable. I am more interested in what we will do than in how we define what we will do.”—[*Official Report, Education, Lifelong Learning and Culture Committee*, 30 April 2008; c 916.]

Would the panel care to comment on that?

Lorne Boswell: Dr Holloway is a fine man and I admire many things that he does. He is trying to move on to the practical phase of running the body that will be called creative Scotland. However, it will be a poor premise to start with if he has not defined his territory. If he does not know where his territory ends, at some point, we will run into grief. I endorse entirely Donald Smith’s remarks about definition and clarity of purpose. There is a lack of clarity about the use of words such as “creative” and “culture”. For me, sport is an important part of our culture.

Dr Smith: It is wrong to say that the matter is theology. I am not sure whether the comment was supposed to be denigratory about theology, but I will not get diverted into that. It is eminently practical to have definitions, because they are the basis of the remit. How can that be abstract and irrelevant? It seems to me that it is critical.

Barbara Absolon: For the new organisation to perform, it needs defined boundaries around what it exists to do, so that it can perform and report against those boundaries and not get diverted off endlessly into many other areas. I am sure that requests would come in.

Rob Gibson: In the consultation, 87 per cent of people said that they were happy with the

structures that are proposed for creative Scotland. How does that marry with the remarks that you have just made about definitions? Are all those people incapable of seeing that the proposals could not work?

Dr Smith: I presume that you are referring to the previous consultation on the matter—the consultation on the draft culture (Scotland) bill—as there has not been a consultation on the present bill.

Rob Gibson: There was a high degree of support. I will find the exact quote in a minute or two, but the important point is that many people are happy with the proposals, whereas a few people, such as you, are saying vocally that the approach is confused and is sowing

“the seeds of international embarrassment”,

and using other such hyperbolic language.

Dr Smith: The proposals for creative Scotland are widely recognised throughout the sector as confused and unsatisfactory. I cannot comment on whether, in the short timescale, everybody got their points of view in to the committee. The consultation period was over the committee's Easter holiday. I suppose that, even if 90 people out of 100 said that they were happy with the proposals but those proposals are muddle-headed and wrong, it is surely the committee's job to point out that they are wrong.

Rob Gibson: If.

Dr Smith: Yes—if.

10:15

Ken Macintosh (Eastwood) (Lab): Lorne Boswell said that the bill lacked any reference to specific art forms. Are you implying that if theatre, drama, ballet or whatever is not mentioned, it will not be prioritised?

Lorne Boswell: My point was better and more clearly made by Donald Smith, who talked about the need to define the territory that the organisation should cover. The cultural or creative industries are very amorphous; although people in other industries are clearly creative or cultural, they do not operate in what I understand to be the cultural industries. Of course, you might understand the term differently.

Rob Gibson: So we have to strike a balance between economic and cultural priorities. After all, some creative forms are highly lucrative and cash intensive, while others are not. By making creative Scotland responsible for creativity and the creative industries, will the bill change the nature of support from that currently provided by Scottish Screen and the Scottish Arts Council? Will it mean a major

change in focus or will the focus remain the same as it has always been?

Dr Smith: You have to make a distinction between benefits and purposes. The economic benefit that is provided by the arts has always been very much encouraged, recognised and supported, and I presume that that will remain part of the work, along with a focus on social, educational and wider cultural benefits.

The problem with the bill—and even more so with the transition process—is that creative Scotland's remit appears to be edging into the area of investing for economic purposes. In other words, the economic element will become less of a benefit of the activity than a major if not the prime purpose. This is where confusion might arise with the many other agencies that have an economic remit, including EventScotland, Skills Development Scotland and Scottish Enterprise. This is the one element of the public budget that is supposed to be led by artistic purpose. Although all the other benefits are recognised, the prime purpose is investment in the artistic work. However, the waters have been somewhat muddled not only by the interquango relationship that I referred to but by the fact that the bill itself changes some of the core principles behind public investment in the arts and culture that were established when such activity began in the 1940s.

Rob Gibson: Needs are changing. For example, as Dr Holloway pointed out last week, video games are being invented now that could not have been thought of 15 years ago. Indeed, as you made clear earlier, the fact that forms change is all part of the creative process. Does creative Scotland need to take an open view of creativity that will cover the whole spectrum of economic and, if you like, less economic artistic activity?

Barbara Absolon: As I was saying to Donald Smith before the meeting, this particular focus is not a new concept. Thirteen years ago, I was a member of an Australian Council for the Arts board that looked at 15 or 20 major arts organisations around the country to find out not whether they could make more of an economic impact on the country but whether they could be put on a far better business and financial footing to make them, where possible, less dependent on the public purse—which was, I suppose, the more pragmatic view—and to ensure that they began to think of themselves as businesses. Many arts organisations will find such an approach quite different. I would hope that creative Scotland's approach will help arts organisations to consider themselves as businesses. Outcomes will have to be considered in economic terms as well as being considered in social, cultural and environmental terms.

Together with a range of other organisations that we are working with around the United Kingdom, EventScotland is starting to develop a model that will measure not only the economic impact of events but the cultural, social and environmental impacts. Studies into the success of events will, necessarily, be more longitudinal. However, it is important that we consider and measure all the different benefits of arts and cultural events. Economic benefits are reasonably easy to measure, but the other, softer benefits are more difficult to measure. It is not that we cannot measure them, but it is certainly more difficult.

Having said all that, I think that, in the practical world in which arts organisations are run as businesses, getting the organisations to focus on moving further towards self-sufficiency will be very important. I hope that creative Scotland will play a role in that.

Lorne Boswell: My perspective is different. Economic consideration of the individual artists—the workers—is what matters most. If that is not prioritised, we risk continuing to export the talent that we create here. It is within the remit of the existing bodies, and it is certainly within the proposed remit of the new body, to take a much greater interest in supporting and sustaining employment for creative personnel in Scotland—by which I mean the artists and those who support them.

Rob Gibson: So you will be pleased about the potential to spend more money on broadcasting in Scotland.

Lorne Boswell: Undoubtedly pleased. The Scottish Broadcasting Commission is long overdue and is ventilating a really important debate in Scotland. The tragedy is that it could have come about under the existing structures, but I entirely applaud the Government for launching the debate.

Rob Gibson: Getting back to the Creative Scotland Bill, we have to work out a balance in the budget between the arts groups that Barbara Absolon spoke about—the ones that are moving towards becoming businesses—and the arts groups that cannot ever be businesses but are important parts of the artistic and creative output. Through its strategic assessments of 2006, and through the structures for supplying money that it has set up, the Scottish Arts Council is beginning to make that kind of decision. Should the bill include provisions on the way in which money is split between the commercial and the non-commercial?

Dr Smith: That rather ignores two facts: that the introduction of commercial motivation is new; and that the budget is going down. The proposed new

organisation will have a much wider remit but will have less funding.

This point has not been discussed at all as yet. The people who are already being squeezed and whose fate looks worse than ever under the new scenario are the people in community arts. Local community projects will never be commercial businesses. Lottery funding is going down and such projects are already struggling. It seems to me that there is no place for them in this brave new world.

The idea that we already have a mix of the commercial, the social and the educational in the arts budget, and that we are just tweaking the balance, is quite wrong. We are taking a lurch in the direction of economic motivation. There has been consultation on that and the vast majority of responses were against it.

Rob Gibson: I will follow up on that somewhat apocalyptic vision. I have been involved in community arts all my life, and I am not sure that community arts groups have ever felt that the Scottish Arts Council was particularly good at supporting them. That is my starting point for considering your remarks. Creative Scotland will be an enabling organisation, will it not? It will develop a vision, will it not?

