

# **EDUCATION, LIFELONG LEARNING AND CULTURE COMMITTEE**

Wednesday 14 May 2008

Session 3

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## EDUCATION, LIFELONG LEARNING AND CULTURE COMMITTEE 12<sup>th</sup> 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 ALSO ATTENDED:

Malcolm Chisholm (Edinburgh North and Leith) (Lab)

Iain Smith (North East Fife) (LD)

### THE FOLLOWING GAVE EVIDENCE:

Greig Chalmers (Scottish Government Europe, External Affairs and Culture Directorate)

Calum Davidson (Highlands and Islands Enterprise)

Linda Fabiani (Minister for Europe, External Affairs and Culture)

Martin Fairbairn (Scottish Funding Council)

Adrian Gillespie (Scottish Enterprise)

Norman Harvey (Scottish Government Rural and Environment Research and Analysis Directorate)

Heather Jack (Scottish Government Europe, External Affairs and Culture Directorate)

Councillor Harry McGuigan (Convention of Scottish Local Authorities)

Maureen Watt (Minister for Schools and Skills)

### CLERK TO THE COMMITTEE

Eugene Windsor

### SENIOR ASSISTANT CLERK

Nick Hawthorne

### ASSISTANT CLERK

Andrew Proudfoot

### LOCATION

Committee Room 1



## Scottish Parliament

### Education, Lifelong Learning and Culture Committee

*Wednesday 14 May 2008*

[THE CONVENER *opened the meeting at 09:30*]

### Subordinate Legislation

#### Fundable Bodies (The Scottish Agricultural College) (Scotland) Order 2008 (Draft)

**The Convener (Karen Whitefield):** I open the 12<sup>th</sup> meeting in 2008 of the Education, Lifelong Learning and Culture Committee. We have received apologies from Jeremy Purvis, who is unable to attend. I understand that it is likely that Iain Smith, Malcolm Chisholm and Ted Brocklebank will join us when we take evidence on the Creative Scotland Bill.

I remind everyone that BlackBerrys, pagers and mobile telephones should be switched off during the meeting.

For agenda item 1 we are joined by Maureen Watt, the Minister for Schools and Skills. I am pleased to welcome the minister and her officials from the Scottish Government: Louise Sutherland is team leader in higher education governance and Norman Harvey is head of science reform and finance. I also welcome Martin Fairbairn, who is director of governance and management appraisal and policy at the Scottish Further and Higher Education Funding Council. I invite the minister to make opening remarks.

**The Minister for Schools and Skills (Maureen Watt):** I will endeavour to be brief, given the committee's other business this morning.

I am here to explain why the order is required. The Scottish Agricultural College is the only remaining central institution, which means that it receives its funding for education direct from the Scottish Government. The order will end the current arrangements for the SAC and bring the college into the fold of the Scottish funding council.

Schedule 2 to the Further and Higher Education (Scotland) Act 2005 lists the fundable bodies that can be supported by the Scottish funding council. The SFC may not fund an institution unless and until it is included in the schedule, and it will be in a position to start to fund the SAC when the order is approved by the Parliament. Approval of the order will enable the SFC, from 1 August, to take over the funding of the SAC and to start to support

the college in the way that it supports Scotland's other higher education institutions.

**The Convener:** Thank you for your explanation. Do members have questions for the minister?

**Ken Macintosh (Eastwood) (Lab):** The proposed new arrangements were consulted on and the Executive note says:

"The responses to the consultation exercise were, in general, supportive."

Were concerns expressed? If so, are any concerns outstanding?

**Maureen Watt:** The main concern was that the funding arrangements should not be detrimental to existing higher education institutions or to the SAC. Negotiations and consultation on the amount of funding that will be transferred are on-going.

**Ken Macintosh:** Will the funding for the college that used to be received from the Government's environment and rural affairs department be entirely transferred to the SFC?

**Maureen Watt:** The part that deals with education will be transferred.

**Ken Macintosh:** Is it clear which part deals with education?

**Norman Harvey (Scottish Government Rural and Environment Research and Analysis Directorate):** Yes. For some time, the directorate that runs the SAC has funded specific packages of services, one of which is education, so the funding that aligns with education is clearly demarcated and can be transferred.

**Ken Macintosh:** Is the college confident that there will be no funding shortfall—as opposed to other difficulties—as a result of the new arrangements?

**Maureen Watt:** Yes.

**Ken Macintosh:** Have other institutions expressed concern that they will be adversely affected when the SFC takes over the college's funding?

**Norman Harvey:** As you have picked up on, that was a theme of some comments in the consultation. However, as we say, the funding that is already available to the college will be transferred. Discussions are continuing among the Scottish funding council, the Scottish Government and the Scottish Agricultural College on the final transfer amounts. The transfer should not be to the detriment of other bodies.

**Ken Macintosh:** Is the Scottish Agricultural College funded at the same rate and on the same basis as other higher and further education institutions?

**Norman Harvey:** That point has been under discussion. Historically, the college has not been in the funding council fold. Although we have tried to shadow, if you like, the formula that has been used, it was never possible to do so as precisely as the current discussions have allowed. How to bring the figures together is part of the continuing discussions with the SAC and the SFC.

**Ken Macintosh:** Is there a marked difference, and in whose favour is it? Is the SAC not quite as well funded as other institutions, or is it better funded?

**Norman Harvey:** The present picture is subject to final discussions, but the calculations show that the proposed funding is slightly ahead of the funding that the SAC would receive from the Scottish Government under the existing arrangements.

**Ken Macintosh:** What would the funding shortfall be?

**Martin Fairbairn (Scottish Funding Council):** I have to emphasise that it is a moving picture while the numbers are finalised. The total coming across from Norman Harvey's area is—

**Norman Harvey:** It is £6.6 million revenue and £0.3 million capital.

**Martin Fairbairn:** So, £6.9 million in total. At the moment, if the SFC were funding the college on a normal basis, the numbers would be round about £8 million. The important point is that the SAC will not be any worse off than it would be if its funding were to continue to come directly from the Scottish Government, and neither—certainly during the current spending review, which we have just moved into—will any colleges or universities be any worse off. Their funding will not suffer in any way.

**Ken Macintosh:** In the long term, do I take it that you want to move to parity of funding? Will the Executive make up the shortfall?

**Maureen Watt:** Such matters are still under consideration in the consultation, in which everybody is involved. The Scottish funding council has written to all the higher education institutions in Scotland to reassure them that the SAC's becoming a fundable body will not have a detrimental effect on the existing fundable bodies. I think that everyone can see our direction of travel.

**Ken Macintosh:** But we can also see that there is a difference of £1.1 million. The cost of making up that difference will have to be borne either by all the other fundable bodies or by the Executive. Is the Executive still engaged in the discussions?

**Maureen Watt:** Absolutely.

**Ken Macintosh:** Has a deadline been set for reaching a conclusion?

**Maureen Watt:** If possible, we want to reach an agreement by 1 August 2008.

**Ken Macintosh:** It is a good idea for all the colleges to be dealt with on an equal basis. Could we ask the minister to come back to the committee once a final agreement has been reached? We could then find out whether the difference has been made up by the Executive or by the existing colleges—by the SFC, in effect.

**The Convener:** You may want to reiterate that point when we move to the debate. At the moment, we are just asking questions of the minister.

**Rob Gibson (Highlands and Islands) (SNP):** Good morning, minister. Is the Scottish Agricultural College's income from its activities greater than the income of the universities and other institutions? If we considered the college's total funding package for its educational side and for its other activities, would we see that the make-up of the college's budget is slightly different from that of the other institutions?

**Maureen Watt:** In consideration of the SAC's budget, we have to separate the education part from the research and development part.

**Norman Harvey:** From memory, the SAC's total turnover in round figures is about £42 million or £43 million. The education component in total—including fees that the college may get from other funding sources, and so on—is probably under £10 million. I do not know whether that helps to give the perspective that you seek.

**Rob Gibson:** It does, because if we are to examine the issue in the round and address the question about whether there is some kind of differential, we have to consider the use to which the money is put, in terms of the courses that are provided at the SAC in comparison with other universities. Are you satisfied that the way in which things are proceeding is fair?

**Maureen Watt:** Yes—the consultation and the negotiations have been pretty amicable. At the moment, it is about getting down to the nitty-gritty detail of the funding package. My officials might like to comment further.

**Martin Fairbairn:** I am not sure what aspect you are thinking about with regard to fairness. It is certainly our aspiration—and it is likely—that it will be fair, with regard to the more medium and long-term funding arrangements for the Scottish Agricultural College in relation to its education activities, analogous to the SFC's funding of colleges and universities. That is where it should be, and it is very close at the moment.

**Elizabeth Smith (Mid Scotland and Fife) (Con):** I will pick up on your point, Mr Fairbairn. Obviously, the reason for the move is to bring

about better governance and better outcomes. Why do you think that, by putting the SAC into the Scottish funding council, you will achieve a better outcome than under the existing system?

**Martin Fairbairn:** The funding council's statutory objective is to achieve coherent provision of further and higher education. The SAC's education activities are part of the whole of further and higher education provision in Scotland, so we view the move positively, because it will bring the SAC into the fold and the totality of land-based agricultural-type provision by colleges and universities.

Developments over the past couple of years—for example, in Ayrshire, where the University of the West of Scotland, the SAC and Ayr college are working together—have been very positive and indicate that that is a good thing. The SAC has also been working with the further education colleges that have the greatest focus on agricultural matters, such as Oatridge, Elmwood and Barony. The way in which they are developing joint delivery and articulation of the curriculum is very positive. Those things are already happening, and it will be easier when the same set of arrangements applies to everyone. We view the development as very positive.

**Elizabeth Smith:** It is good to hear you say that the move will make things easier, not just in financial terms but in relation to organisation and governance.

**Martin Fairbairn.** That is correct.

**Maureen Watt:** Ministers felt that bringing the SAC into the fold of the funding council, rather than keeping it separate under Scottish Government directorates as it is at the moment, would better reflect its status as a provider of higher education.

**The Convener:** That exhausts our questions for the minister.

Agenda item 2 is a debate on the Fundable Bodies (The Scottish Agricultural College) (Scotland) Order 2008, for which, under standing orders, we have up to 90 minutes. I do not wish to prevent members from speaking, but I encourage them not to take their full entitlement. The minister will respond in her summing up to the points that are made.

*Motion moved,*

That the Education, Lifelong Learning and Culture Committee recommends that the draft Fundable Bodies (The Scottish Agricultural College) (Scotland) Order 2008 be approved.—[*Maureen Watt*].

09:45

**Ken Macintosh:** I reiterate my earlier point, although I am not sure whether it is a point for

debate now or a point for the committee. For the reasons that the minister and her officials have outlined, the move is desirable in the interests of parity and fairness. It benefits all students if colleges and universities work together. My point is that no one should be disadvantaged. There is potential for the current differential and shortfall in funding for the SAC to be borne by other institutions, although that would be spread across the board. That is a sum of slightly more than £1 million that could be spent in other colleges, so I imagine that they are concerned.

I would like to know how the matter is finally resolved. Rob Gibson made some interesting points, but I do not think that those issues affect the one that I am talking about. The SAC might have all sorts of sources of income, but the stated objective is to move the college to the same funding levels that other fundable bodies receive. Therefore, the difference will have to be made up by somebody. Either the Executive will do so, directly or partially, or the Scottish funding council will do so by redistributing its funding. The committee would welcome information on how the discussion is settled amicably in August.

**Rob Gibson:** I welcome the order, which must be seen in the context of the modernisation of the Scottish Agricultural College, which started in a spirit of cross-party co-operation at the beginning of the previous session of Parliament. The move towards parity of esteem for students in the college with other students is a vital part of that modernisation. Given that we have aspirations to have more students going to colleges and universities, the Government will be able to find the cash concerned. It is a small amount overall, but nevertheless it is part of the aspirations of a Government that seeks to have more students in all sectors. I welcome the minister's answers and wish the order well.

**The Convener:** No other member wishes to speak, so I invite the minister to respond to the debate. In particular, I ask her to respond to the committee's request for her to come back to us at a later date on the conclusion of negotiations with the Scottish funding council.

**Maureen Watt:** To respond to Ken Macintosh's point, it has always been the intention that the initial funding from the Scottish funding council will equate to the funding that is transferred from the rural affairs and the environment department. The SAC agreed to the terms of the consultation. Any additional funding or differential will be not met from the higher education settlement.

If the committee wishes, I will be pleased to come back to tell you exactly what happens as a result of the negotiations.

I agree fully with Rob Gibson's point about parity of esteem and the importance of rural affairs to Scotland's economy. The parity of esteem that we want to achieve with the order is part of the Government's overall desires and wishes in that area.

**The Convener:** The question is, that motion S3M-1784 be agreed to.

*Motion agreed to.*

That the Education, Lifelong Learning and Culture Committee recommends that the draft Fundable Bodies (The Scottish Agricultural College) (Scotland) Order 2008 be approved.

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

## **Decision on Taking Business in Private**

09:49

**The Convener:** Not all our witnesses for agenda item 3 have arrived, and we are not scheduled to take evidence on the Creative Scotland Bill until 10 o'clock. It might help to bring forward agenda item 4, which is a decision on taking business in private.

Do members agree that consideration of our draft stage 1 report on the Creative Scotland Bill at the next two meetings should be held in private?

