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From: Richard
Sent: 08 February 2005 12:14
To: Karen; Ian; info
Subject: FW: Pan-sectoral questions HIE response[Scanned]

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Creative
Industries



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-----Original Message-----

From: Iain Hamilton [mailto:i.hamilton@hient.co.uk]
Sent: 03 February 2005 10:52
To: Richard
Subject: Pan-sectoral questions HIE response[Scanned]

<<Pan-sectoral questions HIE.doc>> Sorry for the delay in this, but we wanted to make sure as thorough a response as possible. If there is anything that you wish to discuss further or is not clear, please do not hesitate to get in touch.

Regards

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Cultural Commission

CULTURAL COMMISSION

STAKEHOLDER CONSULTATION: PHASE 2

PAN-SECTORAL QUESTIONS

NOVEMBER 2004

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Rights, Entitlements and Responsibilities

1. How should cultural rights and accompanying entitlements and responsibilities be used to develop both cultural policy and appropriate standards for the provision/delivery of culture in Scotland?
2. Should cultural rights be enshrined in law?
3. Should cultural rights, entitlements and responsibilities reflect or link to other areas of social policy, such as inclusion or social justice and, if so, how?
4. Who should have guardianship over cultural rights, entitlements and responsibilities and how should they exercise their authority, particularly in relation to non-conformance?
5. Who should have responsibility for the review and potential amendment of cultural rights, entitlements and responsibilities and how should this process be conducted?

As Senior Development Manager – Creative Industries for Highlands and Islands Enterprise, I have a very specific remit to look at economic development. However, HIE is absolutely clear on the importance of culture as a means of both economic and social development, and sees culture as a key ingredient in the regeneration and development of the Highlands and Islands. Cultural activity creates the communities that keep the area alive, and also without the not-for-profit sector, we would lack the flow of creative talent that the creative industries requires if it is to continue to boost the economy of the area. Because of this understanding of the interdependency of both the commercial and not-for profit sector, I believe we have been successful at avoiding the very real danger of making the two areas mutually exclusive. Cultural issues should clearly be reflected in policy areas such as social policy, but we must lose sight of the Creative Industries as an important and growing economic sector. This is highlighted by the recognised success of Smart Successful Scotland, which particularly in the Highlands and Islands version, connects economic, social and cultural development.

For cultural rights to be effective, this understanding of the differences and interlinkage between the not-for-profit and commercial needs to be fully understood and recognised and the executive has a role to encourage this understanding of the value and benefits to be had, across all organisations and agencies that it deals with.

Cultural Leadership

6. A number of stakeholders have bemoaned the lack of cultural leadership in Scotland but what sort of leadership is actually required?
7. What role should the Scottish Executive play in cultural leadership, how should it interface with the cultural sector and what influence should it have, if any, over cultural policies and priorities?
8. Is the arms-length principle still appropriate and, if so, how should it be enforced?
9. Who should appoint the leadership of the cultural sector and to whom should the leadership be answerable?

10. What role should local government play in cultural leadership, including policy making, and how should it balance its responsibilities to the electorate with the needs of artists and citizens across Scotland?
11. What role should Universities, Colleges and other centres of artistic/academic excellence play in the defining of Scotland's cultural strategy and how should they be represented in the cultural leadership of Scotland?
12. What role should the private and commercial sectors play in the cultural leadership of Scotland?
13. How do we give artists a stronger voice in the decision-making (planning and funding) processes at national level and how should artists be effectively represented and consulted?
14. How do we give grassroots organisations a stronger voice in the decision-making (planning and funding) processes at national level and how should the grassroots sector be effectively represented and consulted?
15. How can we ensure the appropriate strategic and operational alignment between Scottish cultural agencies/organisations and UK cultural agencies operating in Scotland?

The main issue over cultural leadership is not one, I believe, of creating new organisations to take leading roles, but rather, to actually clarify what the role of the existing organisations actually are, and where necessary to remove duplication. As expressed in the previous section, there is a real need to understand the links between the not-for-profit and commercial sectors. However, it would seem the Scottish Arts Council has some difficulty addressing successfully the Creative Industries as it is not geared up to do this. Similarly, Scottish Enterprise does not currently have a remit for cultural and social development, which again can make their ability to address culture and the creative industries difficult. Our experience in the Highlands and Islands, and the HIE Network's track record in stimulating cultural, economic and social development leads us to believe that the leadership in this area, should not be restricted to any single organisation. This clarification of the roles and boundaries of existing organisations would also allow for a more cohesive approach to dealing with UK organisations.

Highlands and Islands Enterprise already works closely with the Executive, and has its remit for Social and cultural issues written into the operating policy, Smart Successful Scotland Highlands and Islands Dimension which comes directly from the executive. The strategy to achieve the goals set out in Smart Successful Scotland – Highlands and Islands Dimension, has been developed by HIE's policy of working with a range of intermediaries and partners involved in cultural and creative industries ensuring that we can work together to create an environment that will allow culture and creativity to flourish.