Dr Smith: Judging by last week's presentations, I think that not much of a coherent vision has been developed yet for creative Scotland. It is slightly naive to believe that enabling without investment is a significant role. If there is to be a major enabling role, why is that not in the bill? There is no statutory link between what the local authorities are doing and what creative Scotland will do. I accept that the committee has been a great supporter of community arts, but a flourishing community arts sector depends on a strong link between a national body or bodies and the local authorities. That is not provided for in the bill. It is right that we should emphasise the role of creative Scotland as a strategic enabler, but that needs somehow to be written into the bill. The language used in the bill—"may give advice" or "may be asked to give advice"—is weak. What does that mean? I agree that there are problems that should be resolved. One of the areas where dramatic improvement is needed is the relationship between local authorities and the central cultural bodies, as they are at the moment. The bill does not provide for such improvement.

Rob Gibson: Whether the committee should decide to amend the bill on that basis is an interesting question. You have made a case that the bill is too vague. If the enabling element in it is related to other quangos, local authorities and so on, the spirit of that has already been captured by what we were told last week by Anne Bonnar and others. Do you agree?

Dr Smith: No. You use words such as the “spirit” and the “theology” of the bill, but this is a piece of statute that will define the functions of Scotland’s lead cultural body for perhaps the next 30 years. I do not believe that it is enough to provide spiritual inspiration and trust the people to get on and do it.

Aileen Campbell (South of Scotland) (SNP): To summarise what you have been saying, do you think that the bill is too focused on the economics?

Dr Smith: I was talking about the overall remit of the bill and whether we should just depend on the spirit of it. I said that I was confused. It states in the paperwork that creative Scotland will be the lead agent for the creative economy as well as the arts. As a separate point, there seems to be a sort of mission drift in the transition project towards the economic.

Aileen Campbell: If we compare the previous bill with this one, we see that the Government seems to have taken that point on board and has removed some of the mentions of the economic benefits of the arts. What else would you like removed from the bill or added to it, over and above what the Government has already done?

Dr Smith: As I have already said, I would add a clear definition that the arts and their benefits are at the core of the agency’s work. The idea that creative Scotland can be the lead agency for the creative economy—whatever that means—is one that needs to be challenged, as it was at the committee last week.

Ken Macintosh: Where should we draw the line between the economic purpose and the creative purpose? Should creative Scotland formulate a strategy for the creative industries in Scotland, or should that be the job of Scottish Enterprise or some other body? On a practical level, if an artist or a small artistic business wishes to seek support, should their first port of call be creative Scotland, Scottish Enterprise or the local authority? Is it clear where they should go?

10:30

Dr Smith: Under the present, adjusted arrangements, as announced by Scottish Enterprise, a local business should be able to go to the business gateway or the local authority. It should be able to do that whether it is a cultural enterprise or an arts enterprise. What does one mean by that? The bill says that such enterprises include anything from hairdressing to drama to video games. The range is huge.

Far be it from me to talk down the role of the arts in granting economic benefit, but arts organisations and those who administer them have not been renowned for their economic skills.

If the intention is to give creative Scotland a role in what is a large and vital economic area, it must have the staff, the expertise and the budget to deliver on that. It worries me that there is an almost naive policy ambition, which seems to be backed up by the transition team, and no resources or mechanisms to enable creative Scotland to deliver. The risk is, surely, that the creative, entrepreneurial people who need support will fall between the stools. That is the danger.

Barbara Absolon: Whatever the bill says, I do not think that there will ever be a single answer to the question. You can legislate for anything, but it depends on the people who are in position, how they operate and the partnership approach of organisations. The spirit of the bill and the intention of the people who are in place play a large role—probably a larger role than what is written on paper to define things.

We hope that creative Scotland will become part of the partnership approach. EventScotland has already met the transition director and we work in partnership with Scottish Enterprise, the councils and other public funding organisations throughout Scotland. The first thing that EventScotland does is to call together the appropriate partners of the events and festivals that we operate. If creative Scotland adopts that mindset and becomes part of the partnership, the best first approach for people to make for funding will become apparent.

Lorne Boswell: The question is difficult, because it goes to the nub of the issue. Who is in charge? Who should be in charge? Surely it is for the Government to say which agency should lead in a particular area. At the moment, perhaps partly because of the reforms that are happening to Scottish Enterprise as we speak, there is a lack of clarity about that. I do not think that creative Scotland is geared up to the same level as Scottish Enterprise to deal with the economic side of things. Historically, creative Scotland’s predecessor organisations never had that brief and I do not think that creative Scotland has the necessary expertise.

On the point about support and where a company would go to for advice, the landscape is not clear. It needs to settle down. In time, the appropriate body to support small organisations will become clear.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): I have some questions on relationships and territory, the first of which is for Barbara Absolon. You said that you hope that creative Scotland will be a dynamic partner, involved in your work. Did you say that on the basis that the Scottish Arts Council was not such a partner?

Barbara Absolon: We have involvement with the Scottish Arts Council, but probably not as much as with other partner organisations around the country. However, it should be remembered that we work on events, while the SAC mainly works, as it should, with practitioners, performing organisations, visual artists and so on. There is a difference between arts organisations and events organisations, even though the two areas may involve the same organisations. We work in partnership with the SAC as appropriate, but we have not had as many opportunities to work with it as we have had with, for example, Scottish Enterprise, which has budgets for events and festivals. Naturally, therefore, Scottish Enterprise has been one of our partners in funding events and festivals, along with councils and so on.

Jeremy Purvis: I just wondered why creative Scotland might be more of a partner for you than the SAC has been. I am interested to know what blocked the SAC from having the dynamic role that you say that creative Scotland will have. I do not know whether the SAC said, for example, "Our royal charter prevents us from doing this," or whether the new bill will allow the chief executive of creative Scotland to say, "Yes, that's something that we very much can fund out of our reduced budget."

Barbara Absolon: It is partly because creative Scotland is being established. I will explain what I mean. We have already had discussions with creative Scotland to look for ways in which EventScotland can further assist artistic endeavour through events that may not have been apparent before and which may not even include creative Scotland putting in money. It could act as a partner in identifying opportunities for us to apply our funds better in that cultural area.

If we applied to cultural events the strict rules that we apply to sporting events, we would fund few cultural events. We do require economic impact, but there are many other, softer benefits of arts and cultural events. That is why we are developing another model to sit on top of the economic model that will allow us to start measuring the benefits of arts and cultural events.

Mindful, therefore, that creative Scotland is being established, we are having discussions with it and we hope that we can move forward with it in a more strategic way that will not necessarily involve creative Scotland providing match funding for events and festivals.

Jeremy Purvis: Yes, but the point is whether we need the bill to bring that about. I was struck by your written evidence:

"It is the lack of a body such as Creative Scotland that has contributed to Scotland's cultural success stories being overlooked, particularly by domestic broadcast media."

What in the bill will turn that around?

Barbara Absolon: Things can be prescribed in the bill, but we hope that we can work more in partnership with creative Scotland. We believe that using the media both in and outwith Scotland is a valuable way of focusing attention on Scotland, particularly on the events and festivals that are held here. I would imagine that that would come about more through relationship building and creating mindfulness in creative Scotland. If it decided to pursue those sorts of endeavours, we could do that jointly. However, I do not think that that will be the result of anything that is written on a piece of paper.

Jeremy Purvis: Yes, but your evidence to us was clear:

"It is the lack of a body such as creative Scotland that has contributed to Scotland's cultural success stories being overlooked".

You say that

"the lack of a body such as creative Scotland",

whose powers under the bill will not be too dissimilar to the SAC's powers, has actively contributed to "success stories being overlooked". If you are simply saying that the new organisation will have a different mindset, should we not just have sacked the previous chief executive of the SAC? How does a new mindset come about through statutory change?

Barbara Absolon: Perhaps that was on our wish list—

Jeremy Purvis: Sacking the previous chief executive of the Arts Council? No—sorry.

Barbara Absolon: No—definitely not that.