**Members** *indicated agreement.*



## Budget Process 2009-10

09:50

**The Convener:** Agenda item 5 concerns our stage 2 consideration of the 2009-10 budget. An approach paper has been circulated to committee members. It outlines our anticipated approach to the budget and, in particular, seeks agreement for the appointment of a budget adviser. This item is simply housekeeping and good practice. We are trying to get in there first, as there was a lot of competition for budget advisers last year. We were fortunate to have an excellent budget adviser, but we need to get in early. We are trying to be well prepared for the budget process, which we will reach later in the year.

Do members have any comments on the paper?

**Rob Gibson:** I am happy that we are trying to get in early and secure a good adviser. The budget involves us in a wide range of work, and I hope that we can get an adviser who can reflect all that. We sometimes pick on large budget items and perhaps ignore other areas in which we could probe more usefully. I hope that we get someone who can help us in those other areas, too. I welcome the paper and hope that we can have a successful budget scrutiny this time compared with previously.

**The Convener:** I assume from the indications of support that the committee is generally agreed with the approach that is taken in the paper. We will write to the Parliamentary Bureau to seek its agreement to the committee's request to appoint an adviser, and a list of suitable candidates will be brought to a meeting before the summer recess.

I suspend the meeting briefly to allow our witnesses to join us.

09:52

*Meeting suspended.*

09:54

*On resuming—*

## Creative Scotland Bill: Stage 1

**The Convener:** The next item is the committee's final evidence-taking session at stage 1 of the Creative Scotland Bill.

Our first witnesses come from various sectors. We have been joined by Calum Davidson, who is head of key sectors at Highlands and Islands Enterprise; Adrian Gillespie, who is director of digital markets and enabling technologies at Scottish Enterprise; and Councillor Harry McGuigan, who is community, wellbeing and safety spokesperson for the Convention of Scottish Local Authorities.

I congratulate Adrian Gillespie on the birth of his daughter yesterday. In the light of such a family celebration, you show dedication to Scottish Enterprise by leaving your wife and baby in order to give evidence to the committee. We are very grateful to you in particular for joining us today. I thank all our witnesses for providing written statements in advance of the meeting, which was helpful to us.

We will go straight to questions. What is your view of the Government's consultation on the Creative Scotland Bill? Was it satisfactory? Have your concerns been listened to and addressed?

**Adrian Gillespie (Scottish Enterprise):** We were involved in the consultation. It was a full consultation and we were certainly able to express our views. The area of concern for us was clarity about responsibilities for business development support, which I know has been mentioned in the evidence that you have taken recently.

**Calum Davidson (Highlands and Islands Enterprise):** I support Adrian Gillespie's comments. We were satisfied with the consultation.

**Councillor Harry McGuigan (Convention of Scottish Local Authorities):** The consultation process was fair. However, more could have been done on transition planning for creative Scotland. We would have liked to be more involved in gaining a shared understanding of why certain prioritisations took place. We wanted to be in on that. That was a disappointment. We have had opportunities to meet the transition team—the acting chief executive and the chair. Those meetings were helpful and encouraging. However, we would have liked to hear a bit more about the detail of what is being proposed.

**The Convener:** You make a valid point, Councillor McGuigan. The bill will dissolve two organisations and create a new one, which will

have a range of powers that are greater than the powers that the existing organisations have. It will be able to deliver things that the two existing organisations perhaps cannot. Might it have been better if the Government had consulted specifically on that? Would it have been helpful to the organisations that you represent to have been consulted on that?

**Councillor McGuigan:** It is important to understand the historical practices that local government has undertaken in this field and to appreciate the new powers that local authorities have in relation to the gateway initiative and regeneration. We are worried that there could be duplication if another entity assumes certain responsibilities in those areas. We have to get that right. We want to examine that and negotiate on it in the weeks to come. It would be unfortunate if there was a collision course between the aspirations of the concordat themes and what happens in practice.

10:00

**Rob Gibson:** Councillor McGuigan, the evidence that we have received suggests that a partnership approach will be taken with organisations. Are you happy with that?

**Councillor McGuigan:** Absolutely. In fact, it should be a fundamental element of the relationship between the Scottish Government, the Parliament and local authorities. It would be a tragedy if we, as the elected entities for Scotland, did not have a common agenda and the will to identify how we might improve cultural experiences in Scotland and assist the various developments that emerge from them. In my years in politics, I have always argued for more joint working between central and local government, and we would sign up to such activity not just with organisations representing the Government but with other partnership agencies. For example, we are giving a good account of ourselves in the community planning partnerships that have been established in certain areas of Scotland, and things are improving all the time.

**Rob Gibson:** I welcome those remarks. These partnerships should have a fair wind to allow them to develop; after all, this is an enabling bill that creates a structure for co-ordinating development in the arts, culture and other creative matters. I suggest that your being a partner in all that is very much in the spirit of the bill.

**Councillor McGuigan:** That is fair comment. We should, however, be careful and diligent in ensuring that that fair wind does not turn into something that blows us well off course. If partnership working is to be genuine, we would expect to be involved early and fully in the

process. We should not be drafted in at the tail-end of things.

We are also anxious to ensure that there is a local authority voice on creative Scotland's board and, indeed, that there is an on-going dialogue between the board and COSLA. I am certainly willing to facilitate that in the months to come to ensure that the partnership that you have mentioned is not simply window dressing but is something that is real and produces tangible outcomes.

**Rob Gibson:** As we will return to that issue, I will stop there. I do not want to cut across other members' questions.

**The Convener:** We are indeed going to come back to that issue, Mr Gibson.

**Aileen Campbell (South of Scotland) (SNP):** A number of responses to the committee's consultation expressed concern at the bill's lack of definitions for the arts, culture and creativity, although I should point out that other respondents welcomed the fact that the bill did not set such terms in stone. Would a clearer definition of those terms provide a clearer remit not only for creative Scotland but for your organisations as partners in that work?

**Calum Davidson:** We are comfortable with the nest of definitions set out in the transition report that Anne Bonnar presented to the minister last week. Our focus is very much on creative service, creative content, content experience and creative originals and, in any case, the creative industries form such a broad church that you could spend months simply debating how many angels sit on the top of a pin.

The sector is different in that, at one end, there is subsidised art that cannot be economically self-supporting while, at the other, there are high-growth companies. Adrian Gillespie and I sit at the latter end; like its predecessor organisations, creative Scotland will sit more towards the other end. The crucial point is that we cannot have high-growth companies and sectors without the feedstock from the other end of the spectrum. We in Scotland need to reach a common understanding of how we can support the subsidised end and grow the areas that really contribute to the economy, while retaining a focus on the value of creativity to cultural and economic Scotland.

Anne Bonnar's report broadly reflects that viewpoint and provides definitions that we are comfortable working with in order to meet the Government's economic objectives.

**Adrian Gillespie:** I go along with that. The Department for Culture, Media and Sport definition of the creative industries is very broad. It includes

very different types of company, from video games makers through to companies that deal with crafts and antiques. It cannot be argued that those industries have the same dynamics and need the same types of support. I am concerned less about the definition of the sectors than about the definition of our roles in those sectors. Sectors will change over time and will be affected by changes in the economy. As long as we are clear about our roles, we can adapt to such changes.

**Councillor McGuigan:** I will approach the question from another angle. I agree with what has been said, but it is important that there should be empathy of intent in connection with what we do. Local authorities spend a lot of resources on developing community strengths—on attempting to reconnect our people with the communities in which they live and to engage them more fully in the decision-making processes in those communities. What we do to encourage people to develop confidence, success and experience is critical. It is important that we reach people who are marginalised in our communities and that we hear their voices in what creative Scotland does and how it understands creative enterprise or the creative economy.

Many people are disconnected from our communities and need to see pathways that will enable them to be reconnected, so that they can gain success and confidence in their ability to socialise and, perhaps, to break with previous addiction habits. Such confidence will enable them to play a greater role in the communities in which they live and to seek employment. We do not want that dimension to be missed by creative Scotland. It is not just about the two ends of the business that have been mentioned—a great deal of work is being done in local authorities. We expect to have a shared aspiration regarding the impact that cultural and arts development work can have and how it can help in our communities.

As recently as last Friday, I visited a sheltered housing complex where eight elderly ladies have moved on from doing an art course, which was very imaginative, to making cards, which they sell—the convener knows someone who is very committed to that. It is not just about making cards but about the socialisation that takes place and the reinvigoration of the community in question. That approach must be extended. It is one of the pathways that can help us to reduce rates of reoffending, by reconnecting people to the communities in which they live.

**Aileen Campbell:** Councillor McGuigan's comments relate to the functions of creative Scotland, which include re-engaging people and promoting understanding of the arts and their benefits. Does the rest of the panel welcome the emphasis that the bill gives to those functions of creative Scotland?

**Calum Davidson:** Certainly. Since 1995, the organisation for which I work has, in its various guises, actively pursued such a philosophy in my part of Scotland. The fèis movement, which the deputy convener knows well, engages young people in arts and music in the way that Councillor McGuigan described. The direct result of 20 or 25 years of investment in some of Scotland's most remote communities is that we now have a thriving music industry, turning out high-quality artists who are selling music products across the world. That is the sort of partnership approach that we look forward to having with creative Scotland over the next few years.

**Adrian Gillespie:** I welcome a broad approach being taken to the creative economy as well. A thriving artistic community can be a strong attraction for inward investment companies. In the digital media sector, for example, we often see companies looking to base themselves in an environment that has that kind of talent.

**Aileen Campbell:** Will the bill allow the general functions to be met?

**Calum Davidson:** If we can work together in partnership, as we have been discussing with the creative Scotland transition team, I am confident that the functions can be met.

**Adrian Gillespie:** A positive part of the engagement that we have had recently with creative Scotland has been the discussion about our roles in the sector—including the desire not to duplicate each other's roles—and the need to take a joint approach to developing the sector.

**Councillor McGuigan:** I have said a fair wee bit about partnership, but if the commitment to taking a partnership approach is genuine, that will make a huge difference. I have no reason to believe that it is not genuine, but there are always lessons to learn about ways in which we can increase genuine partnership working. Maybe some of the weaknesses can be eradicated over time.

**Rob Gibson:** Perhaps the conflict between the economic and the cultural priorities is not as stark as it might at first seem, because of the inclusion of creativity in the bill. Will the inclusion of the responsibility for creativity and the creative industries change the focus of support from that of Scottish Screen and the Scottish Arts Council, and will that have a major effect on the delivery of services in future?

**Adrian Gillespie:** I am not sure that the bill goes into a great level of detail about what exactly creative Scotland is going to do in terms of the projects that it is going to deliver or the type of support that it is going to give. I do not think that I can answer your question fully, with reference to the bill. I can answer it, to an extent, on the basis of the positive discussions that we have had with

creative Scotland about the creative partnership that we are now putting in place.

**Rob Gibson:** You would expect a bill to set the framework before the discussions about the detail took place. That is basically what you are saying.

On the non-economic—or less than economic—side, the art for art's sake element would allow many more people to be involved. However, Calum Davidson referred to the need for years of investment to build up a music industry. Will those two elements come into conflict? Will the current approach be continued, or will the atmosphere change? Will there be too much emphasis on getting the economic side up and running quickly?

**Calum Davidson:** One of the advantages of creative Scotland is that it will be much more fleet of foot and will be able to respond to changes in society. The discussion that the committee had previously about video games as an art form was interesting in that regard.

We are looking for a partner that we can work with in a proactive sense—one that will identify gaps in the market and opportunities to deliver services and arts across our part of Scotland. Because of the business gateway delivery of advice and information across Scotland, the work that Scottish Enterprise and Highlands and Islands Enterprise are doing to deliver the Government's economic strategy, and the space that is being defined for creative Scotland, we will be able to be much more proactive.

Organisations such as Scottish Enterprise, Highlands and Islands Enterprise, the Scottish Arts Council and the National Endowment for Science, Technology and the Arts have been working on the starter for six programme, which focuses on how to create creative entrepreneurs from the traditional art forms, fashion and a variety of other areas. I am keen to work with creative Scotland on that. The question is how we can build on the partnership and use the best parts of what one might call the non-economic sector to develop the growth agenda throughout Scotland.

**Rob Gibson:** We would not expect to see that in the text of the bill.

**Calum Davidson:** No, we would not but, clearly, that lies underneath it.

10:15

**Councillor McGuigan:** I would be concerned if there was an overemphasis on aspirations for direct jobs coming out of creative Scotland. However, that might happen and we all want that to happen. My understanding is that Scottish Enterprise was not dilatory in addressing that aspect of economic development in the past.

As I said earlier, there is an indirect impact from cultural and art-related enterprises. They can contribute to the lives of people who are disconnected or who need to acquire and develop skills and confidence in order to go back into the marketplace and take up some of the jobs that are out there. I would be worried if there was a focus on the other end of things at the expense of the more socially inclined approach to job creation.

**Elizabeth Smith:** If we can stand back from the Parliament for a minute, we should acknowledge that members of the public feel that we are at a very interesting time for Scotland's art and culture, yet the media are full of scare stories about some of our top artistic organisations facing cutbacks and difficulties. That gets to the heart of the problem, which is about economic against cultural priorities. What kind of support should creative Scotland be giving to smaller associations and artistic groups?

**Councillor McGuigan:** Rather than suggesting that there is an easy agenda out there, I think that the most important thing is for organisations to work together towards such an agenda. They should identify the opportunities and the areas of weakness, and develop a strategy that enables us to address them. I do not pretend to know all the details of that, although I know some of them. I could give you some examples of good practice from my education department in North Lanarkshire, and I could tell you about the impact on youngsters who have been disconnected from the whole educational process.

