

Creative Scotland: The Business Model

1. Executive Summary:

The Business Model is designed to deliver an organisation with the following capabilities:

- The effective delivery of its legal remit.
- The effective delivery of significant scale projects and development activity.
- The effective connection with the public, stakeholders, partners and artists.
- The effective promotion of Scotland's cultural output and potential at home and abroad.
- The effective coordination of the development of Scotland's creative industries.

The Business Model is designed to deliver an organisation with the following characteristics:

- New and demonstrably different from its predecessors.
- Fresh, vibrant, enthusiastic and ambitious for Scotland and Scottish artists.
- Talent focused a real intellectual community.
- Very professional, disciplined, well-led and well-managed.
- Truly national in reach, impact and ambitions.
- Outward facing, working with and for artists and creative practitioners.

Creative Scotland has to be an organisation where everybody inside and outside that organisation understands what that organisation does and how it does it. Such clarity of purpose and transparency of methodology are considered essential if Creative Scotland is to realise its potential.

The Business Model has been developed in partnership with the Creative Scotland Project Board, made up of executives and senior managers from the Scottish Arts Council (SAC) and Scottish Screen (SS). Their contribution is recognised and much appreciated.

The Business Model is not a copy of another UK or international model. We have taken inspiration from other countries approaches but, this is essentially a Scottish solution to a Scottish challenge.

In summary, the following sections document a radical and innovative organisation. The Business Model proposes:

- A realigned Executive Team.
- A new Portfolio-based management structure.
- A flexible pool of Development Officers working on a project basis.
- A strong and business integrated Finance and Operations Directorate.
- A reorganised and strengthened Communications Directorate.
- A new creative industries function.

2. A national agency:

Creative Scotland will be the national agency for the promotion and development of the arts and the creative industries in Scotland. The term 'national' has been taken to mean something that is significant in terms of:

- Scale.
- Impact.
- Reach.
- Legacy.

These definitions apply to Creative Scotland as an organisation as well as to what Creative Scotland proposes to do. Creative Scotland must be distinctive and unique. This uniqueness means that Creative Scotland must invest, take risks and make connections where other organisations cannot.

This uniqueness also means that Creative Scotland should not duplicate other organisations' remit. It is the national agency, not a regional or a local agency. The discipline of operating strictly within its unique national remit is central to this Model.

3. A contemporary agency:

Creative Scotland must be a flexible agency, skilled at influencing within Government, across local government and with its public and private sector partners. This has influenced both the structure for managing relations and the operational hierarchy. Information must move quickly and accurately through Creative Scotland to address any issues and to take advantage of any opportunities.

Creative Scotland will occupy a position of both authority and responsibility and needs to effectively engage with and influence key stakeholders and partners.

Creative Scotland needs to be a confident organisation, one with a high public profile. It must gain the confidence to be heard, to lead, to challenge and to take difficult decisions. This need to manage its key relationships and be efficient in processing information and intelligence is a key influence on the Model.

4. An effective agency:

Creative Scotland should be an organisation that recognises and applies its full capability and capacity. That means it must organise itself in a manner that allows its leadership the control to utilise its resources in the most effective manner.

The model proposes a structure for Creative Scotland that facilitates the necessary control by providing its Executive with a single view of Creative Scotland's resources, notably people and money, and the ability to readily assign those resources as required. This means a relatively simple structure overseen by an informed and empowered Executive, ensuring that everyone knows who is responsible for what.

The Executive team and its overview and control should enable it to apply the talents and resources of Creative Scotland to delivering its remit and exceed in its ambition.

The following sections deal with some of the key design principles behind the Business Model:

5. A focused organisation:

Creative Scotland will need to continually evidence its achievements to its stakeholders and to the public. This will be achieved through effective communication and the fostering of a culture based on delivery and performance. The model proposes to reinforce that culture by switching the organisation's development activity to a project basis.

It must be focused on doing what is appropriate to its remit, to its capability and to its capacity.

It is envisaged that project development proposals will come from two main sources:

Firstly, Creative Scotland must be open to suggestions and invitations from its partners and stakeholders, who will be encouraged to bring ideas for joint projects to Creative Scotland. Creative Scotland must clearly communicate its criteria for accepting such proposals but, it should always be welcoming of such approaches

Secondly, Creative Scotland must take the lead in developing ideas and possibilities for projects. The Portfolio Managers will have a standing responsibility to identify and define potential projects. Creative Scotland should also use its authority to bring partners together to tackle issues or to take advantage of opportunities.

6. A simpler organisation:

The Business Model has been influenced by the need to create maximum flexibility in resourcing. This has led to the recommendation that it has fewer roles than either the SAC or SS and a simpler overall structure.

The two key outward-facing roles are Portfolio Manager and Development Officer. It is proposed that there would be between 12 and 14 Portfolio Manager and at least 34 Development Officers. This switch to more generic roles is designed to allow greater flexibility. It is also recognition that having fewer distinctions between staff should help Creative Scotland foster a singular culture and a collective mentality.