The development of a new mindset is on the wish list of the new organisation, which draws in Scottish Screen, with which we have worked and tried to establish partnerships in appropriate circumstances in the past. I guess that we are thinking that with a new organisation, there will be new relationships and, potentially, a new focus. That should be read as an aspiration.

Jeremy Purvis: It is fair to say that that aspiration is not associated with the bill.

Barbara Absolon: I would say not.

Jeremy Purvis: Mr Boswell, with regard to the new organisation's relationships with other bodies, including other arts organisations in Scotland, you highlighted a concern that because it will be set up as a charity, there may well be competition or a conflict of interests resulting from its status as a funding organisation, a development body and a charity that can draw in funding for itself. Could you expand on that?

Lorne Boswell: It will not be set up as a charity; the correct position is, I think, that it will be set up so that it can trade through charitable arms.

There are significant funds and endowments around the United Kingdom on which arts organisations rely to make up what they see as the shortfall in the funding that they receive from the SAC or their local authority. If we move to a situation in which the new body also tries to access those funds, someone will lose out and it may well be the arts organisations that depend on those extra sources of income.

For example, if creative Scotland, in an effort to develop an initiative for children, were to approach some of those funds that are well known for supporting initiatives that enable children to have access to the arts, we might well find that theatre companies that are funded by those funds would lose out and become less economically viable in the future. There seems to be a bit of woolliness in the thinking about what kind of organisation creative Scotland will be. Will it distribute Government funds or will it pursue good works? If it pursues good works, it will be in conflict with the existing infrastructure.

Jeremy Purvis: Relationships are an issue that Mr Smith might want to comment on, too.

Equity's submission states:

"It is hard not to see that the apparent objective of this bill could be achieved without legislation."

With regard to the development of relationships between the new body and other statutory bodies, as well as Government, local government and arts organisations, do you have a similar view to that of Ms Absolon, who thinks that, in itself, the bill will not bring about such relationships?

Lorne Boswell: My understanding is that the bill will get rid of the name Scottish Arts Council and change it to creative Scotland. From my reading of it, everything else in the bill could be achieved without legislating. If you are asking me whether the bill is absolutely necessary and will lead to the betterment of the creative sector in Scotland, I am afraid that the answer must be no.

Dr Smith: As things stand, we must accept that that is the position. I repeat the point that I made earlier—it is important that a royal commission was set up to consider the role of the Arts Council. The Parliament should give Scotland's new lead cultural body a remit. The relationship between democracy and culture is extremely strong in Scotland, so Parliament should do a job and give the new body a remit.

Jeremy Purvis: So you think that the relationships with the other bodies should be more clearly expressed in the bill.

Dr Smith: They would have to be, to make sense of the situation. The discussion that has gone on since the publication of the bill is horrifically reminiscent of the Cultural Commission process, whereby everyone got completely bogged down discussing various policies and the relationship between one public body and the next. The commission produced a report of such complexity that the whole thing collapsed under the weight of its own verbiage.

It seems that we are perpetuating that confusion rather than thinking about who delivers on this agenda. The artists, to whom Lorne Boswell referred, and the artistic organisations are the people who have been very successful for Scotland. We should focus on how to ensure that they are supported to be successful in a way that is necessary for the future. Some clarity in the remit is essential.

10:45

Ken Macintosh: We have heard a number of comments relating to the financing of the new body. Dr Smith suggested that it is being asked to do more with less support and less investment. Can you expand on your concerns, or your support, regarding the finances of the new body as you currently view them?

Dr Smith: There has been an expansion of remit in the economic direction—the bill and the explanatory notes are specific. Section 2, "General functions of Creative Scotland", refers to

"the application of ... skills to the development of products and processes."

That is an open-ended expansion of the remit of the previous bodies: none of them were concerned with hairdressing.

The other aspect is the way in which culture has been packed in. There is a big difference between referring to the arts as specific activities that make a cultural contribution, and saying that the new body is the lead agency for culture, without defining culture. The UNESCO definition of culture, which was referred to at last week's committee meeting, includes languages, heritage, and religion. There is a huge widening of expectations. We have already heard that various other bodies think that they will get a share of the budget, given the new remit.

Although there has been a big expansion of the remit, there has been no expansion of the finances. The only thing that has been said about that is that venture capitalists and loan mechanisms will step in, which seems to be a completely unproven hypothesis. I would love to think that we could attract venture capitalists and loan mechanisms, but at the moment one cannot even get a loan to buy a house. Finance is a

completely untested area. There is no evidence that new sources of finance will be available; it is just a hypothesis—part of the spiritual drift. The money issue is a real problem and there is a danger of creating an organisation with schizophrenia of purpose. Bringing together two bodies that have different ways of working and different emphases may create a degree of institutional conflict around prioritisation that will dog the new body for the next five years, at least.

Barbara Absolon: I do not have much to say on that, because I do not have a great deal of knowledge about how well or otherwise the funds are used within the current organisations. However, I picked up what Donald Smith and Lorne Boswell said about defining culture. Lorne included sport and Donald included a whole range of other things. Culture needs to be defined so that there is a defined purpose to which the budget can be applied on a priority basis.

Ken Macintosh: EventScotland's submission says:

"It is widely acknowledged that the traditional grants scheme is no longer viable."

Does that mean that the new body's purpose will not be to give grants to artistic organisations and individuals that need them?

Barbara Absolon: That is not really what we meant. As has been noted in evidence from other panel members today, the grant scheme, in many respects, just needs a rethink. Grants have to apply right across from small community groups to the large arts organisations. With the establishment of the new organisation, we felt that there should be a rethink about all that, but we are not prescribing what it should do and what the outcome should be.

Ken Macintosh: Is it not a key function of the proposed body to distribute investment, grants or support to the artistic communities of Scotland?

Barbara Absolon: Yes. What our evidence means is that this is an opportunity to stand back and take a look at the way that it is done at present, before the combination of the two organisations.

Ken Macintosh: Do you think that the new organisation will be financed to a level where it will be able to perform that function?

Barbara Absolon: When you are outside an organisation, it is difficult to tell how well the current funds are being used and, therefore, what funds are required to go further forward. You have to be in an organisation or very close to it to be able to assess that properly.

Ken Macintosh: Mr Boswell, could you respond?

Lorne Boswell: There are major problems. I believe that the new body's resources will be the combined resources of the two bodies that are being merged. Creative Scotland's responsibilities, however, will be much greater and there will be the costs of reorganisation. I suggest that the figure for those costs that was given to the committee last week was a back-of-an-envelope figure and that the costs will be significantly more than that. Those costs will come out of the grants that you have just been talking about. People and organisations will suffer and, as a consequence, the employment that would have been offered to people, such as the members of Equity, will not be created. There is a big issue around resources.

Ken Macintosh: I have a final question, although I am not sure that the panel is in a position to answer it. Last week, there was a discussion about the transition costs for setting up the new organisation. The committee has now received a letter, but I do not know whether it has been made available to the panel and others. Does the panel have any views about the costs of transition? The policy memorandum says that the costs will be met from savings. The letter that the committee received today suggests in one sentence that the costs will not come from savings, but goes on to suggest that they will. I am not entirely sure; I wonder whether the panel is?

Dr Smith: I have one comment about that, and although it is hard to grasp the details, I have read the supplementary information.

The interesting point is that no financial case has been made for the merger of the two organisations. There will be no financial benefit; it will be the opposite. Initially, there would seem to be a financial disbenefit from the merger. I thought that that was curious, but then I thought that there would be a practical financial benefit because money would be freed up. I keep coming back to this point. So much of the discussion is about this quango and that policy, but I thought that the purpose of the merger would be to increase the available funds. Not only is there no evidence of that, there is even a sort of rhetoric about abandoning grants, whatever that means. I just think that it is odd that no financial case has been made for the merger.

Aileen Campbell: The bill says that ministers may not give directions about artistic and cultural judgment. That is a contrast to the previous bill. Do the panel members welcome that move?