We get back to the key question that was asked at the beginning about how we can work in serious partnership with one another with a shared agenda—and perhaps a requirement to share resources—towards a set of objectives and outcomes that make sense for our communities.

**Elizabeth Smith:** Given your previous comments, do you think that such a partnership would work better if there were more detail on the role that creative Scotland will work to and the role that Scottish Enterprise will have? Would that help to engender that partnership? Mr Davidson and Mr Gillespie have both indicated that you would like to move forward if the roles are more clearly delineated. Would that help?

**Councillor McGuigan:** I think so.

**Elizabeth Smith:** So we should be considering that, including in the bill.

**Councillor McGuigan:** Yes, I would think so.

**Adrian Gillespie:** I would agree with that. That has been the theme of the responses that we have made to the consultations. We know from our organisational experience that clarity of role is extremely important. We must be able to deliver what is expected of us.

On your previous question about types of support, there is always a tension between creativity and economic benefit. Creative Scotland's role will touch on that of a number of other organisations, such as Skills Development Scotland, the business gateway and our own organisations. Creative Scotland will have a role in considering why things that should be happening are not happening. For example, if Scottish Enterprise is not supporting a particular sector, creative Scotland could ask why not. The reason will probably be that the sector is not growing or has no prospect of growing, but if the sector is important culturally or artistically, support may be required. That is where creative Scotland could come in. It will be hard to define creative Scotland's role specifically in each sector. However, if its purpose and role are set out clearly, that will be a good guide.

**Elizabeth Smith:** Should such things be in the bill?

**Adrian Gillespie:** Yes.

**Calum Davidson:** I would add one slightly dissenting comment. Sometimes, creativity thrives where there is slight tension. Defining things too tightly might hold people back.

**Elizabeth Smith:** That leads us to an interesting point about the definition of the cultural process. We all want to ensure that everybody who can input to the cultural process can flourish. We have a difficult, almost insoluble, situation: we want to allow creativity to flourish in whichever direction it chooses, because that is how to get the best out of people, but we will make people's jobs difficult if we cannot create the legislation that makes it quite clear what we are trying to achieve.

It is difficult for some of us to understand exactly what creative Scotland will do to link more successfully with the economic function of Scottish Enterprise than the two separate bodies that creative Scotland will replace have been able to do.

**Adrian Gillespie:** We have been in discussion with creative Scotland through the forum that the transition team has put together. That has been a useful process for everybody, although I venture to suggest that it has been especially useful for creative Scotland. The forum has offered an opportunity to demonstrate what is happening in other organisations, which has helped creative Scotland to decide where its priorities should lie.

Discussions have been taking place in tandem with the development of the bill, rather than in sequence with it. Ideas are evolving, and that kind of forum could be very useful in capturing the benefits.

**Councillor McGuigan:** Creative Scotland will have to understand fully what its remit is, and it will

have to understand fully that part of that remit will be to work across agencies and to work with local authorities in a much more intimate way than the Scottish Arts Council, for example, has been able to do.

I feel strongly that the role of Scottish Enterprise needs to be reviewed. That issue is separate from what we are discussing this morning, but a case exists for a more thorough examination of its usefulness.

**Mary Mulligan (Linlithgow) (Lab):** Good morning. I would like to explore further the relationship between creative Scotland and various organisations—the witnesses' organisations in particular.

My first question is for Mr McGuigan. Were you surprised, and was COSLA surprised, that the bill did not contain more mention of the role of local authorities?

**Councillor McGuigan:** We would have expected a deeper discussion of certain aspects. I think that the proposals for the transition are still in draft form, but key agencies and partners should have been more involved. There is no point in bringing something out, saying, "These are our ideas," and then just expecting everybody to sign up to them. That is not my idea of sensible politics, especially in the new political climate.

**Mary Mulligan:** Are you content with your present discussions with the transition team?

**Councillor McGuigan:** They could always be improved, and we will seek to improve them. As I have said, we have had very good discussions. A joint conference involving COSLA and creative Scotland is taking place in my own North Lanarkshire, where we will show off all the wonderful things that are happening there.

The conversation is taking place, but local authorities and other key partners must ensure that they are not just on the edges but are involved in the formulation of strategy. To some extent we are a wee bit disappointed that there has not been closer working.

**Mary Mulligan:** The role that local authorities currently play in supporting creative industries—let alone what they will do in future—needs to be recognised.

You said that local authorities should have a voice on creative Scotland's board, but in your submission you suggest that there should be biannual meetings between the board and Scottish local authorities. Is it one or the other, or both? How do you envisage the arrangements developing?

**Councillor McGuigan:** It would help the board of creative Scotland if it had a local authority voice.

Such an approach makes sense, because local authorities are key players in the organisation of cultural and artistic events. It would be unfortunate if the local authority voice were missing from the new entity. I made representations to the minister in that regard and COSLA put its position in its submission to the committee.

The call for a local authority voice on creative Scotland's board goes in tandem with the suggestion about biannual meetings. I do not like meetings any more than members do, but we are talking about a serious business. New ground is being broken and it is important that we do not get our lines crossed about what we aim to do and how we achieve it—we need a shared understanding. Both suggestions should be adopted.

**Mary Mulligan:** You are right that we must outline how we want the relationship to develop.

Mr Davidson and Mr Gillespie, do you think that creative Scotland will be the lead strategic organisation that deals with the creative industries?

**Adrian Gillespie:** It depends what you mean. It will not be the lead organisation in the development of the strategy for the sector or in the context of economic development, but it will lead in the promotion and championing of creativity. The devil is in the detail of what "lead organisation" means.

We have been discussing our roles, but I would not want to give the impression that we have been horse trading. We are quite clear about what we are being asked to do, which is to consider how creative Scotland will work in partnership with us and add value to what is going on, rather than duplicating work.

Talk of a lead organisation is perhaps unhelpful. For example, on digital media, the industry must lead, with input from Government and Government agencies. The aspirations and knowledge of markets must come from the industry rather than from Government agencies.

**Calum Davidson:** I support that view. The stated aim of the bill is

"to inspire and support a culturally ambitious Scotland".

We fully support that aim. However, the Government has also laid out clearly in its economic strategy what the enterprise networks will be doing, which is about the creation of high-growth sectors and companies. The creative industries comprise one such sector.

As the transition team said, the focus is very much on how we achieve those objectives jointly. I would not regard creative Scotland as being the lead economic agency for Scotland, which is

clearly our role, but it will certainly lead on other aspects of creativity.

**Mary Mulligan:** Mr Gillespie, in the written submission from Scottish Enterprise you say:

"It is not clear whether Creative Scotland is intended to act in an advisory capacity or to provide direct support."

Have your discussions with the transition team led to a better understanding of what is intended?

**Adrian Gillespie:** I think that we have come to a better understanding, although I am not sure that we are on exactly the same page. The legislative process probably has a part to play in that regard.

Someone at a previous meeting asked where businesses go for development support. I can clarify the situation: there is a national inquiry helpline for business support, and companies that want support are directed to the appropriate agency, whether that is business gateway, Scottish Enterprise, Highlands and Islands Enterprise or the cultural enterprise office. We already have a system in place.

The conversations have been helpful, but I return to the point that clarity about the agency's role will guide its activities.

10:30

**Mary Mulligan:** In the Highlands and Islands Enterprise submission, there is reference to a new national strategy for digital media and related technologies. Mr Davidson, do you envisage that sitting comfortably with the creation of creative Scotland, or are there still tensions to be worked through?

**Calum Davidson:** There are opportunities rather than tensions. Adrian Gillespie and I are busy looking at how we can set up various advisory groups to support the different sectors. I suspect that in tourism, for example, it will be relatively straightforward to set up an advisory group. For the creative industries, however, I suspect that we will have several advisory groups. Some will consider the technology focus that Adrian Gillespie is looking at, while others will look more at culture and creativity. There may be one for music, too. They have yet to be decided.

In that sense, we are looking slightly wider than the other areas that we have been talking about, but our submission stands.

**Mary Mulligan:** In response to Liz Smith, you each said that you felt that there needed to be more clarity in the legislation on the relationship between your organisations and creative Scotland. Does the bill itself need to cover that?

**Adrian Gillespie:** I am not sure whether the legislation needs to be as specific as that or whether the role of creative Scotland needs to be

more clearly expressed so that, as other organisations change, its role remains clear.

**Calum Davidson:** I support that comment.

**Mary Mulligan:** So clarity around creative Scotland would show you what the relationship will be.

**Adrian Gillespie:** Yes.

**Mary Mulligan:** Do you agree, Mr McGuigan?

**Councillor McGuigan:** Yes, but I would repeat what I said earlier—another review needs to take place.

**Mary Mulligan:** Thank you. That is helpful.

**Ken Macintosh:** I want to ask about the financing of creative Scotland, but I want first to clarify something with Mr Davidson. Does Highlands and Islands Enterprise still have a broader remit than Scottish Enterprise?

**Calum Davidson:** Yes, we do. We have both the business development remit and our community remit, which is now focused on what you might call growth at the edge—in disadvantaged communities and geographical areas of the Highlands and Islands.

**Ken Macintosh:** You can correct me if I am wrong, but my impression is that because of that broader remit, the arts community's relationship with Highlands and Islands Enterprise has generally been more supportive—I hesitate to use the word "better"—than its relationship with Scottish Enterprise. It has been different—

**Calum Davidson:** Yes, I think "different" would be a better way of describing it.

**Ken Macintosh:** A neutral term.

**Calum Davidson:** Yes.

**Ken Macintosh:** Do you think that, under the bill, HIE's relationship with creative Scotland will be different from Scottish Enterprise's relationship with creative Scotland?

**Calum Davidson:** Yes, I think that it will continue to be different, and there are a number of reasons for that. For example, in the rest of Scotland, the cultural enterprise office—an organisation set up by SE—will be transferred to creative Scotland. In the Highlands, we have an organisation called Highlands and Islands Arts, which is jointly funded by the Scottish Arts Council and ourselves. It calls on the services of the cultural enterprise office but is not part of it. Because of that and our role in investing in communities and culture in small communities throughout the Highlands and Islands, the relationship cannot be the same as that in the rest of Scotland. We have a different remit.

I see our building on that. We have a long-standing and successful relationship with the Scottish Arts Council. As it receives new powers, we will look to see how we can capitalise and build on the relationship. It will not be the same, but we intend it to be better.

**Ken Macintosh:** I want to follow that up. Do you expect HI-Arts to transfer to creative Scotland?

**Calum Davidson:** That has not been part of any discussion that I am aware of. HI-Arts is a company limited by guarantee, and it is partly funded by HIE and the Scottish Arts Council.

**Ken Macintosh:** I am not encouraging that transfer, because HI-Arts is a huge success story and we want to emulate that success in creative Scotland. However, HI-Arts deals exclusively with the creative industries aspect of the Highlands and Islands Enterprise budget, so if a budget transfer was to take place and there was a clear delineation of responsibility on the creative industries, the matters with which HI-Arts deals should come under creative Scotland. An almost exact line could be drawn in relation to support for the creative industries and arts.

**Calum Davidson:** I have two points on that. First, I do not agree that the budget that HIE gives HI-Arts is a contribution towards the creative industries. On the business development side, we do quite a lot more. The budget that we give to HI-Arts is a contribution to what we might call creative infrastructure in the Highlands and Islands, rather than the creative industries.

Secondly, the reason why HI-Arts has worked so closely with the Scottish Arts Council over the years is because of the SAC's recognition that it could not deliver services in the Highlands and Islands from where it was and through its structure. Therefore, it needed an outreach organisation that was embedded in the enterprise organisation—with its community and development role—and which was physically based outwith the central belt. I see nothing in the bill that suggests that creative Scotland will be located outwith the central belt. One could argue that, for neatness, the budgets should be passed to creative Scotland but, in practice, that would be limiting and would reduce HI-Arts's impact. That is a good example of partnership between what will be creative Scotland and an enterprise agency. Setting down hard lines would reduce the impact of the partnership.

**Ken Macintosh:** I agree that HI-Arts is a model to emulate. You say that there has been no discussion of budget transfers in relation to HI-Arts. The local cultural offices in Scottish Enterprise have already been transferred. Are any other discussions going on, either with Scottish Enterprise or Highlands and Islands Enterprise, on the transfer of budgets to creative Scotland?

**Calum Davidson:** No.

**Adrian Gillespie:** No. Given the budgets and the projects that we support, I do not envisage that that will be the case. Our projects and our expenditure are focused on issues that we see as being clearly part of our remit.

**Ken Macintosh:** I do not expect you to hand over money to creative Scotland; I ask about the issue only because a stated Scottish National Party manifesto commitment was to transfer the creative industries budget to creative Scotland. I am anxious to get to the bottom of whether that will happen. The issue affects the definition and clarity of the remit. Your budget is clearly for economic development, but creative Scotland's budget is not so clear, because it is for the development of the arts and for the support of the creative industries. We are not sure where to draw the line.

So the discussions that you are having with the creative Scotland transition team are not focused on budget transfer and, as far as you are aware, the resolution at the end of the process will not involve budget transfer.

**Adrian Gillespie:** That is not part of our discussions. There has been a budget transfer for the cultural enterprise office—well, the responsibility for the office has been handed over. I do not expect our discussions to result in budget transfer, because that is not what we are talking about.

