

## FLEXIBLE FUNDING ASSESSMENT

<b>Applicant name:</b>	Arts & Business	
<b>Application Reference number:</b>	G201001010	
<b>Amount Requested (Year 1/Year 2)</b>	£213,400	£223,780
<b>Officer's recommendation</b>		
<p>Summarise the key points of your assessment and draw out the strengths and weaknesses of the application taken together with any comments you have received from source evidence (portfolio of evidence/ internal / external consultation). Highlight any specific risks  <i>Note: The amount of information you provide here should be sufficient for the decision maker to reach a decision. As with all previous commentary boxes please do not exceed 250 words</i></p>		
<p><b>Comments:</b>  Arts &amp; Business (A&amp;B) is a UK business membership organisation with charitable status. A&amp;B was set up 30 years ago with its Scottish Office established in 1986 as the first office outside London. The application for flexible funding comes from the Scottish Office.</p> <p>A&amp;B Scotland (A&amp;BS) provides a range of services in partnership with government and national cultural agencies, including the Scottish Arts Council. Services include advocacy for the arts; specific membership services for both business and cultural sector members; relationship brokering between individual businesses and member cultural organisations; and board training.</p> <p>The introduction of an Educational Board Bank is an example of an initiative arising out of discussion with the Scottish Arts Council to assist funded arts organisations to meet the requirements of the Quality Framework.</p> <p>Through the strategic review, A&amp;BS was assessed as falling within the 'important' category of support and was awarded flexible status to fund the delivery of "...services such as the Board Development programme and, depending on capacity and levels of funding, other services to the arts community on behalf of the Scottish Arts Council; and explicitly play the role of the Scottish Arts Council's representative among the Business Community" (extract from published summary of Assessment).</p> <p>Its strategic and national role arguably impacts on the ability of member arts organisations to improve public engagement, widen access and extend audience reach by improving the overall operational effectiveness of such organisations.</p> <p>The workplan provides strong evidence – through research, case studies and quantitative data (relating to number of members, number of Board Bank and Skills Bank placements, etc) – of its ability to fulfil its role in both a pro-active and responsive manner.</p> <p>The application meets the specific criteria for flexible funding to a high level, with the organisation playing a pivotal role in supporting arts organisations to fulfil their creative and business potential. The proposed workplan is comprehensive, visionary and demonstrates the leadership role A&amp;BS plays through the services it provides.</p> <p>A&amp;BS has a strong track record and has historically been the Scottish Arts Council's representative in the business community and in the provision of good governance training to the arts sector.</p> <p>Whilst the level of funding requested is significantly greater than its current level of core funding, a clear rationale is presented for the replacement of ACE funding to support direct Scottish activity, this being largely responsible for the increased level of grant sought. In addition, although a higher level of</p>		

funding is sought, this still represents a low percentage of total costs.

The applicant also provides detail of other potential services not included in this bid for flexible funding but which it states may be of interest to the Scottish Arts Council. Amongst other things, these initiatives include leadership development. This assessment does not cover these additional services but are noted here for interest.

<b>Officer's overall priority recommendation</b>		<b>HIGH</b>
Lead Officer signature:		Date: 21-Jan-2008 Revised: 20 March 2008
Print name:	Gwen McLeod	

### Stage 2: Heads of Departments prioritise applications with advice from Specialist Advisors

1. What were the strengths and weaknesses of the application identified by the Specialist Advisors? Please summarise their comments below. What were their ratings of the importance of the application in being supported?

**Comments:** The panel consisted of Kirsteen Macdonald, Susan Nickalls, Sita Ramamurthy, Louise Butler, Steve Slater, Alan Riach, Wendy Niblock and Sally Wilson.

The panel comments: The panel fully supports the valuable work that Arts and Business does, and particularly recognises the development of new initiatives that have recently been instigated. The application could have been strengthened with more supporting evidence from the arts organisations that they partner and an evidence-base to support some of the attitudinal comments about the business sector's view of the arts. The panel would encourage them to be working more effectively across all artforms, particularly the engagement in contemporary arts practice which seemed to be less evident than in more 'established' art forms. The application could have articulated more clearly Arts & Business Scotland's vision for the future, considering the proposal represents a considerable uplift in funding from Scotland. To demonstrate its stated leadership role, the panel felt that Arts & Business should be taking a more proactive role in brokering partnerships between arts and business, as already demonstrated in some of the bespoke projects detailed in the application.  
Rating: Medium

2. Summarise the role of the organisation within the infrastructure of the sector. Assess to what extent the organisation's vision will contribute to the department's and to Scottish Arts Council's aims: (to fulfil artists' potential, to increase participation, to place creativity at the heart of learning)

**Comments:**

#### 1. Fit with FXO criteria:

##### 1.1 Excellent artistic vision and leadership; role within sector/support to artists

Arts & Business is currently the leading specialist organisation in this field. It is clear from the application and work plan (the equivalent of a business plan) that they are engaging with a good range of arts and business partners and are delivering benefits to both, and to the Scottish cultural sector and the economy overall.