Lorne Boswell: I think that we do, but we would rather see the arm's-length principle completely reasserted. It is about not what ministers will say, but what civil servants will say. For example, if the Government of the day prioritises the rural economy as opposed to the urban economy, the implication is that civil servants will put pressure

on the chief executive of creative Scotland to chime with the Government's strategic objectives. Inevitably, that will lead to artistic decisions and mean that rural organisations will be funded instead of urban ones.

I admit that it is not easy to wind back the clock, but we would much rather go back to the days when the Arts Council or its successor existed at arm's length from the Government, particularly from the civil service. Our concern is not about what the minister will do, but how the machinery of Government will interact between the Government and the new body.

Aileen Campbell: So there was less ministerial direction under the Arts Council.

Lorne Boswell: No, you can trace it back almost directly to the crisis at Scottish Opera when the minister started getting involved directly and giving specific instruction that this money was going to that organisation. That blew the Arts Council out of the water completely and it has been a very timid body ever since.

Whatever the new body is called, it needs to be robust enough to stand on its own two feet and possibly say no to a minister at times. To exist at arm's length, it might say, "Minister, we accept your point of view, but we think that for the betterment of the sector we had better do this rather than that". At the end of the day, that will not bring down a Government; we are only talking about artistic activity for the citizens of Scotland.

Aileen Campbell: So even though it is stated explicitly in the bill that ministers may not give direction on decisions relating to artistic judgment, you are not convinced that artistic integrity is sufficiently protected. What would you like to see in the legislation to provide that protection?

Lorne Boswell: I am happy with the reassertion that the body will exist at arm's length from Government.

Dr Smith: I thought that the adjustment to the wording in the bill was wise and gracious—it makes a clear distinction about artistic judgment in the sense of artistic content decisions. That was very welcome and a response to the consultation on the previous bill.

Now that we have a Parliament and public accountability, I do not think that arts and culture can have its own little ticket that exempts it from those disciplines. It is important that the bill and its remit are properly defined to protect the broad principles of public accountability in a way that Government, the public and creative Scotland can understand. That is part of public accountability and protection of the core principles.

Christina McKelvie (Central Scotland) (SNP): I ask the panel to focus on governance, as laid

down in schedule 1 to the bill. I have a couple of quick wee questions to start: who should make up the membership of creative Scotland and why should lords not be disqualified?

Lorne Boswell: A body such as creative Scotland will depend on volunteers—people with expertise—coming forward and going through the now-accepted process of public appointments. I cannot see it happening in any other way.

Dr Smith: It is important that people with arts experience should be represented in the structures of governance, including artists. Over the years, it has been remarkable how little the voice of the artists—I include actors, writers and so on—has been represented and heard in the structures of governance. There is a constant presumption that somehow, such people are in self-interested groups, but everybody is self-interested in one way or another. It is important that the people who are in the front line are represented in the structures of governance.

Barbara Absolon: I keep going back to the fact that arts organisations are businesses and should adopt business thinking. The governance mix should be pretty much as it is across a broad range of organisations. Artists need to be represented as well as financial and marketing minds. That would take arts organisations ahead in much the same way as commercial ones.

11:00

Christina McKelvie: Should there be representation from particular constituencies? For example, would we have a Gaelic speaker because they are a Gaelic speaker or because they have something to offer the organisation?

Dr Smith: The latter.

Barbara Absolon: Absolutely.

Christina McKelvie: Dr Smith alluded to ministerial appointments. Most people are appointed to public bodies by ministers. Good ministers take advice first, and we have a robust public appointments system. Are those protections sufficient for the board of creative Scotland?

Dr Smith: Yes. The arrangements are equivalent to those for other public bodies. They make sense.

Christina McKelvie: This is easy.

My final question is about the location of creative Scotland, which I asked the first panel at last week's meeting about. Do you agree that, rather than receiving guidance on its location from anywhere else, creative Scotland should decide on its location based on its needs?

Dr Smith: That interesting question must be considered in relation to the needs of the sector; it relates also to creative Scotland's remit. If creative Scotland is to be the first port of call for cultural and creative businesses that seek support and advice—businesses in the creative economy, or whatever the definition in the latest policy paper is—will it not need a distributed physical presence? A number of issues about its location relate to its remit.

Barbara Absolon: The organisation will have to make the judgment. Often, being centrally located with other organisations has enormous advantages. Decentralisation can work, but the decision will necessarily rely on the advice of the management of the organisation.

Lorne Boswell: I agree. We should leave it up to the body to decide.

Mary Mulligan (Linlithgow) (Lab): I sense that, following the consultation, there was a feeling that we needed a culture bill, but I am not sure whether the bill that we have is the one that we need. In your comments this morning and in your written submissions, you suggested some improvements to the bill. What specific measures do you believe would make the bill better?

Dr Smith: There should be a core definition of purpose—the arts should be defined. The bill should state that investment in art forms is made with consideration of the economic, cultural, social and educational benefits of the arts. That is what I would call a balanced ticket, but we do not have that in the bill at the moment. Some members of the committee have challenged that view, but you read for yourselves the transition project's submission on the creative economy. We need a balanced ticket, which should then become the basis for working out the relationships, roles and priorities.

Another problem with the bill is the lack of a meaningful link with local authorities, which are the main providers of arts and cultural services in Scotland. It is not enough that they may give advice, or may be asked for advice. Major improvements are needed to that area of the bill.

I know that the committee will move on to discuss education and so forth. It is vital to define the roles and connections in those areas.

Lorne Boswell: I am agnostic about the need for the bill, so asking me how to improve it is asking the wrong question. Everything that the bill sets out to achieve could be achieved without legislation. If you were interested in the betterment of the sector, you would not necessarily come up with a bill such as this; inevitably, I think that you would provide more resources and place arts and creativity at the heart of so much more in Scottish life.

Barbara Absolon: I do not have much to add. The creative economy has much broader meaning than simply the specific economic and direct benefits from arts organisations; it is about creating a place where people want to live and be. There are far-reaching implications. The balance that Donald Smith spoke about is very important.

Mary Mulligan: It was perhaps unfair of me to suggest that you are frustrated with the bill, as in your answers to my colleague, Jeremy Purvis, you seemed to suggest that the bill could achieve such a balance, and do so with the people who are in place at the moment, and who will make up the new creative Scotland. Can it be done with the same people? What, within the bill, makes you think that things will change?

Barbara Absolon: In our submission, we considered areas in which we feel that the amalgamation, the change to a new organisation—the simple fact of that happening shows fresh thinking—and the introduction of the bill will bring opportunities for a fresh start. Many of our comments relate to that.

We do not feel as strongly as Lorne Boswell that no bill is required; we sit comfortably with the introduction of the bill and the establishment of the new organisation. Our main priority, and the way in which we can bring about change, will be to build strong partnerships. We already do that, but probably more on a project-by-project basis; with the new organisation—which, as I said, might just provide a fresh start—we are considering a more strategic relationship from the beginning.

Mary Mulligan: As legislators, our difficulty is that we need to see evidence that the bill will make something happen. Although I understand your optimism, I am not sure that we can see a reason for it in the bill.

Rob Gibson: To clarify a point that came up earlier and which is germane to the discussion, Dr Richard Holloway said last week:

"The consultation process was fairly broad, and 87 per cent of respondents were broadly in favour of the concentration of the new bill on the formation of creative Scotland."—[*Official Report, Education, Lifelong Learning and Culture Committee*, 30 April 2008; c 913.]

In the light of that, we have heard Barbara Absolon say that this is about a new start and a new outlook, and that there could be strategic partnerships and so on. Is there any less reason for a new form of thinking in any sector of the arts as a result of the bill?

Dr Smith: I have come here not to oppose the formation of creative Scotland, but to ask for creative Scotland to have a clear purpose and remit. To be successful, any organisation—above all a public sector organisation—must be set up with a clear mission and purpose. After the welter

of discussions, commissions and policies that we have experienced over the past nine years, it is critical that we have something that will succeed and deliver.