**Ken Macintosh:** Am I right that the creative industries budget is about £10 million?

**Adrian Gillespie:** It depends on what you include. Would you include Scottish Arts Council funding in that?

**Ken Macintosh:** I meant Scottish Enterprise's creative industries budget.

**Adrian Gillespie:** It is more like £2.6 million annually. However, the money is not set out in that way; the budget is based more on where the good projects come from. There is not a rigid divvying-up of funds across the industries.

**Ken Macintosh:** In the music industry, for example, HI-Arts has been very successful in providing a point of contact for most people in the industry who are looking for artistic and commercial support. Scottish Enterprise has found that kind of relationship trickier, and a lot of people in the music industry have felt pushed from pillar to post between the Scottish Arts Council and Scottish Enterprise without receiving either arts support or small business support.

It is a difficult issue. The Scottish futures music fund, which was established to deal with the problem, is part of Scottish Enterprise's budget.

**Calum Davidson:** It comes under HIE.

**Ken Macintosh:** I know that it is supported by HIE, but does it not go through Scottish Enterprise?

**Calum Davidson:** No. The previous Government allocated £200,000 to the Scottish music futures fund to test out a new way of working with the music industry. Because of our success, the minister at the time decided that HIE should administer the fund for the whole of Scotland, in close partnership with Scottish Enterprise. Although we managed the budget and oversaw the administration, individual companies applied to us through Scottish Enterprise.

**Ken Macintosh:** Thank you. I now recall the set-up.

Once creative Scotland is established, will it be in charge of such budgets or will they continue to be administered through the enterprise network?

**Calum Davidson:** You have highlighted an interesting example. The music industry felt that there was a funding gap, and we were testing whether the gap was real and whether coming up with a different financial instrument would have the desired impact.

I believe that the fund has already supported 20 companies, and the initial feedback is that it has been successful and that it has provided helpful support. We will evaluate the programme over the next two or three months and then feed back to HIE and Scottish Enterprise on how that kind of economic support might be mainstreamed in our standard business and financial services.

**Ken Macintosh:** But if more money were to be made available for that purpose should it be administered through the enterprise network?

**Calum Davidson:** The fund clearly had a business development purpose. The Scottish Arts Council was on the advisory panel, but at the moment it simply does not have the enterprise network's business development expertise.

**Ken Macintosh:** My last question is for Councillor McGuigan. Creative Scotland's funding will be a continuation of the funding for the Scottish Arts Council and Scottish Screen—and nothing else. Does that cause concern? If partnership funding to work with local government were made available, would that make things more attractive or make the relationship between you and creative Scotland easier?

**Councillor McGuigan:** As you know, local authorities play a major role in local regeneration. I do not want to get into a debate on the issue, but we certainly feel that if Scottish Enterprise made more resources available to local authorities, it would help to develop relationships with the



various community planning partners that operate alongside local authorities. I believe that creative Scotland has a role to play in that respect, and I certainly think that if those resources were to find their way to the appropriate interagency working groups to meet our shared aspirations with regard to improving people's quality of life, employability and so on, such a move could be only healthy.

**Aileen Campbell:** Concerns were expressed that in a previous incarnation of the bill there was too much potential for ministers to interfere in the arts. Are you content that the current bill protects the arm's-length approach?

**Calum Davidson:** It is not appropriate for me to comment on that.

**Aileen Campbell:** Do you wish to comment on that, Councillor McGuigan?

**Councillor McGuigan:** No.

10:45

**Aileen Campbell:** Do you accept that some comments in the COSLA submission—for example, the suggestion that there should be a local authority representative on the creative Scotland board—may run contrary to the arm's-length approach?

**Councillor McGuigan:** All of us want the biggest body of intelligence to be available to the board. A huge body of intelligence would come via the local authority representative on the board. Provided that the shared approach was well understood and was being discussed and reviewed continually against single outcome agreements and the concordat, having a local authority representative on the board would in no way compromise its decision-making processes but would assist them. If the parameters were set correctly at the beginning of the process, there would be no tension.

**Aileen Campbell:** The bill says that creative Scotland can work in partnership with others. Does that not create scope for local authorities to play a role in the new body, without being represented on the board?

**Councillor McGuigan:** The approach that we have outlined in our submission, which makes two requests for validation of the commitment to partnership working between creative Scotland and local authorities, would suffice. It would allow me to be surer that we could achieve something productive and useful in communities throughout Scotland.

**Aileen Campbell:** So you would prefer COSLA to be represented on the board.

**Councillor McGuigan:** Yes.

**Aileen Campbell:** Do you not see including such provision in the bill as contrary to the arm's-length approach? I assume that that is why the issue has been left open and why people are happy for appointments to the board to be made by ministers.

**Councillor McGuigan:** It is not necessary to dot every i and cross every t for creative Scotland in the bill. However, it makes eminently good sense for the collective intelligence of COSLA to be able to assist discussions in creative Scotland, through the sensible appointment of a local authority representative to the board.

**Christina McKelvie (Central Scotland) (SNP):** Good morning. I will pursue some of the issues raised by my colleague Aileen Campbell, especially those regarding the make-up of the board. Should particular constituencies be represented on the board? Last week we discussed whether the board should include a Gaelic speaker. Should such a person be appointed because they are a Gael or because of what they can offer the board?

**Calum Davidson:** I fully support the latter.

**Councillor McGuigan:** The board should include a good cross-section of people who know their business and are representative of the wider set of communities that we are looking to serve. I am not sure whether the bill should specify that the board must include a Gaelic speaker, but I have no difficulty with the suggestion.

**Christina McKelvie:** Okay.

**Councillor McGuigan:** You might also want to include a speaker of the Lanarkshire vernacular. That is a joke.

**Christina McKelvie:** If we made room for everyone, the board would be huge.

Why does COSLA think that it should chair meetings between board members and senior arts officers, instead of allowing officers to grow their relationships with creative Scotland?

**Councillor McGuigan:** The proposal would establish COSLA's commitment to the process. I can be very complimentary about officers, but sometimes it is important to manage them and to ensure that they see that a serious partnership has been established and is being reviewed on a regular basis. That can only help us to achieve the outcomes that we seek.

**Christina McKelvie:** Thanks for that. Schedule 1 lays down the mechanisms for appointments to the board. Good ministers take advice before making appointments and we have quite a robust public appointments system that guards against any sort of cronyism. Are those protections sufficient?

**Councillor McGuigan:** I do not know enough about the detail of that, to be honest. From what I have experienced in the past, they are pretty sound in the main, but I would not pretend to be an authoritative expert.

**Adrian Gillespie:** I cannot think of any reason why the protections would not be sufficient, but I do not know the detail of the system.

**Calum Davidson:** I have just watched HIE appoint its new board members; I was impressed by the thoroughness of the process and the quality of candidates that it produced, so I do not envisage any problem with the appointments process for creative Scotland.

**Christina McKelvie:** That is great. I have one final question: what are your views on the location of creative Scotland?

**Councillor McGuigan:** Oh, I have strong opinions on that. There is a wonderful regeneration of the symbolic Ravenscraig site in Lanarkshire and it is the ideal location.

**Christina McKelvie:** You just touched a soft spot for me.

**Councillor McGuigan:** My personal preference would be Ravenscraig. I cannot say much more than that.

**Adrian Gillespie:** I do not have a strong view on where creative Scotland's legal offices should be, but we are being encouraged to spread out across the country and work in Scottish Enterprise's regional offices, so the idea of having a central office is probably less relevant these days than it may have been in the past.

**Christina McKelvie:** Would you be in favour of co-location with other organisations?

**Adrian Gillespie:** Yes, that would be a good idea.

**Calum Davidson:** Yes, I would support that.

**The Convener:** That concludes our questions to you this morning. Thank you for attending. I am sure that my grandmother will be pleased that her councillor managed to mention her and her colleagues in the Krafty Ladies—something that her granddaughter has failed to do in the Parliament over the past nine years. I am sure that she will be pleased to read today's *Official Report*, Councillor McGuigan.

I suspend the meeting until 11 o'clock.

10:52

*Meeting suspended.*

11:01

*On resuming—*

**The Convener:** We move to our second and final panel of witnesses in today's stage 1 consideration of the Creative Scotland Bill. We have been joined by Linda Fabiani, the Minister for Europe, External Affairs and Culture; Heather Jack, the deputy director of the Scottish Government's culture and Gaelic division; and Greig Chalmers, head of creative Scotland and broadcasting in the Scottish Government. I welcome them all to the committee.

Minister, I understand that you would like to make a short opening statement before we move to questions.

**The Minister for Europe, External Affairs and Culture (Linda Fabiani):** Yes, convener, it is important. Thank you for inviting me.

First, I want to explain why we want to have the bill. Some people have asked why we are bothering with a bill if we are only bringing together the work of two organisations, but I believe strongly that that is not just what we are doing. Yes, the new body will deliver the general functions of the two existing organisations and start with the same broad areas of interest. It will also inherit the many successes of both bodies. However, we are establishing a new body with new functions, extensive powers and new approaches.

Creative Scotland will represent our ambitions for cultural excellence. It will nurture and inspire creative excellence and stimulate new ways of working and investing. It will work with others in the public and private sectors throughout Scotland to bring the arts and culture to an ever wider range of people. We want creative Scotland to lead and inspire Scots to realise the many benefits of arts and culture. We want it to be an advocate and leader for creativity and the creative economy across government and the wider public sector.

We want to put creativity at the heart of learning. We want to ensure that the best of our cultural excellence is at the forefront when we promote Scotland's identity to the world and that the economic potential of the creative industries is exploited to the full nationally and in nurturing attractive places to live and work.

It is right that we should bring a bill before the Parliament so that members can consider our ambitions. The bill symbolises a fresh chapter in Scotland's cultural endeavours and our determination to put the highest ambitions at the heart of our cultural agenda. There have been concerns about its timing, the transition process and the transformation of the Scottish Arts Council

and Scottish Screen, so I will say why we have introduced the bill now.

When I was appointed culture minister last year, one of my first priorities was to meet people in the cultural sector, and when I did I got a clear message from them that if change was on the cards, we should get on with it. They told me that they wanted action so that creative Scotland would become a reality and start to achieve our shared ambitions, therefore I decided to introduce the bill now—while important work on the exact detail of how the new organisation will operate is still under way—to put a stop to the uncertainty and speculation and place the creative sector on a firm footing.

I appreciate that that approach is unusual and has caused some frustrations for the committee and colleagues in the Finance Committee. I understand that and have absolutely no wish to inhibit detailed scrutiny of our proposals, but these are special times. We need to get creative Scotland up, running and succeeding as soon as possible. That is what Scotland's culture and creativity need, demand and are surely entitled to. Nevertheless, I take on board the point that we must do everything that we can to make swifter progress in providing more detailed information. My officials and the creative Scotland transition team have worked together to do just that. Consequently, the Parliament will have a detailed analysis of the financial implications of the transformation process before the detail of the bill is considered at stage 2.

I will say a few words about the creative industries and creative Scotland's role in relation to them. The creative industries are a successful and growing part of the Scottish economy; they support nearly 60,000 jobs, and have very bright prospects for further growth. It is our job as a Government to ensure that our services for those enterprises are effective and easy to use. That is why John Swinney and I asked the creative Scotland transition team to convene a short-term working group, involving the public bodies with responsibilities in the area, to consider how best to support the creative industries. We have received its report. We want to consider it carefully, but we will take forward some key recommendations, which I will share with the committee now.

The first recommendation is for our public bodies to establish a creative economy forum, involving all of the relevant national bodies and engaging with local government in the spirit of our concordat with it. Local authorities have a key role to play, and we consider them as partners. The creative economy forum is not another public body; it is a group of professionals who are charged with agreeing a shared framework to support and develop the creative economy. Their

challenge will be to allow no opportunity in the area to pass us by, and to ensure that we learn from and implement best practice. That will inform other processes, such as the work of Scottish Enterprise's digital media industry group. The report makes clear that we need imaginative co-operation—a team Scotland approach—that combines ambitious targets with simple, accessible delivery.

We intend that creative Scotland will bring specialised skills and add value to the team approach, therefore our second key recommendation is that creative Scotland should be the leading public body in advocating for the creative industries. It will share its intelligence and expertise, and perhaps people, with the enterprise bodies to help develop and form their strategies and actions in accelerating growth in the creative industries, similar to how they currently work with VisitScotland.

In that context, we also propose that creative Scotland will build on and evolve existing good practice—in the cultural enterprise office, for example—in providing complementary tailored services for creative entrepreneurs in the first stages of business development. Those services will dovetail with those that are offered by the business gateway and the enterprise bodies.

That leads to the third key recommendation: that creative Scotland cannot and should not be a competitor agency. It should not duplicate activity in the enterprise bodies or business gateway. They will continue to provide their agreed functions and maintain their emphasis on accelerating economic growth in their respective areas, through key sectors and companies with particular growth potential. Creative Scotland will support the important work that Scottish Enterprise and Highlands and Islands Enterprise are carrying out. Through the partnership model that I have set out this morning, together with our new initiatives to support Scotland's creative community, creative Scotland will enable the enterprise bodies to deliver on their responsibilities to the creative industries, as set out in the Government's economic strategy.

I thank the committee for the chance to make an opening statement.

