

**CULTURE, TOURISM, EUROPE AND EXTERNAL AFFAIRS COMMITTEE**

**ARTS FUNDING INQUIRY**

**SUBMISSION FROM GRAHAM BERRY**

**Sustainable Arts Funding Model for Scotland**

What would a sustainable model of funding look like? – Funding needs to be flexible, long term and consistent in its application, it requires more than one source to avoid risk and must have the possibility of an accumulation of capital without penalty. The typical mix of funding includes central Govt grant, local authority grant, donations, sponsorship, grants from Trusts and Foundations and income earned from box office and merchandise sales. To improve sustainability a healthy balance of these income streams should be maintained with each contributing a significant share. A reasonable level of working capital and accumulated financial reserves will permit lean periods to be weathered. Typically arts organisations find difficulty in creating reserves as they are often penalised for doing so. More often than not they do not have fixed assets which might be used as a basis for raising temporary funds.

Exploitation of artistic assets developed and created by public funds is limited because of the lack of expertise, time and resources to succeed. A national agency to support work to transfer to a commercial stage would allow this to be taken forward in a strategic way – plays to west end theatres, books to film, film to distribution and likewise music to the various forms of recording and distribution together with the associated merchandising opportunities.

How should that funding be made available? – It is unlikely that there will ever be sufficient supply of funds to meet the demand for arts funding. Because funds available are likely to be oversubscribed, consistent and clear processes need to be in place and decisions taken by people whose knowledge, expertise and contact with the arts community is trusted by applicants.

Major threats to sustainable funding – short term thinking in Govt and funding bodies, frequent changes to funding criteria, over reliance on a single source of funds, lack of any asset base and working capital, lack of audience income, donor fatigue in the sponsorship market.

Major challenges to obtaining funding – Govt and funding bodies changing priorities and introduction of priorities which are peripheral to the interests of some arts organisations.

Measures which should be taken by Scottish Govt. - Ensure a tax friendly regime to encourage philanthropy and donations, adjusting the VAT regulations to ensure arts orgs benefit from sponsorship arrangements and can recover tax on inputs. Ensure that local authorities have a consistent approach to arts funding across the country. Ensure that

ownership of arts buildings are removed from local authority control and held by a central arts trust or similar. Ownership of property would provide an asset base on which funds might be raised, currently many arts buildings are owned by local authorities, they are improved by the arts organisations - often with other public and lottery funds - and the local authority benefits from the enhanced value of the asset and increase rental charges accordingly.

How to be innovative in attracting greater funding to the arts – Matching grants from Govt and funding bodies are often a good stimulus to philanthropic giving, I believe this could be extended – there should be no limit to the amount of matching funds made available. Govt purchase or donation of property to arts orgs to prevent money and time being spent on rent, property management, major repairs etc. Introducing a mandatory 'percent for art' in new builds and refurbishment.

Money made available to support arts – a consistent and long term approach is required with the ability to build flexibility into the funding system to ensure that new activity can be supported. This also means that, because of the scarce resource, some organisations/ artists will have to suffer withdrawal of funds. Such withdrawal needs to be carefully managed by the funding bodies with reasonable notice periods and decisions supported by Govt.

Factors to be considered in funding and how decisions are made – The single most important criterion is quality of the work being delivered.- Is it aspiring to international standard and is it developing the art form, attracting and developing an audience and providing suitable information on the work so that future audiences are being nurtured. Is there a structure within the bodies being funded that collectively provides a support network for arts professionals and a career structure – this can be achieved through encouragement of secondments, internships, supernumerary posts and training that encompasses the entire arts ecology including higher education, broadcasting bodies, national arts companies, commercial arts companies and the subsidised sectors. Support a network of venues of various scales across the country as well as facilities such as artist studios and galleries.

Decisions should be made by officers who have built up a level of expertise and understanding of some aspect of the arts. A strong and knowledgeable body of staff needs to be backed up by independent panels who will advise on decision making and maintain contact with practitioners.

The suggestion above of secondment, training programmes, internship etc should include the funding body itself so there is understanding both in the sector and the funding body of the way each works and what context they operate within. Crucially time must be allowed for the funding body to build the expertise it needs so that trust can be established

Further ideas which would put Scotland on the world cultural map include establishing a Scottish Cultural Body for support of international work. The British Council do an excellent job but are presumably constrained by their UK brief. Greater support is needed for work coming into the country and going out. Showcasing of Scottish talent at overseas festivals is expensive and to pay dividends needs to be long term and adequate for the purpose. A Scottish cultural body could showcase Scottish work abroad through local offices in cooperation with trade missions and tourist promotion. It should also be on a par with industry development bodies which have signally failed to make strategic use of cultural assets of Scotland.

Establishment of an academy of artists in Scotland who would benefit from a regular stipend and possibly form a base from which funding decision panels might be drawn.

The right for artists and organisations to fail is almost a cliché, however, it is a necessary part of the work of developing the arts to challenge and progress our views on many aspects of life. Funding bodies should have sufficient flexibility to allocate funds to experimental works and activities which might on the face of it appear to be unworthy of public money.

Funding bodies are accused frequently of being bureaucratic and obstructive. The allocation of large sums of public money have to be accompanied by a reasonable level of scrutiny but I would suggest that the Govt work out with the various authorities how they might reduce the burden both for the funding body and the arts organisations – Govt might also be willing to consider its own demands for statistics of how and where money has been allocated and what sectors of population and geographical area etc it is reaching. Clearly some level of evidence and information is required, but it is this demand, made on the funding bodies, which can only be answered by passing the burden on to under resourced grant recipients, that fuels the accusations of bureaucracy.

Graham Berry

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