The fact that 80-whatever percent of respondents say that creative Scotland is a good idea relates to the idea of a fresh start, but the difficulty is that the 80-whatever per cent will have plenty to say about the structure, role and operation of the organisation and, at the moment nobody knows what those are, and the bill does not help us.

Rob Gibson: So you would completely dismiss as inadequate paragraph 10(2) of schedule 1, which lists 10 or so of creative Scotland's general powers.

Dr Smith: I am not dismissing anything. I am trying to make a constructive contribution on behalf of those thousands of people who are making the arts a success, who desperately want the new arrangements to be a success and who are looking at the bill and thinking, "What does it mean?" That carries with it a great weight of responsibility, given that so few artists and arts organisations have been asked to give evidence to the committee.

The Convener: In its present format, is the bill that we have before us a missed opportunity? If so, what do we need to do to harness the opportunity that the bill could offer?

Dr Smith: We should amend and improve the bill, which is the job of Parliament. Given that we have a good culture minister and a great deal of collective good will and purpose, I do not think that we face an insoluble problem. Let us amend the bill—let us focus it, sharpen it and make it really work. That is my view.

Jeremy Purvis: I have a final supplementary for EventScotland, because I want to get clear in my mind how some of the practicalities would work. An issue that has come up in our discussions is the difference between what the explanatory notes say and what the transition team has stated. The explanatory notes say that the bill will

"establish a national cultural development body, Creative Scotland",

whereas the transition team said:

"Creative Scotland is intended to be the leading national development agency for the arts and creative industries in Scotland."

In your submission, you say that it will be a lead body.

In your discussions with the new body, which you are highly enthusiastic about, if you said that you thought that there should be a focus on 10 national festivals a year, but creative Scotland said

that it favoured having 50 local festivals a year, what structure would exist for resolving the issue? I presume that you would have to fall in line with the strategic body—creative Scotland?

Barbara Absolon: No. I consider there to be a difference between the leading arts body and the national events organisation, which is what EventScotland is. There is a difference between arts bodies and events bodies, even though the activities of the events bodies involve many of the arts bodies.

The partnership funding for the endeavours that we undertake with a range of public organisations around Scotland depends on whether those endeavours fit each of our charters, so it is not the case that one of us has the power to wholly influence the other. We hold discussions with councils, Scottish Enterprise and other organisations. Often, there are projects that fit our criteria and their criteria, which we fund jointly. There are some projects that fit our criteria but not those of other organisations, which we will fund and they will not, and vice versa.

I do not envisage a conflict arising in the situation that you described because we are talking specifically about events. If creative Scotland put funding into 50 festivals or arts organisations around the country, that would be absolutely fine. We would still consider the events that would fulfil the economic benefit and media benefit criteria of our charter, which is clear cut.

Jeremy Purvis: Have any of the discussions that you have had involved the possibility of a transfer of funds from EventScotland to creative Scotland?

Barbara Absolon: We have had informal discussions with the transition director, just to introduce ourselves and so on. A transfer of funds would not be involved.

Jeremy Purvis: Who says so?

Barbara Absolon: We have a specific charter, on which our budget is spent. That charter does not involve transferring funds to other publicly funded organisations.

Jeremy Purvis: What status does your charter have? Your organisation was set up by ministers, so a minister could decide that the lead national development agency for the creative industries should lead the strategy for creative events in Scotland. There would be nothing to stop that under the framework that covers ministerial direction of your organisation and the framework that will be established under the bill.

Barbara Absolon: I cannot argue with that. However, I would argue that it is highly unlikely that such a situation would arise.

Jeremy Purvis: But we do not know.

Barbara Absolon: No, we do not.

The Convener: That concludes the committee's questions. I thank the members of the panel for attending and for giving us their forthright views. I am sure that the committee will reflect on your evidence.

I suspend the meeting to allow for a changeover of witnesses and a short comfort break. We will reconvene at 11.25.

11:16

Meeting suspended.

11:25

On resuming—

The Convener: We are still on agenda item 1 and have been joined by our second panel of witnesses. I am pleased to welcome David Caldwell, who is the director of Universities Scotland and a well-kent face at the committee; and Professor Jan McDonald, who is the vice president of arts and humanities at the Royal Society of Edinburgh. I thank them both for joining us and for making written submissions in advance of the committee meeting.

I will start by asking about the consultation on the bill. Has the Government's consultation been effective, or could there be a problem in that the consultation concerned a draft bill that is radically different from the bill that is in front of us?

Professor Jan McDonald (Royal Society of Edinburgh): Are you referring to the draft culture (Scotland) bill?

The Convener: Yes.

Professor McDonald: The main point that the Royal Society of Edinburgh made in its response to the draft culture (Scotland) bill was about the arm's-length issue. As we said in our submission, the provisions on that have been considerably altered and improved. You will see when you get down to the detail of our submission that we think that the bill could have gone a little bit further, but it is positive that the main point was taken on board. That consultation process was fine. I have grave reservations about the earlier Cultural Commission consultation, but I hope that that is now water under the bridge and that it has flowed away.

David Caldwell (Universities Scotland): I do not have any real criticism. It is always necessary to take a little bit of care if a slightly different proposal is introduced and if there has been a passage of time between a consultation and the consideration of a bill, but I do not have any

serious concerns about the quality of the consultation.

The Convener: Are both of your organisations content with the general principles of the bill? We will get into some detailed questions about the specifics and some of the things that you have said in your written submissions.

Professor McDonald: The Royal Society of Edinburgh welcomes the bill because it offers new opportunities. I like the idea of evolution—of things emerging from the amalgamation of the Scottish Arts Council and Scottish Screen—that is in the policy memorandum. It is important to look forward in that way because—let us leave aside the structures and the money for two seconds—the art forms are joining together. Funding councils find it awful trying to decide whether something is a film project or a visual arts project. They are no longer discrete, so having a body that really has the expertise to judge cross-disciplinary applications—projects that are no longer theatre, painting or film but involve many of the arts—will be really splendid. That is absolutely an artistic positive; we can come to the other issues later.

We also thought that it was good that there would be more experimentation. That ties in with what I just said about the art forms joining up. Another positive was the involvement of the arts in, for example, therapies in hospitals and in helping businesses to improve. The Royal Society of Edinburgh certainly supports some of the things that belong to the new body's remit as listed in the policy memorandum.

11:30

David Caldwell: I can only endorse that view, which was very well put. I can add nothing to it.

Jeremy Purvis: I am struck by what Professor McDonald said. How can we easily divide film and digital media and the creative industries, given the functions that Scottish Enterprise will retain?

Professor McDonald: Can I address the point about the creative industries?

Jeremy Purvis: I understand what you said, the thrust of which was about film and the remainder of the arts being brought together in one funding organisation. However, there must still be a funder for digital media, and that will be Scottish Enterprise—that function will not be transferred. How do we make an easy distinction between film and digital media?

Professor McDonald: Perhaps I am completely wrong here, but are digital media games?

Jeremy Purvis: We are asking because we do not know.

Professor McDonald: Somebody is nodding—digital media are games.

Jeremy Purvis: How can there be a clear line between what could well be games and music or other development in that sector?

Professor McDonald: Perhaps there is not such a clear line. I do not pretend to be an expert in digital media, but you mentioned creative industries. Would you like me to talk about those, too?

Jeremy Purvis: Yes, if you would not mind. However, I just want to be clear about this. I am looking at Scottish Enterprise's submission, which says that it is retaining the digital media and creative industries sector. How can there be a neat divide between that and what creative Scotland will do?

Professor McDonald: As I said, I am really not an expert. Very few people are—sorry, the University of Abertay is an expert in digital media. However, the subject did not arise in our discussions with fellows at the RSE.