**The Convener:** Thank you very much for your statement, minister. There was a lot in it, particularly in relation to your decisions around the recommendations of the short-term working group. It would be helpful if you provided further written information on that to the committee prior to the completion of our stage 1 report. There was a lot for us to take in, and if we had received the statement in advance of today's meeting it would have enabled us to ask you specific questions

about it. We would have had more of an opportunity to take it on board—

**Linda Fabiani:** I do not mean to interrupt you, convener, but to make it plain, we only received the report in the past couple of days. There was no intent whatsoever not to let you have the information. I had to make the decision about whether to outline it to you today in the spirit of moving forward and giving out information, but I am more than happy to let you have further information that is relevant to the report as soon as possible.

**The Convener:** Thank you for that offer and for clarifying the position. We look forward to receiving the written information formally.

You started your statement rather boldly by referring to the fact that some people have suggested that the bill is unnecessary and that you could fulfil your aspirations without it. It is clear that you need part of the bill, because legislation is needed to abolish the Scottish Arts Council.

**Linda Fabiani:** No. I clarify that, because the Scottish Arts Council was established by royal charter, we do not require legislation to do away with it. I had to consider and decide on that technicality.

**The Convener:** Thank you for that clarification. The information that the Scottish Arts Council gave the committee on that point a few weeks ago obviously was incorrect.

What will the bill do that the Government could not do just by committing itself to supporting creative Scotland and to ensuring that we have a body, such as creative Scotland, that will lead for the creative industries? What value will the bill add?

**Linda Fabiani:** As I said, I do not require legislation to create creative Scotland. We could have taken away the royal charter and abolished the Scottish Arts Council without legislation, but we decided that having legislation for creative Scotland was important, for many reasons. One reason was that a draft bill already existed. A lot of discussion had taken place about the way forward for the arts in Scotland. That started in 2003 with the then First Minister's St Andrew's day speech, which created many expectations about the arts and culture. That was followed by the Cultural Commission's report and a response to it from the Executive of the time.

I felt that we had to send out the message that action was now being taken. I looked at the draft bill, which contained a lot. I took soundings from key people in the field and decided that what was most important was the creation of a development body—an inspirational body to take forward how we see the arts, culture and the creative industries.

I wanted the Creative Scotland Bill to be as simple as possible and I wanted to make it very clear that the Government would have no power of artistic direction over the creativity of the arts. I also wanted to make it clear that art for itself is extremely important. That is why I altered the reference in the draft bill to the economic benefits of the arts.

My aims are to have a simple, clear and straightforward bill that establishes a body that will be creative and inspirational and will allow the arts and culture in our society to flourish. That is why I strongly wanted to introduce a bill without further delay.

I realise that much has still to be worked out, but the decision was taken to do that in tandem with the bill, to give the industry and the arts and culture sector comfort that we were taking action instead of having further consultation and more talking. I felt strongly that four years of that was more than enough.

That was my motivation for progressing the bill. We all have a fabulous opportunity to embrace what we are trying to do and to move forward to achieve the benefits for our community and for our economy that such cultural diplomacy brings throughout the world.

**The Convener:** What will the bill do that could not be done without legislation?

**Linda Fabiani:** What the bill does that could not be done without legislation is state absolutely the Government's intention for the arts and what we believe that the arts and culture should be in our society. The arts and culture should be led by artists and creators. The creative industries should be led by those who know what they are doing. The bill states that explicitly. It is also important to give the Parliament the chance to scrutinise the Government's plans. It is far better to do that through primary legislation and to go through all the processes than otherwise.

11:15

**The Convener:** It is indeed important for the Parliament to have the opportunity to scrutinise policy, but we could have had a debate on the subject in the chamber, or a statement could have been made, with an opportunity to ask questions. I am keen to get to the heart of what the bill will do to make a fundamental difference to the arts in Scotland that could not be achieved through a debate and by the Government making its policy clear in the chamber through a series of set-piece speeches, which would give members the opportunity to comment. We wish to know exactly what difference the bill will make.

**Linda Fabiani:** Had we taken such an alternative route, I would probably be sitting here being asked why I did not think the matter important enough to introduce legislation on it—what the heck; we could just have set-piece speeches and statements. I think that we did the right thing in introducing the bill. As well as allowing parliamentary scrutiny, a bill sends a message to the arts and culture sector and the creative industry sector, which have been waiting about for an awful long time to see the Government's aspirations for their sectors and how importantly we view them. It lets them know that we are serious about moving forward and letting them take the lead in what they do artistically.

**The Convener:** You said that you took soundings from some key people in the sector prior to introducing the bill. The draft bill that you inherited from the previous Executive had some proposals in it that you felt to be no longer appropriate. You took soundings from key individuals, but you obviously chose not to consult widely on your proposals. Why did you take that decision not to consult extensively on your proposals?

**Linda Fabiani:** Because I felt that the sector was suffering from consultation fatigue. I felt that there had been enough consultation. A massive amount of evidence had been given to the Cultural Commission, and its findings had been subject to a lot of scrutiny. A response was given by the then Executive. We already had a transition board for creative Scotland. I felt that people were aware enough of the reasoning behind the draft bill. I felt that I should speak to some key people to get soundings from them. Over the past four years, the subject was debated many times in the Parliament, in response to reports that had been produced. There is broad knowledge and understanding of what came out from the previous extensive consultation.

**The Convener:** So it was more about taking soundings from key people than letting the sector have a say on the proposals.

**Linda Fabiani:** Those key people were representative of the sector. You will find that there is a general welcome for the bill and for the fact that there is now some action instead of yet another review.

**Mary Mulligan:** Section 2 outlines precisely the general functions of creative Scotland. What particular functions go beyond what we presently have with Scottish Screen and the Scottish Arts Council?

**Linda Fabiani:** There is going to be a new way of working—that is what is important. The interim board and the transition team in creative Scotland

are working towards a new way of working. We have been much more transparent and less prescriptive about what the arts will bring. The bill will simplify the landscape. Creative Scotland will be much more of a development, enabling and facilitating body than what existed before. That is extremely important, particularly the very explicit—I am trying to think of the correct words, but I am getting myself a bit lost. We explicitly say in the bill that there will be a hands-off approach to artistic direction, with no interference. That is extremely important, and it underpins everything that we are trying to do.

On the specifics of the bill and the changes to the creative Scotland elements of the previous draft bill, I will pass you to Greig Chalmers.

**Greig Chalmers (Scottish Government Europe, External Affairs and Culture Directorate):** The question was about what is new in the bill, compared with the existing statutes. The functions that are specified in sections 2(1)(a) and 2(1)(b) mirror broadly the functions of the Scottish Arts Council as set out in its royal charter. A new set of functions is set out in sections 2(1)(c) and 2(1)(d). Section 2(1)(c) is about

“realising ... the value and benefits of the arts and culture”

throughout society. Section 2(1)(d) refers to creative Scotland's role in relation to the creative industries, which the minister described. The royal charter of the Scottish Arts Council also includes the function of co-operating with other arts councils in the United Kingdom. The two new functions in the bill are additional to the objects in the memorandum and articles of association of Scottish Screen, which are focused almost exclusively on film and the screen industries.

**Mary Mulligan:** That explanation is helpful. Section 2(1)(c) is debatable; my colleagues will ask about the specifics of how we introduce the function in section 2(1)(d).

You mentioned that the Scottish Arts Council has a commitment to work with other arts councils. Is that being dropped?

**Greig Chalmers:** No. It appears in the royal charter, and we expect creative Scotland to work with the arts councils that continue to exist in the rest of the United Kingdom. The commitment is not included in the bill, but the joint board and the minister are committed to it.

**Mary Mulligan:** Why is it not included in the bill?

**Greig Chalmers:** We could have included a long list of bodies with which creative Scotland might co-operate—the minister mentioned local authorities—but we did not want to include a list that was exclusive.

**Mary Mulligan:** I will return to the issue of relationships later.

**Elizabeth Smith:** Good morning, minister. No one doubts your passion and commitment. There is broad cross-party support for getting creative Scotland right, but as parliamentarians we need to scrutinise the bill and to be completely convinced of the reasons why creative Scotland will be better than the two existing bodies at fostering the creative ability and huge talent that we have in Scotland. Can you again put on record what you think creative Scotland can do that is not happening at the moment?

**Linda Fabiani:** What we are doing with creative Scotland must be seen in the context of the Government's wider agenda of taking a team Scotland approach to everything that we do. The strategic role is set by the Government, and all public bodies should work in partnership to the same end, to tie in with the Government's economic strategy. For example, our creative development agency will work closely with the enterprise agencies, for the greater benefit of Scotland. That is something new that creative Scotland will do. It will be a tighter operation than the two existing bodies and will have a general view of the entire culture and creative industries sector. It is important that there is awareness of what this small country is doing and how each public agency should tie in with the others. That is a fundamental difference in this Government's approach to public agencies—it is not limited to creative Scotland.

Creative Scotland will also have a key role in providing strategic leadership in the arts and culture. It is important that it should be seen as the key organisation and should have the respect that goes with that. Creative Scotland will work with local authorities. The other day, there was an interesting meeting between some of the transition team and local authority representatives about how those relationships could move forward.

I was absolutely clear that I did not want to be hugely prescriptive and lay down everything that creative Scotland should do and all the relationships that it must have. It would be anomalous if we talked about creativity blooming and then tried to stifle some of that creativity, whether in terms of culture or entrepreneurship, by being overly prescriptive. There is a fine balance to be struck, and by having legislation that is as clear and simple as possible, we will enable the process to move forward.

**Elizabeth Smith:** Why do you need the legislation at all to do what you have just described? Many of the features could appear without legislation.

**Linda Fabiani:** A big message needs to be sent. The transition team is working towards a

staff structure for the creative agency and has thoughts about where it might be located—for example, it might be collocated with other bodies, as part of the team Scotland approach. A lot is going on that deserves the respect of primary legislation. We want to ensure that what we are doing is absolutely transparent, so that no one is in any doubt that the strategic goal of this Government is to ensure that we have public agencies that are fit for purpose working for the betterment of Scotland.

**Elizabeth Smith:** Forgive me, but why do you need legislation to do that?

**Linda Fabiani:** As I said earlier, we could have decided to pass a small piece of legislation to get rid of the royal charter, then dissolve Scottish Screen as a company, before merging the bodies. Technically, I did not need to bring forward legislation, just as, four years ago, the previous Administration could have decided not to consult on a draft bill but instead just go ahead and create a new body. However, I do not think that I am wrong in saying that the previous Administration felt the same as I do, which is that the legislative process will enable there to be full public and parliamentary scrutiny of something that will fundamentally change the landscape for culture and the arts.

**Elizabeth Smith:** Let us assume that you are right, and that we need this bill. We have heard from several witnesses and read in some of the written submissions that a little more direction would have been helpful, as their roles would have been made clearer. Can you give us an idea of what you see creative Scotland's specific role being in relation to Scottish Enterprise?

**Linda Fabiani:** Again, that comes back to what I was just saying. All of the agencies and organisations that we are discussing are public bodies, so they should be working to the strategic direction of the Government, and they should be working together. Over the years, there has not been enough of that in government in Scotland, but we are getting to a point at which people are working better together.

Creative Scotland and the enterprise bodies should be working in partnership. They should be building on the report of the short-term working group that I mentioned, to see how we can best serve those who are contributing to our creative industries through the enterprise network and the creative network. Creative Scotland should have an advocacy role in how that moves forward.

Highlands and Islands Enterprise, from which you took evidence this morning, has a superb record of combining creativity and enterprise in its area. That is a fairly good model of what I am talking about. I know that there are differences

between the central belt and the Highlands, in terms of geography and so on, but HIE's methodology in its work with creators is sound. I want creative Scotland to take the best from what the Scottish Arts Council and Scottish Screen have done and move it forward, in partnership with the other agencies that are working to promote our culture.

11:30

**Elizabeth Smith:** I do not disagree. There is excellent practice in many of our artistic groups, and we have not needed a bill to pursue it. My point is that if we are to have legislation, we must be convinced that it will clarify the roles of the groups that are involved in promoting Scotland's artistic talent. Quite a few witnesses have told us that things have been too rushed and that some of the roles are not clear enough. Can you assure us that the issues have been properly thought through?

**Linda Fabiani:** Before I ask Heather Jack, who has very much been leading on this issue, to respond, I should point out that the existing bodies have never been under any great prescription in their dealings with other agencies. It is not as though we are taking anything away in that respect. If you put too much in legislation and try to overdirect how things operate, you begin to stifle what might turn out to be best working practice and to constrain development.

I admit that we decided to proceed quickly, and I gave my reasons why I believe that to be the right approach. However, everyone is now talking together, and I have great confidence that we will move forward. We have laid out the key principles of how the enterprise network and creative Scotland should deal with the creative industries. That work is starting to come together very quickly; the situation is evolving. Indeed, the think-tank involving the creative Scotland transition team and the local authorities has come up with some good examples of how people can work and move forward together. I believe that, instead of Government sitting down and theorising about how best to approach matters, we should simply allow all those who are responsible to be creative in their thinking and to say to us, "This is the best way of working this."

Heather Jack can tell the committee about the meetings and discussions that have informed our approach.

**Heather Jack (Scottish Government Europe, External Affairs and Culture Directorate):** As Anne Bonnar said in evidence to the committee, one of the key elements of creative Scotland's added value is its "field of vision" and its integrated and coherent approach to supporting arts and

culture. Such an approach will open up opportunities for partnership working with the widest range of individuals and organisations including artists; film-makers; creative practitioners; producers; the creative economy itself; national and local government, and agencies such as Scottish Enterprise and HIE; and other strategic partners, such as further and higher education institutions and commercial organisations operating at a UK level. For the first time, we have an opportunity to establish a national cultural development body with the widest possible role.