By encouraging and supporting the development of grassroots organisations, ranging from the feisean movement to trade associations such as AIMhi (Association of Independent Media Highlands and Islands), the music trade group HAIL (Highlands and Islands Labels) and the arts development agency Highlands and Islands Arts, we have been able to maintain direct links with industry and the cultural sector. This offers an opportunity for direct contribution to policy making, and the creation of genuine partnerships. Good examples of this can be seen in:

- **AIMhi has been contracted to manage skills development in creative industries for HIE, resulting in a forum involving a wide range of national and local organisations providing support and advice to HIE. After a recent joint visit between AIMhi and HIE with the New England Creative Economy Council, the developer of their strategy stated that “Collaboration, not only with regional peers but also with partners in other parts of the world, is critical to the growth of the creative economy. I was therefore highly impressed by H&IE’s understanding and commitment to establishing global networks that link complementary economies. Because so much of the creative industries development work addresses urban-based concerns, H&IE’s commitment to developing programs and linkages geared to the unique needs of rural communities is particularly valuable”.**
- **HAIL organising a series of showcase events, that link opportunities for training, new business starts etc for HIE, PSYBT, Careers Scotland, New Deal etc and all aimed at more than music – HAIL has just received an international award as recognition for its work, and in a recent independent evaluation it was suggested that “HAIL is an example to the industry in general, of what diverse companies, spread throughout a huge geographical area, can achieve. HAIL is held in high regard far beyond the Highlands for showing what independent labels can achieve through collaboration and partnership”**
- **Channel 4 IDEASfactory working with trade groups and cultural organisations to provide specialised ‘signposting’ service to new business starts in the creative and cultural sectors.**
- **HI Arts management of specific arts related budgets such as the touring fund on behalf of HIE.**

This is a model that the Executive could perhaps follow with other organisations, as HIE has developed a reputation over a number of years, for the successful delivery of its social and cultural remit, as well as the more traditional economic development. This has meant that HIE has been able to work more effectively with the commercial end of the cultural industries, by being able to address issues such as the requirement for a constant flow of new creative talent that is largely developed by the not for profit sector. HI Arts has been working successfully with HIE in this fashion for around 15 years.

Pan-Sectoral Planning

16. What is the opportunity for more effective pan-sectoral planning and what actions are required to establish an appropriate pan-sectoral planning regime?
17. What should be the scope (timeframe, level of detail, etc.) and authority of any new pan-sectoral planning regime?
18. What should be the governance (representation, etc.) of any new pan-sectoral planning regime and what role should the Scottish Executive and local authorities play in the process?

19. Who should represent the individual cultural sectors in any new pan-sectoral planning process?
20. How should any new planning regime reflect the differing needs, priorities and traditions of artists and communities across Scotland?
21. To what extent should the authority of any new pan-sectoral planning regime extend into decisions on funding and, if so, how should it execute these additional responsibilities?

Where possible, the planning process should be carried out at a regional level. There is of course still a requirement for planning at a national level for certain elements – national companies or perhaps international marketing in some instances. Again, clarification of the roles and boundaries of existing organisations is essential for the planning process to be effective. We do not believe there is a need for a new organisation to carry out the planning. Rather that existing organisations are clear on what they are trying to achieve, and who they need to work with to do this. Again, we would suggest that the model of working with local partners and intermediaries allows a much wider range of people to have a voice in the planning process, but without making it impossible to achieve a conclusion to the planning process.

Funding arrangements

22. Is the final decision about how much public money is allocated to the cultural sector appropriately in the hands of the Scottish Executive or is there a valid alternative method/process of calculation?
23. How and by whom should the division of funds between the individual cultural sectors be decided and how should we establish appropriate pan-sectoral evaluation criteria?
24. How and by whom should the division of funds within individual cultural sectors be decided and how do we ensure that these funding arrangements support the achievement of pan-sectoral and inter-sectoral objectives?
25. How and by whom should the funding awarded to national companies be decided and what sort of funding arrangements should be in place?
26. What influence, if any, should national agencies have over local authority spending decisions?
27. What role, if any, should the national agencies have in the funding of non-national organisations or should the funding of locally or regionally based cultural organisations be devolved to local or regional level?
28. How can we simplify and streamline the process for both organisations seeking funding from national agencies and for organisations seeking funding from local authorities?
29. What are the opportunities to move to a more co-ordinated approach to capital planning and corresponding grant allocation (including lottery funding) in Scotland and how should such an approach be organised and managed?
30. Should a certain amount of state money be 'guaranteed' for the traditional and indigenous arts or should all cultural output be judged strictly on its artistic merit?
31. How can we improve the process for awarding 'initiative-based' funding to cultural organisations, particularly monies linked to other governmental initiatives (social inclusion, health, etc.)?