It has long been acknowledged and articulated, in funding agreements and other communications from the Scottish Arts Council, that Arts & Business is a key partner and source of information and

leadership in this area. Arts & Business (Scotland) has a positive relationship with the Scottish Government, as evidenced by the recently announced continuation of the Sponsorship Awards and the considerable investment this represents. It also has high level relationships right across the cultural sector.

### **1.2 Improving your engagement with the public**

Arts & Business's purpose is not to directly engage with the public. As a business-to-business organisation, their engagement with their client base and external stakeholders is high and visible, evidenced in their relationship with the Government and the arts and business sectors. Having said this, initiatives like the one undertaken with Scottish Widows is increasing participation in the arts.

### **1.3 Good practice in the governance and management**

Arts & Business is managed by a small, highly efficient team, led by a Director of good standing who has recently significantly raised the profile of the organisation, particularly with the Government. The Scottish advisory board does not include representation from the arts sector and this would appear to be a gap.

### **1.4 Practical implementation of your equal opportunities policy; widening access**

The Officer notes the inclusion of a fairly comprehensive Equal Opportunities Policy and comments that the organisation appears to be serious about its implementation, including being self-critical about some of the impacts. The policy is reviewed regularly by the Board which itself is expected to champion the policy. The case study of work undertaken with Sounds of Progress is further evidence of commitment to Equal Opportunities.

### **1.5 Raising other income at least 25%**

Even with the significant uplift requested, the organisation is planning to raise 72% of its own revenue in 2009/10 (low risk). The Scottish Arts Council has hitherto had a relatively minor relationship with Arts & Business's other funding partners, and this should be addressed in future.

## **2. Fit with Departmental priorities**

Although its closest policy fit is Organisational Development, it is important, broadly, to the Creative Industries agenda and some aspects of Audience Development (increased income). It also plays a role in contributing to wider advocacy for the arts, also a key outcome of the cumulative work of the Scottish Arts Council.

## **3. Fit within Scottish Arts Council aims**

Primarily, Arts and Business supports artists and arts organisations in Scotland to fulfil their creative and business potential. It does this by, broadly, improving skills and building capacity in organisations to better meet their organisational objectives. The particularly focus is on financial objectives, through increasing organisations' ability to attract private investment, incentivising private investment into the sector as a whole, and improving business planning skills. Work on board development improves organisations' leadership, governance and management practice, leading to stronger, more effective organisations. Through initiatives like the one undertaken with Scottish Widows, Arts & Business is increasing participation in the arts in an area untapped by many arts organisations. Through, for example, the educational board bank, it is contributing to placing the arts, culture and creativity at the heart of learning.

3. Based on the lead officer's assessment and the subsequent meeting with Specialist advisors, please rate the application (High, medium, low) summarise your reasons for assessing the application as you have (drawing out the strengths and weaknesses of the organisation and highlighting any specific risks)

## Comments

### 1.1 Application rating

#### a. comparison with Officer and Specialist advisor comments and recommendations

The officer's assessment is very positive and rates the application HIGH. The application meets the criteria for the fund as an arts organisation which has a strategic role in the development of a key policy area (Organisational Development and some elements of Creative Industries and Audience Development).

The Specialist Advisor's rating was influenced by a perceived lack of robust evidence supplied in the application and business plan around engagement with the arts sector in terms of type (traditional as opposed to contemporary), but also evidence provided around quality and impact, which could have been stronger.

**I would support the officer's recommendation** that Arts & Business receives Flexible Funding but as a MEDIUM rating, in recognition of the development areas identified by Specialist Advisors and those that might result from the closer relationship with the Scottish Arts Council.

### 1.2 Reasons for assessing at this rating

The officer notes strong evidence of the applicant meeting the individual assessment criteria, particularly in relation to supporting other organisations to fulfil their creative and business potential and improving the governance and management of other organisations.