The creative industries have been mentioned a couple of times, and members have alluded to the drive in the sector for a much more coherent and co-ordinated support network to help creative individuals, businesses and practitioners to reach their full potential. Really good progress has been made and has been supported by the creative Scotland transition team, Scottish Enterprise and HIE. For the first time, a set of coherent principles for supporting the creative industries has been agreed to allow everyone to work in partnership in the creative economy forum and to develop policy for supporting the creative industries in a coherent and joined-up way that makes best use and maximises the impact of available resources. As a lead advocate for the creative industries, creative Scotland will be located in one place; will fill gaps and provide complementary tailored services to businesses; and will ensure that there is no competition and that the bodies' roles are clear and complementary. We still have to work on the proposal's practicalities, but that activity is very much in hand.

**Elizabeth Smith:** It would be helpful, minister, if we received feedback on the report that you received two days ago. After all, the implications that emerge from it might answer some of our questions.

**Linda Fabiani:** I think that you are right.

**Iain Smith (North East Fife) (LD):** Heather Jack talked about clarity and said that bodies would work more closely together. However, as far as I can see, the opposite is true. Because of the changes to the enterprise network, there is less clarity about who is responsible for certain aspects of support for the creative industries.

Can you clarify the situation? If a small creative body was seeking financial support for training and development, how many bodies would it now have to approach to achieve that? In the past, there was a one-door approach. There now seems to be a multiple-door, and perhaps even a revolving-door, approach. It is much more difficult.

The second issue is related but refers to the other end of the process. Who has responsibility

for driving forward development? For example, there is and has been a lack of clarity over which body—Scottish Enterprise or Scottish Screen—has the overall responsibility for developing the screen and broadcasting sector. How is that clarified by the creation of creative Scotland? Scottish Enterprise, Highlands and Islands Enterprise and creative Scotland seem still to have different roles, with no body having overall responsibility for driving the sector forward.

**Linda Fabiani:** Just to ensure that I understood you correctly, did you say that there is currently and has been confusion between the enterprise companies and, for example, Scottish Screen?

**Iain Smith:** There is confusion at present, and I do not see how the bill changes that for the screen industry, for example. There is also an issue about how many doors smaller bodies have to knock on to look for support. In the past, such bodies would have had a one-door approach through the local enterprise companies.

**Linda Fabiani:** It is essential that the one-door approach remains. We hear talk of the one-door approach, but I have heard from others in the sector that, although that was the theory, it did not work much in practice. That perhaps reflects what Mr Smith is saying about the confusion with Scottish Screen, Scottish Enterprise, Highlands and Islands Enterprise and so on. That is not necessarily something that has to be addressed in legislation.

The bill is enabling legislation, and it is crucial that all those who have a role in a sector get together and work out how best to serve those whom they, as public bodies, exist to serve. I do not believe that everything has necessarily to be detailed in legislation. The Government gives strategic direction, and our public bodies are on board to ensure that they are seen to work together to deliver the strategy. That is happening just now, through, for example, our discussions with the enterprise companies.

I was not able to follow everything this morning but, having seen the *Official Report* of previous evidence sessions with the many bodies that have been represented, I do not think that there is the huge confusion and concern that is being relayed to me from some quarters.

**Heather Jack:** In discussions that the minister has had previously and in the information and intelligence that come to us, as officials, and our colleagues in the Scottish Arts Council and Scottish Screen, concern has been expressed among the businesses that we are talking about that services are not and have not been as well attuned as possible to focus on the development of the businesses in a way that helps them to reach their potential. That, in part, is because the

individual companies do not grow as quickly in terms of employee numbers or are not as easily assessed in terms of measures of scale. The complementary support and the meeting of the gaps in provision that are being talked about will help to address those issues.

One of the working group's specific recommendations was about the bodies that we will see coming together in the creative economy forum—including local government, Scottish Enterprise and Highlands and Islands Enterprise—setting out the guidance that Iain Smith suggested is needed. That route map will be readily and publicly available to organisations so that it is clear to them, depending on their specific circumstances, whom they should speak to, in what circumstances they should speak to them and, perhaps more important, what kind and quality of service they should expect. That cannot happen without improved co-ordination and increased partnership working among the different bodies. That is why obliging them to work together in the way that we are doing is the right way forward.

**Iain Smith:** I have another small point—

**The Convener:** We are going to come back to the issue, Mr Smith, so there will be an opportunity for you to come back in. We have a number of subjects to cover this morning, and it is important that committee members can pursue them first.

**Aileen Campbell:** Throughout the committee's scrutiny of the bill, concerns have been expressed about the lack of definition of key terms such as "art", "culture" and "creativity". Do you acknowledge the existence of those concerns? Is there a need for such terms to be clearly defined, in order to provide creative Scotland and stakeholders with a clear remit?

**Linda Fabiani:** Over the years and in previous consultations, there has been a great deal of talk about cultural entitlements and definitions of "culture", "artists" and "creativity". I do not believe that such terms should be defined. If we define what creativity is, we will be in danger of stifling it. Definitions are constraining. I find laughable the idea of folk who want to be creative working their way through legislation or guidance to decide whether their brand of creativity matches one of the subsets that are listed. We should not define such terms.

**Aileen Campbell:** Was consideration given to the use of existing definitions—for example, the United Nations Educational, Scientific and Cultural Organization's definition of arts and culture?

**Linda Fabiani:** We considered such matters, of course. There are people who try very hard to produce such definitions, but we came to the conclusion that the definitions that have been used



in guidance and other documents are more about administrative collections than they are about defining the terms in question. Their purpose is to enable organisations to make decisions. If, further down the line, creative Scotland thinks that it is necessary to have guidelines on what projects it will fund or help to develop, for example, it might feel that such administrative collections are necessary, but it is fundamentally wrong to consider defining such terms in legislation.

**Aileen Campbell:** Will you explain the rationale behind creative Scotland's four functions?

**Linda Fabiani:** Yes. I have already spoken in broad terms about creative Scotland's enhancement and development role and its status as a creative organisation, but I will ask Greig Chalmers to explain the terminology and the legal situation, as he has experience of the previous arrangements, the consultation and the work of the Cultural Commission.

**Greig Chalmers:** I will deal with the four functions in order. The idea that underpins section 2(1)(a) is a general desire to promote art for art's sake, as it were. It is about increasing participation in, and promoting understanding and enjoyment of, the arts and culture. It is evident that the functions set out in section 2(1)(a) and the following three paragraphs are conditioned by what is said in section 2(2), which could be described as a provision that seeks to encourage greater diversity in the people who participate in the arts and culture.

If section 2(1)(a) is about promoting a general understanding and appreciation of the arts and culture, section 2(1)(b) is focused on what creative Scotland can do to support and develop talent and excellence. It is about finding talented people and considering how they can be helped to improve their practice. That links back to an object of the Scottish Arts Council, which is

"to develop and improve the knowledge, understanding and practice of the arts".

We think that the bill carries forward that function in new ways and widens it.

As we have discussed, we feel that there is a newness to section 2(1)(c). Although it does not deal with a new topic, it establishes a new function for creative Scotland, which we propose should realise,

"as far as reasonably practicable to do so, the value and benefits of the arts and culture".

We regard that, literally, as the body working to make the benefits real in, we envisage, a wide range of circumstances. For example, it might wish to work with health boards and hospitals to think about the ways in which cultural activities can help recuperation. I do not know whether the

committee has come across them, but there is a fascinating group of people called clown doctors, who go into hospitals. The idea sounds a bit funny, but it is incredibly successful.

11:45

We think that, working with bodies such as Architecture and Design Scotland, creative Scotland can help with improving the architecture and appearance of buildings. Creative Scotland can make real its values and benefits by leading and developing the debate around how a wider range of services is delivered.

Under the provisions of section 2(1)(d), we envisage creative Scotland taking a leadership and advocacy role with the enterprise bodies, as the minister set out earlier, in helping them to deliver the accelerated growth that we wish to see in the creative industries, which is one of the key sectors of the Government's economic strategy. In addition, where appropriate, we envisage creative Scotland providing specialised services to entrepreneurs in the first stages of business development.

**Aileen Campbell:** Are you confident that the bill will accomplish all of that and that there will be no need for further guidance to be issued later to creative Scotland?

**Greig Chalmers:** I think that, as the minister said, there will be a lot of need for operational guidance and effective corporate planning. However, as the minister said already, the bill seeks to be an enabling bill that provides a set of ambitious general functions that the body can interpret and implement.

**Linda Fabiani:** One of the roles of Government with regard to publicly funded bodies is to engage with them in the process of working out their corporate and business plans and their strategic direction. That role will, of course, continue with creative Scotland. I hope that it has never been the case that, after legislation has been introduced, people have been allowed to run away and do their own thing, with no monitoring of how things are being achieved. Discussion, dialogue and Government scrutiny go on after legislation is introduced, as does the development of strategy. We do not need primary legislation for those functions; we need enabling legislation that allows such functions to work to best advantage.

**Rob Gibson:** I turn to the subject of the economic and cultural priorities of creative Scotland, which some have regarded as being in conflict. Do you envisage that creative Scotland's responsibility for creativity and the creative industries will change the focus of support from the approach that has been taken by Scottish Screen and the Scottish Arts Council?

**Linda Fabiani:** The draft Culture (Scotland) Bill, which we inherited, covered not only creative Scotland but many other areas. We decided to move forward purely with the creative Scotland aspect of the draft bill. For example, we preserved most of the wording of section 8(2)(c) of the draft bill in section 2(1)(c) of the Creative Scotland Bill, but we removed the phrase:

“in particular, the economic value and benefits”.

We felt that it was important that we should not overemphasise the economic benefits of arts and culture—the creative sector constantly made this point to us—because the wellbeing and art-for-art’s-sake elements are every bit as important. I said that in my statement in Parliament. That is not to say that the agency that services the arts and culture should not take great note of the sector’s benefits to the country’s economy—of course that aspect will continue. I have already said how important the creative industries are.

The letter that the committee received this morning from Greig Chalmers to clarify some points that were made two weeks ago mentioned the extent to which our economy already benefits from the arts and culture. Primary legislation should in part be a measure of confidence and of what we are setting out to achieve. I would not like it ever to be considered that the only reason why people in this country partake of the arts or become creative is that there will be financial or economic benefit at the end. That is extremely important to me.

**Rob Gibson:** Calum Davidson from Highlands and Islands Enterprise, who was on the previous panel, gave a good example when he said that HIE had invested in the fèis movement in the Highlands for many years and that some of that had led to some participants creating enterprises. Do you envisage creative Scotland continuing to take that long view of how we support the arts and do you agree that the idea of art for art’s sake and economic issues are not mutually exclusive?

**Linda Fabiani:** They are absolutely not mutually exclusive. A long-term view is needed. I like the example of the fèis, although I did not hear Calum Davidson talking about that. The movement has been supported in some way for 25 years, and rather more now than it was before. I do not mean to make the political point that that has happened since we came into government. Over the past two or three years, because the fèisean movement has got involved with programmes such as the youth music initiative, there has been a lot more input from the Government and its agencies. That is a good example of something that started off as small and local, with people initially thinking that it might have no economic impact—that was not important at the time—but, as it has grown and become successful, an economic impact has

emerged. I am convinced that the fèisean movement’s economic impact is important, given the number of our young artists who not only perform and make CDs in Scotland, but go forth of Scotland to promote our traditional arts and culture. That is a fairly big economic benefit to us and comes directly from the fèisean movement and the commitment of the people who started it.

**Rob Gibson:** I am glad to hear that creative Scotland will continue to take that long view. What elements of support for the creative industries should creative Scotland deal with and what proportion of its budget will be used to do that?

**Linda Fabiani:** That is for creative Scotland to discuss. I return to the hands-off approach. Creative Scotland will receive the same level of core funding over the next three years that was committed for the Scottish Arts Council and Scottish Screen. It is up to creative Scotland’s board to make the artistic decisions. If the Government felt that something needed to be done, we could ask creative Scotland to take it on board and provide additional funding—that is an option. Alternatively, creative Scotland might want the Government to consider certain issues and come to the Government about that—that is an option, too. Matters move forward. There has always been a facility for discussion between those who are charged with providing the service and those who are charged with funding it.

**Rob Gibson:** So, for example, if there were concerns about the small number of new businesses, because of the ethos of creative Scotland working in the way that you suggest, people will have confidence and an understanding of how to proceed on that. Creative Scotland will benefit hugely from being part of the creative economy forum that you mentioned in your opening remarks.

**Linda Fabiani:** I believe so. I return to the example of Highlands and Islands Enterprise, which has done things rather well—nobody doubts that. For all sorts of reasons, it has been extremely successful in its work with the creative industries and the businesses that it has supported, some of which have been very small.

I have sometimes heard the view over the years—and I have found out more as a minister—that those who are creative are not taken as seriously as potential business successes as they feel that they should be by some of our agencies. The agencies have taken that on board.

It is extremely important that creative Scotland, working in conjunction with the enterprise agencies, should have an advocacy role before gateway services are accessed. That will give confidence to those who want to move forward with creative ideas that their first stop does not

necessarily have to be someone whose mind is in a business mode and who does not understand creativity.