32. Can we improve the current methods of funding and should we consider alternative methods such as endowment style funding or longer funding horizons (5 year agreements, etc.)?
33. How can we demonstrate prudent and effective use of public money whilst allowing funded organisations greater, and arguably more appropriate, financial autonomy?

With an effective consultation process, there is no reason that the Scottish Executive should not continue to decide on public money allocation, however, administration of these funds should be carried out at a more localised level. There are obviously occasions when this will be inappropriate i.e. certain pan-Scotland projects, where budgets are too small to effectively split between regions or where no appropriate organisation exists to administer the funds. More localised decision making will ensure more effective delivery of regional targets, and allow for more structured regional development plans, but also ensure more effective monitoring and evaluation of projects.

Other key issues that would make a significant difference to organisations would be to have longer term support packages. The standard support packages are often too short for a realistic chance of a project becoming self sustaining. There are also issues created by the continued use of project funding which encourages organisations to take on increasingly large workloads, continuously taking on new projects for funding.

I would also suggest that the Executive has a role to encourage a greater understanding of the role of culture so that it is not necessary to always create new support mechanisms i.e. HIE actively encourages people looking to set up their own business within the creative industries through the general new business starts scheme. A recent study by Glasgow University shows that the growth rates for people going into Creative Industries are the highest in Scotland, and our own new business starts also show extremely impressive business start rates for women and young people – typically groups that figure more highly in creative industries than most other industry sectors.

Standards & Evaluation

34. What standards of outcome, output, process and governance is it appropriate for a funding body to impose on a recipient of funding?
35. How do you establish proper standards of outcome, output, process and governance without compromising artistic integrity and/or local empowerment to meet local needs?
36. How do we achieve appropriate consistency of standards within and across the cultural sectors?
37. How do we achieve appropriate quality and consistency of evaluation within and across the cultural sectors?
38. What sanctions should a funding body have against a funded organisation that does not meet the required standards and what rights of appeal should funded organisations have if they feel they have been incorrectly or unfairly adjudged to have not met the standards defined by their funders?

In our opinion the key issue here are:

- Ensuring that the goals of any funded organisation/individual are clearly identified
- Ensuring that funding is focussed on specific objectives, particularly when public funding is involved and finally,
- Ensuring that the management/resources are in place to administer the project

The first issue is I believe the key. There is a danger in a grant culture that projects are developed because the money is available rather than because of any particular artistic or cultural merit. This is particularly true because of the difficulty of finding core funding rather than project funding. Realistic term core funding for an organisation can help to ensure that organisations can realistically focus on key outcomes and targets. For example, we now take a middle ground to fund partner agencies, where we actually contract with them to deliver specific services. These services are obviously inline with their own aims and targets, and help us to maintain a closer relationship with the actual sector. We use this model with our all of our partners in creative industry development work, and again this model has been working successfully with HI Arts for around 15 years.

Obviously this is more difficult to do with individuals, but again I would suggest that with local support networks made available, further support can be provided to individuals easing the pressure of business/management issues. We have worked to ensure that the local trade associations can provide management support where it is required. By ensuring we have suitable support mechanisms in place, we can help to ensure that appropriate management resources are made available where possible, but are aware that this process should perhaps be developed further.

This administration and good practice also requires better education and mentoring/advisory services. Education for funders in what is involved in working in the cultural sector, and for the creative entrepreneurs, and understanding of the requirements placed on funding organisations. Without ensuring an understanding of what is required in terms of administration and reporting, we cannot expect quality governance. Providing support services locally, perhaps encouraging better the use of central support services between individuals and organisations and through education, we can ensure parity of standards.

Sanctions are not required, provided there is effective project management, and a clear definition of goals and outcomes. Again the danger comes for the funder, in the perception of funding as a right, where undue pressure can be placed to continue to support and organisation, that may not be meeting acceptable standards, but is perceived as working in an area deemed to be of cultural importance. Most public funding organisations will already have an appeals procedure, but these may need to be considered to ensure that there is an appropriate expert involved, or even more importantly, that the process is clearly explained when the funding process begins.

Operations and administration

39. What is the potential for new technology to improve the efficiency and effectiveness of cultural administration in Scotland and how should that potential be realised?
40. Is there an opportunity to introduce a more co-ordinated management of cultural property, particularly given the problems experienced by many cultural organisations with listed and/or high-maintenance buildings?
41. What are the merits and practicalities of assigning pan-sectoral responsibilities for matters such as advocacy and IT development to a single organisation(s)?
42. Where does responsibility lie for Scotland's international cultural development and what are the opportunities for greater collaboration between Scotland and the relevant UK, EU and UN (UNESCO) policy making bodies and cultural networks?
43. What strategic, operational and attitudinal changes are required to ensure that there is a continual increase in the percentage of available monies spent in Scotland on performance and participation as opposed to management and administration?

