

MINUTES

Board Meeting 27 September 2023 9.30 – 12.45 Waverley Gate Board Room

Present:

Robert Wilson (RW)	Chair
Malath Abbas (MA)	Board Member
Muslim Alim (MAI)	Board Member
Yahya Barry (YB)	Board Member
Norah Campbell (NC)	Board Member
Duncan Cockburn (DC)	Board Member
Stephanie Fraser (SF)	Board Member
Philip Long (PL)	Board Member
Carol Main (CM)	Board Member
David Strachan (DS)	Board Member
Heather Stewart (HS)	Board Member
Louise Wilson (LW)	Board Member

Apologies:

Patrick Brown (PB)	Board Member
Elizabeth Partyka (EP)	Board Member

In Attendance:

Iain Munro (IM)	Chief Executive
Anne Langley (AL)	Executive Director, Operations (for items 6 & 7)
Bernard Regan (BR)	SRO Multi Year funding (for item 6)
Ian Stevenson (IS)	Director, Finance (for item 7)
Isabel Davis (ID)	Executive Director, Screen (for item 8)
David Smith (DS)	Director, Screen (for item 8)
Lyndon Jones (LJ)	Notes

Private Board Session

	<p>Prior to the Board meeting, a private session of the Board took place with the Cabinet Secretary for the Constitution, External Affairs and Culture, Angus Robertson MSP.</p> <p>The Cabinet Secretary was accompanied by his Private Secretary, and two Officials from the Scottish Government Culture Division. Anne Langley and Kenneth Fowler also attended for Creative Scotland.</p> <p>The session covered the Scottish Government's continued ambitions for culture in Scotland and the pressure on public sector finances. The changed position with Creative Scotland's budget was discussed.</p>
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1.	Apologies and declarations relevant to the agenda
1.1	<p>New Board members were welcomed to their first meeting.</p> <p>Apologies were noted from Patrick Brown and Elizabeth Partyka.</p>
1.2	<p>Declarations relevant to the agenda</p> <p>YB declared that he was now the Chair of Glasgow Film, with no direct items on the agenda, he would not be required to absent himself from the meeting.</p>
2.	Previous minutes
	<p>The minutes of the previous meeting were agreed as an accurate record of the meeting.</p> <p>There were no matters arising from the minutes.</p>
3.	Committee updates
3.1	<p>Audit and Risk Committee agenda 24 August 2023</p> <p>David Brew was co-opted as Chair of this meeting until a new chair of the Committee is appointed. The meeting discussed the Annual Plan and KPI's. The Risk Register was discussed and the annual Board review of the Risk Register will be diarised. The draft of the Annual Report and Accounts for both Creative Scotland and National Lottery were reviewed and some suggestions made on content and style. The Committee had an initial discussion on the range of Creative Scotland policies and will undertake a review of respective Committee ownership.</p>
3.2	<p>Finance and General Purposes Committee minutes 5 July 2023</p> <p>SF presented the minutes on behalf of the Committee Chair. As the meeting had been verbally reported on at the previous Board meeting, there were no additional questions.</p>
3.2.1	<p>Finance and General Purposes Committee agenda 11 September 2023</p> <p>This was a specific meeting to discuss the proposed pay offer, based on the Scottish Government Pay Offer which is a two-year proposal in line with the</p>

	<p>multi-year public sector reform element of pay strategy and is to be supported by efficiencies and workforce controls.</p> <p>The Committee were informed of the process of internal efficiencies through reviewing the estates strategy and travel and agreed that the Creative Scotland management should discuss with the unions with a view to formal acceptance.</p>
3.3	<p>Screen Committee Minutes 8 August</p> <p>The focus of the meeting was the results of the Economic Impact report 2021. A positive report with good media coverage.</p>
3.3.1	<p>Screen Committee Minutes 12 September</p> <p>General meeting to discuss the current position on funding and overall advocacy and the ambition to ensure the sector become more engaged and informed on policy matters. A discussion on the impact of the Edinburgh Film Festival this year also took place with a request from the Board to understand the ambitions for future success under the new leadership.</p>
4.	Committee Appointments
	<p>The Board were asked to approve the proposed allocation of Board members to Sub Committees. The Chair noted that he would review the memberships in the coming year. Also, with the proposal for PB to join the Audit and Risk Committee as Chair, the Finance and General Purposes Committee would require some additional financial expertise and would want to consider potential co-option to the Committee.</p> <p>The proposed appointments were approved by the Board, and it was reiterated that any Board member could join a Committee as an observer at any meeting.</p>
5.	Chief Executive Report
	<p>The Board focussed on item 1.4 from IM's report regarding managing the challenges of increasing grant application demand volumes resulting in high levels of unsuccessful applications and often significant negative public reaction. Proactive communications for any prospective high-profile cases was important. Clear and robust rebuttal lines were supported.</p> <p>The Board noted concerns for staff morale in the challenges of the current operating environment and the need for continued support, especially given the unacceptable personal nature of some public commentary.</p> <p>The budget item later on the agenda would consider boosting the Open Funds to help increase application success rates. Flexibility over the use of existing grant awards was also an approach to accommodate financial pressures on recipients.</p> <p>The displacement effect of demand into Creative Scotland as a result of the contraction of funding available from other partners e.g. Local Authorities was also discussed.</p> <p>IM evidence at the forthcoming CEEAC Committee will help with messaging on the fragility of the sector overall. Proactive and ongoing public advocacy would</p>