David Caldwell: Jeremy Purvis's point raises a broader question. Although we might be broadly content with what the bill tries to do, there are always issues at the borderline. It is not easy to draw neat demarcation lines between different types of activity. There is a strong case for treating digital media as part of the new package. That highlights the need to clarify the nature of the relationship between the various bodies that might have a role in the area. Creative Scotland will have a legitimate interest in the creative aspects of digital media—heaven knows that digital media have plenty of creative aspects. Equally, when it comes to promoting digital media as a business, Scottish Enterprise has an obvious interest too. The general issue to which such a divide draws attention is the importance of trying to be as clear as one can be about definitions while accepting that being absolutely definitive is always difficult.

Professor McDonald: And dangerous.

Elizabeth Smith: We had an interesting discussion with the previous panel about definitions, particularly of arts, culture and creative activity. Two members of that panel suggested that one of the great difficulties with the bill is that we do not have definitions, which creates a fundamental difficulty in setting out the parameters. Do you think that it is helpful to have full and acceptable definitions of arts, culture and creative activity?

Professor McDonald: I would perhaps separate "full" and "acceptable". You might get full definitions, but they might not be acceptable.

Elizabeth Smith: That is why I said full and acceptable.

Professor McDonald: This is not off the point—it is absolutely relevant. Recently, the Royal Society of Edinburgh was invited to present a report to the Scottish Further and Higher Education Funding Council on research in the creative industries. As you can imagine, that involved our looking at a lot of definitions.

We had a field day and the definition of the creative industries that we came up with, which came from the 2006 report, "The Economy of Culture in Europe", was:

"visual and performing arts, heritage, film and video, television and radio, new and emerging media, music, books and press, design, architecture and advertising."

We chose that definition perhaps because it was more compact than many others that we might have chosen. There are many definitions flying around, which overlap but are not the same. To be frank, searching for yet another definition would be a bit of a waste of time.

Elizabeth Smith: Does the belief that there is no need to define terms lead to difficulty in legislating to support all those activities?

Professor McDonald: It would probably be fine if one made use of the wonderful words "normally" and "including".

Elizabeth Smith: Parliamentarians have to scrutinise the bill carefully. The previous panel of witnesses said that there is a problem with the definitions. Do you take the opposite view? Do you think that the definitions are not a problem? Should we just get on with it and accept that we will never be able to define the arts, culture and creative activity?

Professor McDonald: If serious-minded people think that there is a problem, the issue must be addressed.

David Caldwell: I concur. The existence of competing definitions of the same term exacerbates the problem, because it means that the legislation can be interpreted in a great variety of ways, depending on which definition is applied at any given time. I accept that there are huge difficulties in reaching a definition on which there is consensus, but one has to make the attempt and do the best that one can, or the goalposts will be forever moving.

Elizabeth Smith: You both said in your submissions that the prime motive is to support excellence in the arts—or culture or creativity, or whatever we call it—and you hinted that the new body will do more exciting work than happens under the current system. Why do you think that creative Scotland will be able to engender more support and enable people of artistic excellence better to flourish in Scotland?

David Caldwell: I endorse what Professor McDonald said about how bringing together two organisations will make it possible to make connections that were previously difficult to make. Against that potential benefit we must set the fact that the approach is being managed within the existing envelope of resource—and what is more, efficiency gains are expected. There are great opportunities, but whether they are realisable depends on the whole enterprise being adequately resourced.

Elizabeth Smith: Beyond efficiency savings and the economic issues, how will artistic talent be further encouraged by the establishment of creative Scotland? Why will people of creative excellence feel more supported by the new set-up?

David Caldwell: The general point is that if we want to get the most out of our arts and culture we must try not to control them tightly but to create the conditions in which they can flourish. If we do that, the benefits will arise.

The bringing together of two organisations probably makes a small contribution—but a contribution, nonetheless—to creating the conditions that will help certain artistic activities to flourish.

Elizabeth Smith: Is that because the decision-making process will be better and the new body will have better communications, internally and with the artists?

David Caldwell: That is still to be established. If the bill is enacted and the organisations are brought together, we will achieve that capability. However, huge issues will remain about how the organisation will operate in practice.

Elizabeth Smith: I have been encouraged and struck by the consensus among all those who have given evidence so far, last week and this week, that we are trying to ensure that artistic talent flourishes in the best way possible. As parliamentarians, we need to be convinced that the bill, either in its current form or in an amended form, will achieve that better than the existing system.

Professor McDonald: An analogy can be drawn with the National Theatre of Scotland, which is such a success. Part of its success is because it is different—it is not a great mausoleum or a monumental thing stuck on the South Bank, but a moving thing, with everybody involved. People have got better. Theatre artists have improved because of the existence of the National Theatre of Scotland. In part, that has been because the National Theatre of Scotland funds all sorts of groups, including community groups and repertory theatres, which are improving. I agree that the new body is a slightly different issue, but

the point is that an idea can help people, too. People need time, models, space and conversations. Creative Scotland could create those, although David Caldwell is right that we do not know whether it will.

Elizabeth Smith: Forgive me, but that is part of the problem. The new body may or may not achieve what we want, and we need to be convinced that it will be a huge benefit. We must scrutinise the bill and be confident that the system will be better. That is why I am pursuing the issue.

Professor McDonald: David Caldwell has already touched on the point about whether creative Scotland will be funded properly, but what about the personnel and human resources? I understand completely that one cannot possibly sack the existing staff of the Scottish Arts Council and Scottish Screen, and perhaps one would not want to do that—I do not know. However, we are taking those people into a new organisation, possibly with a new ethos, and giving them new responsibilities and remits. Are they buying into the changes? We—I include the Royal Society of Edinburgh—cannot say that the body will be fabulous and terrific, because we do not know, as there are too many imponderables. However, the body could work, given proper finance and a good human resources structure.

Aileen Campbell: I will follow on from Liz Smith's questions. It is not only the bill that will allow the arts to flourish. If Governments promote tolerance and an educated society, that has a bearing on whether artists can create and whether they are attracted to Scotland. Those other issues, which will not be contained in a bill, will have an effect on whether artists are attracted to Scotland and on whether artists within Scotland flourish.

Professor McDonald: There is a terrible paradox that sometimes the arts flourish best when they are censored. I do not suggest that the Scottish Parliament should introduce censorship of the arts, but it is interesting that the experimental and innovative is often counter-culture, rather than supported by culture. Members will probably not remember the big hoo-hah about the 7:84 Theatre Company having its grant cut. The Scottish Arts Council cut the grant when 7:84 got less political, not more political, which I thought was wonderful and the way that things should be, because it had been funded to go against the funder—I like that. I do not know whether wonderful tolerance and joy creates better art. However, you are absolutely right that the correct creative conditions are important.

11:45

David Caldwell: I support that view. A lot of evidence, some of which is cited in our

submissions, shows that encouraging education also encourages engagement with the arts and culture. We have produced statistics that demonstrate the greater artistic engagement of graduates as opposed to non-graduates. If you were to ask me whether additional investment in our universities would assist better cultural engagement, I would have to say that the answer is yes.

Rob Gibson: We are being presented with an opportunity with the new organisation. We also live in times of straitened finances, and the arts are no more set upon by the Treasury than anything else is. Indeed, at the beginning of this year, Parliament passed a budget to which no one suggested any amendments that would include extra money for the arts. That is where we are.

Given that that is the case, and looking at the economic priorities versus the cultural priorities that have been a tension in the discussion about the creation of creative Scotland, how will the inclusion of responsibility for creativity in the new organisation change the focus of the support that is given to the arts at the moment?

David Caldwell: It is not my job to defend the Scottish budget, of course, but I accept the reality that there is no extra resource for the arts. I also accept the high desirability of achieving the Government's purpose of achieving an increased rate of sustainable economic growth—we all desire that.