New technology is extremely important to cultural administration. Technology offers an opportunity to make available the type of education mentioned in the previous section. It also offers the opportunity to allow pooling of resources for organisations to share a central administration, reducing costs and sharing best practice.

We are not in favour of a single organisation having responsibility for advocacy and IT for the whole of Scotland. Different types of organisations and geographic areas will have different requirements. The executive could again look at regional organisations to encourage this adoption. As it has done with the schemes to encourage the adoption of Broadband, the Executive could encourage examples of good practice, and ensure that these are shared between the various relevant organisations.

Again for international development, different regions will have different requirements and so will identify different international partners to work with. There is scope however for joint marketing and support for attendance at a selection of key international trade events. Again, there are mechanisms in place for attending events, but organisations charged with this do not always have the necessary experience or industry knowledge to deal with these. A good example of successful trade fair attendance would be SxSW and the Scottish stand, organised by the Scottish Arts Council.

The changes required are as outlined in a previous section - core funding requirements as opposed to project funding (accepting that there will always be issues for any funder in committing to long term funding with no exit strategy), encouraging sharing of administrative resources, and creation of appropriate support structures, e.g. trade associations in the Highlands and Islands.

Local Authorities

44. What legislative requirements are necessary to clarify and enshrine the responsibilities of local authorities towards cultural provision?
45. Do we need to define the term 'adequate provision' in regard to local authorities current responsibilities, including the requirement to develop local cultural strategies within the context of community planning, and if so, how?
46. What are the merits and practicalities of adopting national standards for the provision of cultural facilities and services?
47. What is the justification and practicality of insisting that local authorities 'ring-fence' resources for cultural provision?

Regional Bodies

48. Is there a need for a regional aspect to cultural planning and/or the delivery of cultural services and/or the management of cultural resources?
49. How should any regional bodies be constituted, governed and managed?
50. What remit/responsibilities should any regional bodies have and what responsibilities should be transferred from national agencies and local authorities?
51. How can the cost of any regional bodies be justified?

I would totally agree that there is a requirement for a regional aspect to planning, funding and the delivery of services. It has been demonstrated clearly I believe, that the one size fits all approach does not necessarily reflect the needs of particular areas or even all cultural sectors. I would favour the adoption of a process along the lines of our own, where HIE has a policy of working with and supporting key sectoral partners, who provide effective information on, and access to the cultural and creative sector. HIE still has the task of ensuring that Executive and EU guidelines and targets are met, and of overseeing standards etc, but the sectoral partners ensure a much greater understanding of the needs of the sector than an economic development agency might otherwise have. The evaluation of HIE's policy in this field, clearly shows that this approach has brought excellent value for money, and with appropriate support, should continue to do so. These partners currently include:

HAIL www.hailmusic.com

Aimhi www.aim-hi.org.uk

HI Arts www.hi-arts.co.uk

National

52. What should the designation 'national' mean and what criteria should be applied when awarding a company national status?
53. What privileges/special considerations should be afforded to national companies and what responsibilities should accompany these privileges?
54. To whom should the national companies report and who should be responsible for measuring their performance against agreed standards and objectives?
55. What artistic expectation (standards of performance/production) should we have of our national companies and what commitment to Scottish work (both new and revised) and Scottish talent should the national companies have?
56. What should be the operational relationship(s) between the national companies and the local/regional authorities in whose areas they may reside or tour?
57. How can we achieve greater consistency in the constitutions, governance and funding arrangements of national agencies?
58. What is the scope for further co-operation, both strategically and operationally, between the national agencies (shared development, shared services, shared facilities, shared resources, etc.) and how should such co-operation be advanced?

Our only comment here would be that national companies should be national, and clearly be seen to be so.

Cross-cutting

59. How should the cultural sector as a whole seek and arrange suitable mutually beneficial partnership with other areas of government (education, sport, tourism, etc.)?
60. What are the opportunities for the Cultural Sector and the Sports Sector to work in closer strategic and operational partnership?
61. How can we more effectively represent and promote (artistically and commercially) Scottish culture within Scotland, within the UK, within the EU and across the world?
62. How can we achieve the maximum practical co-operation between artists, cultural promoters and the tourist agencies (visitscotland.com, etc.) in the fields of marketing, promotion and customer management?

The key to all of these would appear to ensuring effective communications. There is very often no clear line of communication between agencies when it comes to dealing with culture. Efforts have been made by a number of agencies, but the communication links require to be stronger. This communication must also involve local organisations where appropriate to ensure an equitable sharing of opportunities, and allowing a regional perspective to be input in the planning processes of the various agencies.