The Arts Council, the enterprise companies and local authorities already have a joint initiative, whose name escapes me—

**Greig Chalmers:** It is the cultural enterprise office.

**Linda Fabiani:** That is the one—the cultural enterprise office. All the agencies that are involved in that feel that it provides a good way of working and a good way forward. We should examine and improve on that good practice.

**Rob Gibson:** You are saying that the bill underpins a raising of the game by each partner that is likely to take our creative industries forward.

**Linda Fabiani:** That has been recognised by our partners: by local authorities through their concordat; by the enterprise companies; by the transition board; and by the staff of creative Scotland—of the Arts Council and Scottish Screen. Great ambition exists, which can only be good. We should all welcome that and assist it as far as possible.

**Mary Mulligan:** Do you agree that creative Scotland will be the lead strategic organisation that deals with the creative industries?

**Linda Fabiani:** We must get away from the view that somebody must take the lead and somebody must be subordinate. Why cannot we all work together? That is the spirit that our public agencies have taken on. There is no particular need to say that this or that person is in charge. We should let our public agencies work together and tell us what the best way forward for the sector is. The agencies are already being imaginative about that—I cited stuff from the short-term working group—and the sharing of expertise is already being discussed. That is the way forward. All the bodies are publicly funded and should work towards the end that I described.

**Mary Mulligan:** I think that we all agree that publicly funded bodies should all work together to achieve the aims that you have laid out. However, concern was expressed this morning and in previous evidence sessions that a lack of clarity in the bill means that the agencies are unclear about what their roles are likely to be. That could cause confusion, which could lead to difficulties in developing partnership working. How do you intend to address that?

**Linda Fabiani:** We return to the confusion about what legislation should and should not do. I repeat that I do not believe that legislation should be so prescriptive as to tie down all those issues.

There is no doubt that change is always difficult. However, people are embracing change: in all our

public agencies, people are willing to move forward with it. One recommendation about which I have told the committee is that creative Scotland should be the leading public body in advocating for the creative industries. That role of advocacy and understanding will involve working in partnership with the enterprise companies and with everyone else who is involved.

We continue to have discussions and people are moving forward. I repeat that I have read the evidence to the committee, and I do not detect in it the level of confusion or negativity that is sometimes put to me.

12:00

**Mary Mulligan:** You are absolutely right to say that we do not always need legislation to bring about good relationships, but you have also said to us that we need this legislation. What do you think is absolutely necessary about the legislation? In what other ways will you develop the necessary leadership to move the creative industries forward?

**Linda Fabiani:** I have said this so many times today already. We need the legislation to allow parliamentary scrutiny and to send out the message that what we are doing here is extremely important, in that we are transforming the development of arts and culture in Scotland. We are creating creative Scotland to do all the things that we have talked about today. That is the reason for the legislation.

The rest comes from the discussion, joint working and partnerships that are going on as the bill is being scrutinised.

**Mary Mulligan:** I am having some difficulty with your responses and how they relate to the questions.

I have a specific question. This morning, COSLA suggested that it would be appropriate to have a member of COSLA on the board of creative Scotland, and that there should be biannual meetings between COSLA and creative Scotland. How do you respond to that?

**Linda Fabiani:** That is for COSLA to discuss with creative Scotland. Local authorities are already strongly represented on the transition board. That is one of the reasons for the recent summit between local authorities and creative Scotland. Those discussions will inform views, and I am sure that Councillor McGuigan will be very active in them, as he is in most things that he cares passionately about.

I welcome those discussions and the fact that Councillor McGuigan and COSLA feel that creative Scotland will be such an important organisation that they want to be at the heart of it.

The discussions about the make-up of the new board are continuing, led by Richard Holloway, who is the chair of the interim board, and the other board members. I am not going to sit here and say that I believe this or that should happen. I want to let people tell us what they believe would be the best way forward.

**Mary Mulligan:** I understand that there are on-going discussions, but I really just wanted to hear your view as the lead minister. Clearly, I am not going to get that.

**Ken Macintosh:** Minister, I hope you do not mind if I pursue again a question that was asked earlier. Scottish Enterprise gave evidence to the committee that it is responsible for the creative industries. Anne Bonnar also gave evidence to the committee that she believes that creative Scotland will be responsible for the creative industries strategy. They cannot both be responsible for the strategy. Which organisation do you think should be responsible for it?

**Linda Fabiani:** As I said earlier, the working group's report shows that creative Scotland will have a great advocacy role. In my statement, I quite clearly described creative Scotland's role in the creative industries. Having received the report within the past couple of days, we are now working with the transition team to consider that role in more detail. I gave some key points earlier in that respect.

As I said, it is not proposed that creative Scotland will take on the role or activities of the business gateway or Scottish Enterprise. That would just muddy the landscape more. However, creative Scotland will be able to give specialist services and advice to those in the field.

I mentioned that a creative economy forum will be set up—the recommendation to do that came from the working group and not from me or the Government. It was fed back to us that people want a forum of professionals in the field to inform work. There are key principles in that regard. The forum will do forward planning and bring work together.

At the heart of the approach is what is best for the creative industries, not arguments about who is responsible for this or that, where the money lies and so on. What is important is that the best possible solution is found, and the best people to inform that solution are those who have been working in the field for many years, who can get their heads together and work things out with the commitment that they clearly have, which was very much reflected in the short-term working group's report. When we give more details, as I have pledged to do, I am sure that members will see that for themselves.

**Ken Macintosh:** I hesitate to disagree, but it is the job of this committee and the Parliament to

know specifically who is responsible for which decisions and where the money goes and how it is spent. That is absolutely our role—and yours too, minister.

How much of the creative industries budget will be transferred from Scottish Enterprise to creative Scotland?

**Linda Fabiani:** That is currently being discussed as we move forward. As I said, it is about people working together to find the best possible solution for the creative industries; it is not about who holds the budget or where the expertise is. I do not know how I can put that more clearly or how I can say more clearly that the people who are best advised on the issue are the people who are working in the field, who have given themselves that responsibility. It is not for me to pre-empt the outcome of their work; it is for those people to come back to me and John Swinney and say, "This is the best possible solution."

**Ken Macintosh:** Earlier in the meeting, witnesses from Scottish Enterprise and Highlands and Islands Enterprise made it clear that no discussions are going on and that there are no plans to transfer budgets from the enterprise networks to creative Scotland. Are you saying that there are plans to transfer budgets and that discussions are under way? If so, who is discussing the money and how much money are we talking about?

**Linda Fabiani:** As I said, a high-level working group, which was made up of representatives from Highlands and Islands Enterprise, Scottish Enterprise and creative Scotland and my officials, submitted a report, in which it proposed the setting up of a creative economy forum, which will consider how the sector can best be serviced. There are no firm plans about transferring money, so whoever said that this morning was quite right—there is nothing on the table. The forum will discuss the best way to service the sector through joint and partnership working.

I wish that we could get away from the overemphasis on where things lie. To me the issue is clear and straightforward: public agencies, funded by public money and under the strategic direction of Government, should be working together to give the best possible service. That is what I think that the sector wants to do and I for one am happy to take the working group's expertise on board and to listen to the forum when it reports.

**Ken Macintosh:** Our witnesses from Highlands and Islands Enterprise and Scottish Enterprise made it clear that no discussions are going on and that they do not intend to transfer any money from their budgets to creative Scotland. Is it your

intention to transfer money from the enterprise agencies to creative Scotland?

**Linda Fabiani:** I will say what I have already said. I did not hear what the officials said this morning, but I am sure that it was perfectly right.

**Ken Macintosh:** They directly contradicted you. Were they right, or are you right?

**Linda Fabiani:** Convener, may I finish what I am saying without being heckled? This is an important point, which gets to the heart of what I am saying. We have to move away from absolute prescription by Government and let people come to us with the best solutions. The working group came to us to say that it wants to set up a forum to move things forward. When a route map of support for the activities that are so important has been set out and the best possible solutions for service users have been found, we will have to consider how best to fund things. However, what is most important just now is that we find the best solution for the way forward for people in our creative industries.

**Ken Macintosh:** The majority of the funding of the two bodies—Scottish Screen and the Scottish Arts Council—goes in grants or grant in aid to artists and organisations that are involved in the arts. Will that continue? How much money will go to the new duties that will be imposed on creative Scotland in relation to, for example, product development?

**Linda Fabiani:** I return to the hands-off approach. As I have said, we will give funding to creative Scotland to the same value as the grant funding over the next three years that the Scottish Arts Council and Scottish Screen receive at the moment for their core activities. The discussion goes beyond that of budget revisions. As happens with any Government, applications are made to Government for further funding—that might happen. At times, Government decides that there is a specific function that it wants carried out, and it asks one of its public bodies to undertake that. That might happen. Your question is hypothetical, and I am afraid I cannot answer it.

**Ken Macintosh:** The question was specific. Currently, there is no increase in budget, so you expect the new body to work within the existing grant-in-aid budget. However, you are imposing a new duty for product or service development on the new body. How will it fund that new duty? How will it pay for that? How much of its budget will it use for product or service development?

**Linda Fabiani:** Discussions on resources are going on—as is always the case with Governments. The main discussions are about policy and practice; the resource discussions will follow. There are no commitments on the table from Government beyond those that relate to the

functions that the Scottish Arts Council and Scottish Screen currently carry out.

**Ken Macintosh:** Was there not a commitment in the SNP manifesto to transfer the creative industries budget to creative Scotland?

**Linda Fabiani:** We also had a commitment to a referendum in 2010 that you wanted us to abolish. It will serve no one any good to start talking about manifestos at this point. What is important to me is what is best for the industry and the service users. We are listening to people about how to move forward, and we are taking information and advice from those who know best. That is what I will do as a minister—I will listen, and then decisions will be taken. The Scottish Arts Council already funds the cultural enterprise office, and there are already models of joint working in partnership in relation to the creative industries. That is not a brand new idea. We will consider the models that are already there and will take best practice from them.

**Ken Macintosh:** The commitment I asked about was the SNP's commitment. You might take advice, but is it still the case that you wish to transfer the creative industries budget to creative Scotland?

**Linda Fabiani:** As I have said, that is under discussion with—

**Ken Macintosh:** It is under discussion, but it is no longer a commitment.

**Linda Fabiani:** I have told you that there are discussions on policy and practice. In conjunction with John Swinney, I will take decisions on how best to service the sector as we go on. We are going forward in the right way at the moment. The agencies are talking together about where the expertise is. We have a team Scotland approach, and the Government is working to the benefit of all, so we do not have to be quite so prescriptive about where the money or expertise lies. We are all working for Scotland, and we will find the best way.

**Ken Macintosh:** I have another point of clarification. I believe that the transition costs involved in setting up the new body have to be met from the new body's efficiency savings. The Finance Committee has expressed some uncertainty about the extent of the transition costs. Will any additional transition costs, over and above the £700,000 each year already identified in the financial memorandum, also have to be met from the on-going costs of creative Scotland?

**Linda Fabiani:** Your premise is wrong. The transition costs are not being met from efficiency savings. That error was made in the Finance Committee's first report. Greig Chalmers clarified that on behalf of the Government but the error was replicated in the report. We have written again to

clarify that. Greig Chalmers will give you the details.

12:15

**Greig Chalmers:** We had a discussion at a Finance Committee meeting and a discussion following that meeting about funding the transition costs. Like all public bodies, the Scottish Arts Council and Scottish Screen are being asked to find 2 per cent cash-releasing efficiency savings. The moneys that are released are, as a matter of policy, to be recycled into the organisations' core activities. However, that is not how the transition costs are to be funded—they are to be found from the allocated grant in aid. It is not a matter of the bodies first having to identify savings and then reallocating money; we are talking about a separate allocation of money.

**Ken Macintosh:** But the point is that the costs are to be met from the grant in aid. In other words, any additional costs that are involved in setting up creative Scotland will have to be met internally. There will be no support in addition to the grant in aid that has already been identified.

**Linda Fabiani:** The Government will, of course, consider any request for additional funding from any public body, as any Government would. Such requests will be considered and decided on.

**Ken Macintosh:** So any additional costs will not be from internal funding. You are now saying that the Government might provide the funding.

**Linda Fabiani:** I am saying that the Government will consider any application that is submitted by the creative Scotland transition board, as it will consider any application that is submitted by any public body. That is how Governments work.

**The Convener:** Why did the Government not include the transition costs in the financial memorandum?

**Linda Fabiani:** As I said earlier, we decided to move quickly on creative Scotland. Doing so has caused some issues relating to the absolute clarity that we were able to give on the costs. We have given much more detailed information on the financial memorandum to the Finance Committee, and I have pledged to give a lot of further information prior to stage 2. It is difficult to provide detailed information about staff and potential staffing costs in particular. I think that members have a copy of the letter that was sent to the Finance Committee. We have detailed those costs that we can. Although there are certain costs that we cannot yet provide, we are working towards doing so.

**The Convener:** I think that everyone accepts that there may be changes around the peripheries as the costs relating to relocating to a joint site or

two sites or the number of staff who might be required are fully worked out, but we should consider the conclusion of the Finance Committee's report to this committee. That report states:

"Due to the lack of detailed information, especially around the set of assumptions behind the figures, and the range of possible costs, the Committee questions whether the Financial Memorandum does provide a 'best estimate' of the costs of the Bill. The Committee is also concerned that it does not appear to comply with the Scottish Government's own internal guidance on Financial Memoranda. The Committee understands that Ministers are formally responsible for signing off the accompanying documents and, therefore, strongly recommends to the lead committee that it pursues the issues raised in this report".