However, sometimes there is a degree of confusion around the arts and culture—the bill is not guiltless in this—and how far economic objectives dominate and how far other objectives come into the picture. The bill is well-intentioned, in that it tries to achieve an appropriate balance between delivering economic benefit and having art for art's sake, but it is not entirely consistent.

We cannot go far wrong if we adopt the approach of seeking to create the conditions in which excellence in the arts can be achieved and the arts can flourish. The economic benefits will follow from that. It is a mistake to adopt too instrumental an approach to the arts. If you set out with an approach of simply trying to do what you think will deliver an immediate and direct economic benefit, it will be self-defeating.

Professor McDonald: I agree. It would be wrong to see art for art's sake and economic benefit as opposites, because they are not. Usually, the better the art is, the more money it can make—think of “Black Watch”.

Rob Gibson: I would like to concentrate on the part of the Universities Scotland submission that says:

“Another objective for Creative Scotland is that the agency should ‘support activities which involved the application of creative skills to the development of products and processes’. The higher education sector is critical to the success of this objective.”

We have a picture there of economic activity bound up with creativity. The point is that creative Scotland would create the dynamic and suggest the routes, but the universities would provide the means to promote the physical and economic part of the delivery.

David Caldwell: Even I would not dare to suggest that the universities alone would provide the means, but they might be a part of providing the means. The critical element is the talent. The universities have a significant role, but not the sole role, in fostering and developing talent.

I certainly subscribe to the view that investing in products and processes should be possible, but the excellence must come first. We must have the talent and the development of excellence. At that point, a shrewd business decision might be taken about investing for a return that is fairly obvious. However, the talent and the excellence must come first.

Professor McDonald: I agree. I said that I do not think that the priorities are mutually exclusive. Let us take the budget as given, although reducing it in 2011 is a wee bit hard. One would have to be careful about several matters, one of which is fiscal rigour. A perfectly good way to achieve that is not to appoint consultants—my first rule would be to get rid of the consultants. I would examine closely the organisation's internal expenditure. This might not be comfortable to hear, but the money is given not to creative Scotland per se but to creative Scotland to do a job, and it should go mostly to the job rather than to creative Scotland.

Rob Gibson: We are interested in your remarks, as I am sure Anne Bonnar will be.

Professor McDonald: She is one of our graduates—that is fine.

Rob Gibson: Excellent.

We have said that economic and cultural priorities are not mutually exclusive. Some finance for creative activities will come from creative Scotland, and some will come from other agencies. It is clear that developing a strategy is one thing, but economic development of the arts and the creative industries will be funded by Scottish Enterprise, Highlands and Islands Enterprise and the universities to an extent. Do you agree that that is the financial position?

David Caldwell: Essentially, that is correct. Drawing the demarcation line is not easy, because activities shade into one another, but what you said is basically where the divide should be.

Jeremy Purvis: I will ask about the relationships that creative Scotland is expected to have with other organisations. Greig Chalmers, who is a Scottish Executive official, gave evidence to the committee that he expects creative Scotland to continue the work of Scottish Screen and the Scottish Arts Council in considering future funding support for further education and higher education. What contact has the transition team had with the sector to discuss such issues?

Professor McDonald: David Caldwell is more of a sector representative than I am.

David Caldwell: Neither of us is immediately aware of any contact, but I say that with the qualification that I know by no means everything that happens in the sector. There could have been contact of which I am unaware.

Professor McDonald: I believe that tentative contact took place with my former department—the department of theatre, film and television studies in the University of Glasgow. To the best of my knowledge, no contact has been made with the Royal Society of Edinburgh.

Jeremy Purvis: I was not entirely sure, but I had formed the impression from Edinburgh College of Art's submission that the sector had not been contacted. Given that creative Scotland has said that it is intended to be the leading development agency for creative industries, what would be the appropriate relationship with the sector?

Professor McDonald: I mentioned that the Royal Society of Edinburgh had just done a big report for the funding council on research that would be relevant to the creative industries. One of the main points was that there are pockets of very good practice, but by and large those are discrete and there is not much collaboration. Although they are fine in and of themselves, there is a possible role for creative Scotland in collaboration with the universities to act as a facilitator to create a hub, set up colloquia or whatever so that people can more easily get together. The Scottish Arts Council commissioned research reports and so on.

David Caldwell: There ought to be two types of engagement. The first would be a great deal of dialogue. Making the assumption that there is a shared interest in trying to create the conditions in which the arts in Scotland can flourish, the universities have an enormous amount to contribute. If creative Scotland is to be the lead agency charged with optimising those conditions, it ought to engage in a continuing dialogue with the university sector, which includes the art colleges and the Royal Scottish Academy of Music and Drama. Jointly, they can make a much greater impact.

The second form of engagement ought to be the provision of funding for specific initiatives—some of which are located in institutions in the university sector—that will help creative Scotland to achieve its objectives.

Jeremy Purvis: I wonder how that will be developed in practice. The current environment for organisations in the sector involves working with Scottish Enterprise—including Careers Scotland—and the funding council, and having bilateral partnerships with the Scottish Arts Council. The new environment will involve creative Scotland, Skills Development Scotland, Scottish Enterprise, local authorities and the funding council. How will that operate?

Other committee members may have different views, but from my perspective that is a much more cluttered environment in which an individual institution—whether it is the University of Abertay, the University of Glasgow, Edinburgh College of Art or another one—will have to make contact with a wider range of organisations than it does now. The expectation is that creative Scotland would be the lead body, but every time that question is put, the response is that it will be about partnership rather than about its having a leadership role. Do you have views about the environment in which an art college or university would have to work?

David Caldwell: Of itself, that is not necessarily a difficulty. All higher education institutions are accustomed to having complex multiple relationships. It would be difficult to establish the relationships if there were significant overlaps and doubts about who was responsible for what. The new landscape will obviously take a little bit of adjusting to, but it should not present more difficulties to universities than the existing landscape, which is also complex.

Jeremy Purvis: In practice, how will that clarity be brought about? You are saying that the current situation is fragmented and that the new situation will also be fragmented. Will the bill be able to establish a framework to ensure that the relationships will be better organised?

David Caldwell: There is no guarantee that they will be better organised. The question gives me the opportunity to draw attention to one of the weaknesses in the bill, which is that it does not recognise the importance of certain relationships, notably the role of the universities in developing the arts and culture in Scotland. Working within the landscape will not be a problem as long as there is a better understanding of the contribution that various institutions have to make to the overall objective. One of the disappointing things about the bill is that it seems to reflect a mindset that does not fully appreciate the central role of the universities in the work of the creative sector.

12:00

If we are to make the bill work, we need to develop a better understanding of the contributions that various institutions—including, but not only, the universities—can make to the work of creative Scotland and the various associated bodies that Jeremy Purvis mentioned. Provided that we have that understanding, we can all relate to each other quite well and successfully.

Professor McDonald: I agree.

Jeremy Purvis: So we keep our fingers crossed.

David Caldwell: Yes. There is a lot of work to do.

Mary Mulligan: I am not sure that I want just to keep my fingers crossed. You gave us some practical examples of developing the relationship, but Universities Scotland's submission expresses concern about recognition of the role and function of universities. Is there anything we could do to the bill to improve it and facilitate that recognition and relationship?

David Caldwell: I do not think that it is essential for the bill to be amended to mention universities: there is no legislative need for them to be singled out. It is striking that they are not mentioned, however, because the legislative necessity of the bill appears to be relatively limited. There has to be legislation to remove the Scottish Arts Council's charter, but not a great deal else in the bill requires legislation. Much of it could be done without legislation.

We are left with a question: what is the purpose of the bill? One purpose could be to define and describe the landscape and the various bodies that have a contribution to make. In so far as the bill does not do that, it is slightly disappointing. However, I acknowledge that there is no legislative necessity to mention the universities. The important thing is that we have the right relationship with creative Scotland when it is established. That relationship does not have to be enshrined in legislation.