	<p>continue across CS channels to promote the continued work of the sector and associated positive outcomes.</p> <p>IM was thanked for this report.</p>
6.	Multi-Year fund – Managing Board conflicts of interest
	<p>AL and BR joined for this agenda item.</p> <p>The focus of the item was to obtain Board agreement on the approach to manage potential conflicts of interest on decision making in Stage 1 of the Multi-Year programme. Using the Board’s returned Declarations of Interest forms, it was possible to bring together a cohort of 8 Board members to agree the Portfolio Review part 3. In addition, at the meeting, RW, MA and MAI all declared that the conflicts they noted would be removed and they would be able to participate. This would ensure a quorate approach to the Board governance for the fund. The process also invited two Board observers for the Portfolio Review meeting 2 with staff, enabling continuity between the meetings.</p> <p>The Board were in agreement with the process and proposal, whilst requesting that the date proposed for the meeting did not change. It was noted that the finalised dates for February and March would be issued to the Board outwith the meeting.</p>
7.	2023/24 Budget revisions
	<p>AL remained and IS joined for this item.</p> <p>The Board noted its unhappiness and concerns with the Scottish Government decision to reduce Creative Scotland’s budget by £6.6m mid-year. The Board discussed the options available. The item also considered options to boost the National Lottery Open Funds from NL reserves to address the excessive levels of demand being experienced.</p> <p>It was noted the reduction of £6.6m would directly impact the RFO network. Budget uncertainty remained in-year for areas of Screen, PlaCE and Culture Collective budgets which were the subject of ongoing discussions.</p> <p>The options laid before the Board were to consider the use of NL reserves to cover the £6.6m reduction, rather than pass it directly to on RFO’s mid-way through the financial year and representing a 40% cut on average. In addition, the proposal was to use £3.4m of NL reserves to boost the budgets in the National Lottery Open Fund, with the aim of increasing the success rates to around 50%.</p> <p>The risks presented by the options were discussed and the impacts on the previously designated purpose of NL reserves to provide transition support for organisations unsuccessful in their Multi-Year applications. It was recognised that a boost to the National Lottery Open Fund budgets would also ultimately help to a small degree with transition support as the funding level for the Extended Programme Fund would benefit from part of the boost and provide support for up to two years and lead into the Multi-Year process.</p> <p>In light of the options, the Board agreed to use £6.6m of NL reserves to cover the budget reduction, and separately to boost the National Lottery Open Fund budgets by £3.4m. They wished to ensure that it was clear that this would not be repeated</p>

	should further budget reductions continue. A clear communications plan was discussed.
8.	Screen Decisions >£500k
8.1 & 8.1.1	<p>ID and DS joined for this agenda item.</p> <p>Following decisions made at the Senior Leadership Team meetings, two significant production investments were recommended to the Board to increase their awards by a further £200,000 to cover additional costs incurred, matched by other funders where appropriate and would enable the productions to continue more confidently. As background, it was noted that both productions were culturally and financially important to Scotland.</p> <p>The Board were content to approve both increases in award.</p> <p>(Note: the names of the productions are not included here for reasons of commercial confidentiality).</p>
9.	Any other Business
	There were no items for discussion.
10.	Date of next meeting
	<p>Monday 27th November</p> <p>10 - 14</p> <p>Creative Scotland Board Room, Waverley Gate.</p>

Rebel Wilson