Do you agree that that is a damning conclusion by the Finance Committee?

**Linda Fabiani:** I have, of course, taken on board the points that that committee made and we are working closely on the implementation plan with the creative Scotland transition team so that we can provide much more detailed information prior to stage 2. We have accelerated work on that, and I have pledged to give further details in addition to the further details that we have already given.

**The Convener:** Have you at any point received representations from Government officials, the Scottish Arts Council or Scottish Screen—those who are involved in the creation of creative Scotland—that there would be costs as a result of forming creative Scotland?

**Linda Fabiani:** Yes. We are working closely with the bodies that are involved in establishing creative Scotland. The creative Scotland interim board is, of course, charged with considering the whole transition process, which involves costings, and we have on-going discussions with it.

**The Convener:** So you have received representations but you have chosen not to include anything in the financial memorandum.

**Linda Fabiani:** That is absolutely not true. I resent that assumption. We have continued our discussions with the bodies that I mentioned, as any Government would be expected to do. There is no way that I would hide anything from the Finance Committee.

**The Convener:** I was not suggesting that for one minute; I asked you to highlight where in the financial memorandum specific figures are given to cover the transition costs.

**Linda Fabiani:** We have sent specific figures for elements of the transition costs to the Finance Committee.

**The Convener:** Is it correct that there is nothing in the financial memorandum as presented to the Parliament?

**Linda Fabiani:** The financial memorandum as presented to the Parliament, via the Finance Committee, has been discussed in full by that committee and I have taken on board all that it has said.

**The Convener:** You may well have taken it on board, minister, but would it be right to say that the financial memorandum that was presented to the Parliament did not include any figures that covered costs related to the transition to, and establishment of, creative Scotland?

**Linda Fabiani:** It contained estimates of the likely costs of the transition over a two-year period.

**The Convener:** And those costs had to come out of the existing budget.

**Linda Fabiani:** Yes—out of creative Scotland's operating costs.

**The Convener:** No additional money was assigned for them.

**Linda Fabiani:** As I said, Governments will consider applications from their public agencies and bodies for funding at any time. Consideration will of course be given to any such application.

**The Convener:** Would it not have been wiser to have put a figure in the financial memorandum and allowed creative Scotland to come back to you if it became apparent that it needed additional money?

**Linda Fabiani:** With respect, convener, that is a decision for the Government. With the transitional board of creative Scotland, we have decided to move forward and work jointly towards that end.

**The Convener:** It is indeed a decision for the Government and it appears that, on this occasion, it has decided not to fund the transition fully. However, that is no doubt something to which we will return.

**Linda Fabiani:** No doubt.

**Malcolm Chisholm (Edinburgh North and Leith) (Lab):** I apologise for being late; I was at another meeting. I will stick to the questions that have come up since Aileen Campbell's question about definitions.

Minister, you have tried to separate the policy and resource issues around creative Scotland. As the written evidence shows, and as you will discover if you talk to various arts bodies as I have done, many of those that have traditionally been funded have genuine and considerable concerns that, under the new arrangements, they will be squeezed considerably because of creative Scotland's expanded role. Do you agree with that?

**Linda Fabiani:** That is a concern that people always have anyway, as we can see from the

recent results of the second round of the Scottish Arts Council's flexible funding, which was put in place in, I think, 2006. There are always arts bodies that feel that they have not had the funding and recognition that they deserve. That flexible funding round was oversubscribed by 50 per cent, so there will always be applicants who lose out. However, it is important that the body that is charged with making those decisions makes them transparently. In that regard, creative Scotland will not be much different from what we have had before. To be frank, it will not be able to fund every extremely worthwhile venture that applies for funding.

**Malcolm Chisholm:** The ground for the new concern is that the budget is not expanding, but the remit is. That might be one of the factors that has led to the demand in the written submissions from several organisations for a definition of the arts that takes the form of "the arts, including ...". They suggest, not an exclusive definition, but one that names certain areas to which creative Scotland would be required to give attention. For example, the literary community has been concerned that literature should be mentioned. There has also been a concern that language should be mentioned. For example, the Scots language has just lost the funding that it receives from the Scottish Arts Council and I am told that creative Scotland has expressed the view that funding the Scots language will not be a matter for it. Is there a case for having a definition of the arts that includes certain things that the Parliament thinks require to be given attention? That would not in any way exclude other areas that may arise in future.

**Linda Fabiani:** The Scots language folk have not lost their funding; they are being funded until the end of March next year, under the first two years of the flexible funding. I have already taken on board the fact that there will be a Scots language audit, the first that has ever been carried out in Scotland. The Arts Council is pledged to it, too. When the results of that audit come back to me, I will examine them to see how we can best assist that extremely important sector of Scottish culture.

Scots continues to be funded by the Arts Council. That includes Itchy Coo publications, for example. Scots has not lost its Arts Council funding in this round. I do not know where Mr Chisholm gets the view that the language is not something that creative Scotland will take on board. This is the first time that I have ever heard that said.

I return to the idea of defining what culture is, or who is or is not an artist. I am absolutely content to acknowledge and celebrate artists and the fantastic culture that we have, but I do not believe

that that requires any statutory expression. In the operation of a strategy, organisations will sometimes feel that they must define some kind of administrative collections that require to be looked at, of which literature might be one. That is the best way forward, and it allows for an organic growth in creativity and the arts.

The creative Scotland interim team has been charged with, and is in the lead in, investigating potential for new methods of funding. That could include not just issuing grants, but soft loans and the encouragement of additional sponsorship. That is hugely important. I do not believe that the amount of sponsorship that comes from individuals and companies in the arts has been celebrated or recognised enough over the past few years. A lot of people are doing some absolutely super things and I commend Arts & Business Scotland, in particular, whose function is to accelerate that relationship. Work is going on in partnership with the enterprise bodies to consider methods of support. The creative industries have boomed over the past few years and it is time to consider new ways of engaging with and supporting them.

**Malcolm Chisholm:** The minister might not be aware of this, but Scottish Language Dictionaries is losing more than £100,000 of funding from the Scottish Arts Council at the end of the financial year.

**Linda Fabiani:** I am absolutely aware of that.

**Malcolm Chisholm:** Keeping to the generality, however, we have heard several speeches from the transition team about grant funding being seriously reduced and new forms of funding being investigated. Venture capitalists have been mentioned—we can all live in hope.

The minister must realise that the reduction in funding feeds into concerns from the artistic community that it will not be able to get the kind of support that it has enjoyed over the past few years. The main reason for that is the flat-lining budget and the big new role for creative Scotland. You made it clear to Ken Macintosh that there would not be a transfer of resources. People are bound to ask where the money for the creative industries will come from.

Given the vagueness of the bill, how are we to know exactly how big the role of creative Scotland will be in the creative industries? Nobody is asking for it to be tied down in detail, but there is an uneasiness in the artistic community, and among some parliamentarians, that we are being asked to agree to a bill that—even if it is worthy—is so vague that it almost says that creative Scotland may do what it likes with the flat-lining level of resources that we are giving to it.

12:30

**Linda Fabiani:** The bill is not vague. It quite clearly says that we will have an agency, which will be creative Scotland, and what it will be charged with. That is the bill. It is not vague. Then there are the working practices and the detail of how everyone works together, on which the work is on-going. It is a shame that Malcolm Chisholm was not at the meeting when I read out my statement—he can read it in the *Official Report*. I mentioned that our short-life working group reported within the past few days and made some key points about the creative industries and how creative Scotland and the enterprise companies should work in the future to deliver what is best for the sector.

I cannot remember what else you said.

**Malcolm Chisholm:** I just have one final question. I thank the convener for allowing me to speak in any case, since I am not a member of the committee.

The simple question is how creative Scotland will do all this new work with the creative industries—which we very much welcome—without affecting its support for what we might regard as the more traditional arts organisations, including, crucially, community arts organisations. Is there anything in the bill to reassure community arts organisations?

**Linda Fabiani:** It is important to recognise the strategic role of creative Scotland; it is not all about issuing public money and grants. The SAC does some fairly strategic stuff, so it is not a new concept.

I want creative Scotland to act as a catalyst for creativity and to deliver on particular priorities, but it does not have to do everything. It can be a catalyst for change and it can add value by facilitating the development of the way forward. It can act as a catalyst for all the agencies involved to have discussions and come up with a strategy for the way forward. It can also build connections between the public and private sectors. It should be looking at all those roles.

The issue is not particular to Scotland. The creative industries have developed fairly recently in our history and have become recognised as part of our culture. We have a huge opportunity and we must get it right—I want to ensure that we do. That comes back to having a bill to establish creative Scotland and using the bill to get it right. I feel that we are on the way to doing that.

**Aileen Campbell:** Witnesses have welcomed the arm's-length approach that has been built into the bill, compared to that outlined in the draft bill. Some concerns were raised about section 4(2) of the bill, which states:



"Ministers may make further grants to Creative Scotland for particular purposes."

What reassurances can you give to the industry, over and above what you have already said, that section 4(2) does not run contrary to the arm's-length approach that was passionately requested by the sector?

**Linda Fabiani:** Section 4(2) states:

"In addition to any grants made under subsection (1), the Scottish Ministers may make further grants to Creative Scotland".

That is what I was talking about earlier. The Government will decide the budget strategy for creative Scotland, but that does not preclude creative Scotland—as the Scottish Arts Council would do now—from coming to us and saying, "This is something that we would like to do," and bidding for funding. It also does not preclude the Government from saying to creative Scotland, "This is something that we would like you to do. We believe that it fits in with our strategy. Is it something that you would like to administer for us?" Creative Scotland may well say, "Yes, we would like to administer that." That is what section 4(2) allows. Section 5(2), which is about directions "relating to artistic or cultural judgement"

ties in with the provision in section 4(2), so you have to look at one along with the other. Greig Chalmers will give the committee more details.

**Greig Chalmers:** Section 4(2) gives statutory expression to something that has existed for some time. We give what are referred to bureaucratically as restricted funds to the Scottish Arts Council and to Scottish Screen. For example, we give the Scottish Arts Council £10 million for the youth music initiative and ask it to implement it.

Perhaps I can help to alleviate concern with a hypothetical example. I do not imagine that this will happen, but we might, under section 4(2) offer the Scottish Arts Council a certain amount of money for, say, dance. In theory, it is open to the arts council—pardon me, creative Scotland—to say, "In our cultural judgment, we feel that that's not a good thing to do; we don't want to do it, so we're not going to accept your offer." I do not wish to stray into interpretation, but if creative Scotland refused an offer of grant made under section 4(2), section 5(2) would mean that ministers could not direct it to take the grant because the objection related to creative Scotland's "artistic and cultural judgement". I hope that that helps.

**Christina McKelvie:** On governance, can you give us a wee idea about what lies behind the proposal for Scottish ministers to appoint members of the creative Scotland board?

**Linda Fabiani:** That is what currently happens under the public appointments system for non-

departmental public bodies. I see no reason why creative Scotland should be any different.

**Christina McKelvie:** Do you feel, then, that the current public appointments system is robust enough?

**Linda Fabiani:** That is an interesting question. The system is certainly robust; indeed, Heather Jack and I recently received what might be called representations from people who think that it is so robust that it discourages and is disadvantageous to those who want to serve. Of course, that is a matter not for Government but for the Commissioner for Public Appointments in Scotland.

**Christina McKelvie:** What is your view on the suggestion that members of the House of Lords will not be disqualified from being board members?

**Linda Fabiani:** A couple of people have raised that with me. Elected members are not able to serve on the board in a personal capacity, but members of the House of Lords are not excluded from doing so. I do not see a strong argument for not allowing someone to apply just because they are in the House of Lords. After all, a life peer could have extensive knowledge of the arts and culture, and the public appointments process would clearly show whether their skills would be valuable to the board.

**Christina McKelvie:** Who should be on the board? Should, for example, a Gaelic speaker be appointed to the board simply because they speak Gaelic, or because they bring something positive to the board?

**Linda Fabiani:** Ensuring that board members have a huge mix of appropriate skills will be important—indeed, it will be an overriding factor—in moving the organisation forward and the transition team, headed up by the chair of the interim board, is considering which model will be the best in that respect. COSLA has said that it wants to be represented on the board, which would be allowed—MSPs, MPs and MEPs are disqualified—and the issue is under discussion.

As I said, the overriding factor is that we have the right mix of skills. Having approved a few appointments to the board and having had to go through the piles of papers that arise as a result, and given that independent assessors are involved, I feel that the system is robust enough to cover the requirements for a vacancy on the board.

**Christina McKelvie:** Who should decide the location of the new organisation?

**Linda Fabiani:** Of course, that is a decision for ministers; that is just the way it is. However, we have asked the interim board for its suggestions.

The Scottish Arts Council building in Edinburgh and Scottish Screen's offices in Glasgow are on lease, and various ideas such as cultural hubs and collocation with other agencies have been mooted. I am interested in hearing the board's proposals and will certainly consider them carefully. What is absolutely essential, however, is that creative Scotland's location, wherever it is, provides the best value for the public purse. It would be great if we could wave a wand and everything could happen overnight, but we will have to be pragmatic about the matter.

**The Convener:** That concludes the committee's questions and, indeed, our business for today.

*Meeting closed at 12:41.*

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