Professor McDonald: The only case in which it would need to be mentioned in the bill is if training was formally included as a responsibility of creative Scotland, but I do not know whether that would be a good idea. The universities are autonomous. Obviously, the art schools and RSAMD have their own expertise and they do not need anyone else. They should talk to each other, but I do not think that creative Scotland should have a monitoring role.

That would be the only reason for mentioning the universities in the bill, but I agree with David Caldwell.

Ken Macintosh: Does the bill allow for, or establish enough funding for creative Scotland to be able to work effectively?

Professor McDonald: No.

David Caldwell: As ever, the bill is ambitious. The present Government—like most Governments, to be fair—wants to achieve more with the same or less money than has been spent before. That is a difficult trick to pull off. When so much arts funding should be disbursed in the form of grants to support particular kinds of activity, it is not easy to make annual efficiency gains without reducing the real amount of support that is given.

Ken Macintosh: All bodies have difficulty making efficiency gains, but the added difficulty in this situation is that the new body is being asked to perform different functions, and it is not clear what priority those functions will be given in legislation. There is a fear that the new things that the body will be asked to do will place extra demands on its funding, which could exacerbate the problems that currently exist, rather than improve the situation.

Professor McDonald: That is right; I think the new body will disappoint people. What is more, it will make people disaffected, which is possibly even worse.

Ken Macintosh: Is there anything we can do with the bill to address the problem—perhaps we could make it clearer where the priorities for funding should be, or tighten the definitions?

Professor McDonald: You need to be terribly careful, because if you start saying in legislation what the priorities should be, the arm will get a bit shorter. I do not think that we can do that.

Ken Macintosh: In the absence of clarity from the Government about the role of Scottish Enterprise and the new body, one option is that the committee could take a view that, because there has been no transfer of funds or personnel from Scottish Enterprise to the new body, there will be no funding for the new functions. If there were to be such funding, that would be at the expense of the current arts organisations that benefit from the present arrangement. Would that be a beneficial step?

Professor McDonald: I do not want to comment on cuts to Scottish Enterprise. I really do not know the answer to your question.

David Caldwell: You have to be careful that, when you take strategic decisions to help one area, you do not do equivalent or greater damage to another. The real challenge is probably to successfully make the case that investment in the arts and culture is a good investment that produces a worthwhile return. We probably need to develop the evidence base in that regard. We

already know some encouraging things. For example, the strength and excellence of our arts and culture contribute greatly to the development of the creative industries sector, which is the most rapidly growing industrial sector in Scotland. It is growing quickly in many other parts of the world, but it is particularly strong in Scotland. That fact could be used to build an evidence case, in economic terms, that could justify higher investment.

Ken Macintosh: No one disagrees with that: the question is whether that funding should go through Scottish Enterprise or creative Scotland.

I have a question for Professor McDonald, which is about funding, but also touches on my colleague's subsequent question about ministerial direction. Is creative Scotland the appropriate vehicle for channelling specific grants from ministers, such as that which supports the current youth music initiative, which provides free musical instrument tuition in schools?

Professor McDonald: We raised that issue in our submission. We are asking for clarity; we are not complaining.

If a minister has a very good idea about the arts—one of the committee members called it a “light bulb moment”, but I do not like that phrase—and says that they want something to happen quickly, there will be a problem with designated funds. The minister's idea might be fine and not cause anyone any trouble. However, equally, it might impinge on artistic judgment. That is why we queried the issue and said that it could be dangerous. We want to steady the bus a bit.

Ken Macintosh: Mr Caldwell, is creative Scotland the body through which to channel funds for school-based initiatives or educationally directed policies such as the youth music initiative?

David Caldwell: It may be a useful body through which to channel certain funds for certain projects. However, I would like to emphasise a point that we made in our written evidence: universities already devote a huge amount of resource to artistic and cultural activities. They devote much more than the earmarked funding that they receive from the funding council, and more than they get from other agencies. It is a core part of the function of universities and they will always want to be actively engaged in artistic and cultural activities—although it obviously helps if additional funding can be secured from a variety of appropriate agencies.

Aileen Campbell: I want to return to the arm's-length principle. The submission from Universities Scotland says that you are pleased that a commitment is explicitly defined in the bill. Are you both happy that the principle is sufficiently

protected? Why might a royal charter be needed to protect it?

Professor McDonald: We are very pleased that things have got better, but we feel that they could get better still. In the submission from the Royal Society of Edinburgh, under the heading “Directions and guidance”, we say that it looks as if everything will be absolutely fine, but that section 5(3) seems almost to contradict section 5(1), by making ministerial power appear to become more obtrusive again. We suggest that it would be really nice to cut out section 5(3), or at least section 5(3)(a). Section 5(3)(b) is not so bad, but section 5(3)(a) slightly contradicts section 4(4).

This might sound terribly Pollyanna-ish, but we are suggesting a collaborative approach. Of course we have to work with the Scottish Parliament. I am sorry—I am saying “we”. Of course creative Scotland has to work with the Scottish Parliament, and the other way round. However, it is not that directions have to go backwards and forwards; there can be collaborative discussions. If that happens, much of that part of the bill will be perfectly fine.

I should not really correct Lorne Boswell—it is not fair, because he is not here—but the arm's-length policy went out with Thatcher.

David Caldwell: I have little to add to that. The powers of ministerial direction could probably be curtailed a little further. I do not have a precise form of words to suggest, but the arm could be shortened rather than lengthened by the bill, if I may put it that way.

Christina McKelvie: Professor McDonald—you had a wee bit to say in your written submission about appointment to the board of creative Scotland and about the public appointments procedure. Will you elaborate on who you think should be in the membership? Should there be specific constituencies of people?

Professor McDonald: The board members should be the great and the good, or the lesser and the better. I do not think that there should be constituencies. You would get into terrible trouble with that idea, because you cannot possibly satisfy everybody. The idea of involving performers is very good in principle, but if they are really good performers they will not be able to attend, because they will always be working.

12:15

David Caldwell: I agree that there should not be constituency representation. That is not the right way to form a board for any organisation because the board member's commitment must be to work for the organisation, not to represent a constituency. However, that said, it is important

that the membership consists of people from a variety of backgrounds with valuable contributions to make to the board's work.

We talked earlier about how the universities would relate to creative Scotland. It would be wise to consider candidates drawn from the university sector as possible appointees to the board because of their insight and the specific expertise that they might be able to bring to bear. I do not favour Universities Scotland being asked to nominate a person to serve on the board. That is not the way to do it, but it would be disappointing indeed if some fairly senior person from the university sector was not included on the board of creative Scotland, because that is one of the connections that it is important to make.

Christina McKelvie: We have a Commissioner for Public Appointments in Scotland and, in my opinion, quite a robust public appointments system. Are you confident that that system is robust enough or could it be improved?

David Caldwell: It is a pretty robust system. Almost every system is capable of being improved, but it is a pretty good system and works well.

Christina McKelvie: Does Jan McDonald have anything to add?

Jan McDonald: No, that is fine.

Aileen Campbell: Are you content with the committee structure that is proposed in the bill? Could that be another route to engage with other players in the arts?

David Caldwell: The committee structure is also helpful. Again, people from the university sector could make a constructive contribution to many of the committees, but they would be chosen individually for their particular expertise.

One small feature of the proposed constitutional arrangements for the committees that strikes me as being slightly odd is that, as I understand it, the people who are drawn into them from outwith the board would not be voting members of the committees. That seems to be an unnecessary restriction. The board would always have primacy in any case. If one is trying to attract able people to serve on one's committees, it does not seem a terribly good idea to treat them as second-class, non-voting members.

The Convener: That concludes the committee's questions to you. Thank you for attending the meeting.

I remind committee members that we have a pretty lengthy meeting next week and, therefore, the meeting will start at 9.30 am.

That concludes this morning's deliberations on the Creative Scotland Bill.

Meeting closed at 12:18.

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