The request from Arts & Business is that the Scottish Arts Council would fund Arts & Business (Scotland)'s direct costs. Support services would still be funded by Arts Council England, as outlined in the bid. This would be a recognition of Arts & Business (Scotland)'s contribution to the national Arts & Business network. Additionally, the funding bid consolidates project funded activity such as board development training. (It also consolidates Scottish Screen's contribution and the validity of this inclusion should be checked.)

A strong case is made that the Scottish Arts Council moves in line with arts funders in other nations and, through doing so, takes Arts & Business more seriously as a strategic partner. I would support this but note a number of development areas if this route is pursued (see below).

### 1.3 Strengths of application

The strengths demonstrated in the application are: the leadership role played by Arts & Business, particularly in Scotland; the breadth of activity and the ability to deliver; and, the partnerships cultivated throughout and between the arts, business and public sectors, evident in the events and membership outlined.

### 1.4 Weaknesses of application

Despite the comprehensive list of arts members provided, Specialist Advisors were concerned that the organisation was not engaging as widely as it could across art forms, and could play a useful role in further challenging perceptions around the accessibility of different art forms.

The lack of arts representation on the Scottish advisory board is also seen as a weakness. Arts & Business could involve the arts sector further and work more closely in future with the Scottish Arts Council in relation to the arts content of any future projects or in decision-making in sponsorship awards.

### 1.5 Specific risks associated with the application

At the time of applying, the organisation was unsure of its future funding from Arts Council England (ACE) but this has since been resolved, albeit resulting in a reduction of funding overall. This reduction will not affect Scotland significantly, and Arts & Business has taken a positive view, as reflected in their press statement on 1 February, "Arts & Business has been recognised as ACE's strategic partner; a partnership we believe to be vitally important for our sector."

As the Scottish office of a UK organisation, there may be issues in future with the high level of dependency on another funder with whom we have a limited relationship (specifically in relation to Arts & Business).

### 1.6 Development areas identified

- The Scottish advisory board does not include representation from the arts sector and this should be addressed.
- More rigorous evaluation and evidence of Arts & Business Scotland's role in meeting the needs of the whole of the arts sector.

### 1.7 Recommended level of support

**£213,400 (2009/10); £223,780 (2010/11)**

## 4. Please comment on the geographic reach of the programme

### Comments:

- 1.1 Where will the activity/programme take place?
- 1.2 Where will the audience come from?

The majority of arts members as at October 2007 are central belt organisations, although there is impressive membership in, for instance, Aberdeen. This does, however, reflect the arts infrastructure pattern of arts provision throughout Scotland. The organisation clearly articulates its aspirations in widening geographical spread, and the plan to have the Arts & Business Awards hosted in Aberdeen in future is positive.

<b>Head of Department's overall priority recommendation</b>		<b>MEDIUM</b>
Head of Department's signature:		Date: 15 February 2008 Revised: 26 March 2008
Print name:	FIONA STURGEON	

<b>Stage 3: Collective Heads of Department (Arts Development Managers) make recommendations to Directors (Acting Chief Executive, Depute Chief Executive and Co-Directors of Arts)</b>		
1. Summarise the reasons why the final rating has been made.		
<b>Comments:</b> Strong medium priority but there is a need to consider the wider strategic way forward for partnership working between the arts and business sectors. In the context of this highly competitive funding round, not recommended for funding.		
<b>Collective Heads of Department (Arts Development Managers) priority recommendation</b>		Strong medium
Chair of Meeting signature:		Date: 2 April 2008
Print name:	Iain Munro	

<b>Stage 4: Directors make recommendations to Joint Board (strategic fit)</b>		
Record the Directors' recommendation and confirm the suggested level of support. If the recommendation differs from Stage 3, please summarise the reasons why.		
<b>Comments:</b> Agree with Stage 3 recommendation. Directors will give consideration to the future relationship between the arts and business communities in Scotland in the context of transition, in dialogue with the Joint Board, Arts and Business Scotland and the Scottish Government.		
<b>Directors recommendations to Joint Board</b>		<b>Strong medium</b>
Acting Chief Executive signature:		Date:10 April 2008
Print name:	Jim Tough	

<b>Stage 5: Joint Board's decisions</b>		
Record the Joint Board's recommendation. If the recommendation differs from Stage 4, please summarise the reasons why.		
<b>Comments:</b> The Joint Board accepts the Stage 4 recommendation.		
<b>Joint Board Final Decision</b>		<b>REFUSE</b>
Date: 24 April 2008	If approved for support, enter sum awarded	

**End of Assessment**