7. A flexible organisation:

Creative Scotland will evolve over the coming years as it gets more practiced in the delivery of its remit and as its Board and Executive refine the Business Model. It is therefore recognised that there needs to be flexibility within the organisational structure that is proposed and the ability to adjust hierarchies and the balance of resources.

In particular, not all the 'portfolios' will be permanent; some will exist for a specific period to manage a defined project or programmes. The 2012 Olympics year and the 2014 Commonwealth Games could be examples of this.

Flexibility in resourcing will give Creative Scotland a capability and capacity to tackle a wide range of projects and development activities, from small focused initiatives - to large-scale, high impact, high-profile projects.

8. A self-developing organisation:

Creative Scotland must have the ability to continually improve its effectiveness through individual and collective development. This is mainly a matter of leadership and organisational culture and an in-built recognition of the need to nurture talent, increase experiences and to upgrade competences. Given its remit, Creative Scotland has to think and act as an intellectual community, continually challenging and inspiring its staff to gain and share knowledge. The Business Model recommends that this intellectual community is further enriched through close and regular connections with partners and other stakeholders.

It is suggested that Creative Scotland may wish, as a normal part of its individual and collective development, to second staff to other organisations in order to gain new experiences and to acquire new skills. Discussions are already advanced to do this with key partners such as COSLA and Scottish Enterprise. Secondments into other Government agencies, local authorities, and national performing companies and arts organisations could also be envisaged and the intention would also be to second staff from partners and stakeholders into Creative Scotland.

9. A partnership organisation:

The Business Model suggests a structure where responsibility for engaging meaningfully with partners and stakeholders is built into the roles of senior personnel within Creative Scotland. The

size of this task should not be under-estimated and is a key driver for the definition of the Executive roles and those of the Portfolio Managers.

One key priority that has been identified is for a new form of partnership with Scottish local government. In particular, there will be a need to articulate the role of Creative Scotland, as the national agency, and to agree how that role dovetails into the activities of local government – especially in relation to funding and development activities, ensuring there are neither gaps nor overlaps between Creative Scotland and the local authorities

10. A different organisation:

In the first quarter of the project to establish Creative Scotland, a series of workshops were held with the staff of the SAC and SS to obtain their views on what the culture of Creative Scotland could and should be. The feedback from this valuable interchange has been a strong influence on the design of the Business Model. In particular:

- Creative Scotland must be an organisation appropriate to its remit. It must become widely known by showing what it can achieve for the creative sector and seek to be an organisation that is trusted, respected and understood.
- It must be an organisation that is true to its remit. It must lead by example and demonstrate a commitment to be open, accessible and to work in partnership.
- It should set high standards. It must be seen to be setting the benchmark for management and leadership and it must be recognised as highly professional.
- It should be an organisation without unnecessary internal boundaries of function or status. It must be seen as valuing its entire staff and for seeing itself as one team with one collective ambition.
- It must be an organisation that excites challenges, motivates and supports. It must function as an intellectual community where individuals can flourish within an innovative and tolerant environment.

11. The Executive:

Creative Scotland will be led by a Chief Executive. The job description and role profile for the Chief Executive have already been approved by the Creative Scotland 2009 Board. In addition to the Chief Executive, the Executive Team will comprise five Directors:

- The Director of Finance and Operations
- The Director of Communications
- Three Directors of Creative Development.

The Chief Executive will have a senior Personal Assistant who, along with two Assistants, will also have responsibility for the provision of administrative support to the Executive team, and the NDP Board.

12. The Directors of Creative Development:

The three Directors of Creative Development will have collective responsibility, under the overall direction of the Chief Executive, for the development of the art-forms, the development of policy and for the development of the creative industries. They will work as a team and their individual responsibilities will vary and change according to the tasks facing Creative Scotland. They will

have responsibility for a mix of art-form, policy areas and will coordinate the development of strategy, where it is being proposed they use different methods of advisory groups, experts and online tools to support the development of policy.

Given Creative Scotland's role in the development of the creative industries, one of the Directors of Creative Development will always act as Secretary to the SCIP Coordination Group and will be responsible for coordinating any actions agreed by the Group.

13. The Portfolio Managers:

The proposal is for Creative Scotland to have between 12 and 14 Portfolio Managers. A typical Portfolio Manager might have a job content that includes all or some combination of the following:

- An artistic/creative/professional specialism e.g. literature
- A policy lead accountability e.g. education,
- A geographical development role e.g. South of Scotland
- A supervision/mentoring accountability e.g. 3 Development Officers
- A programme management responsibility e.g. Quality Framework
- A sponsorship role e.g. a number of foundation organisations
- A relationship management duty e.g. lead contact for a group of stakeholders
- A chairing role in a Creative Industries Reference Group

The Portfolio Managers will be senior personnel, capable of working without too much direct supervision. They will be expected to be working out of the office for much of their time, visiting artists and partner organisations, listening and advising, developing their own knowledge and feeding back ideas and information to Creative Scotland. They will not have their own permanent teams but supervision and mentoring responsibility for two or three Development Officers and will be expected to submit project proposals and become project sponsors and deliverers.

Initially, two Portfolio Managers will be dedicated to the creative industries. Their roles will be to manage Creative Scotland's responsibilities as defined in the Creative Industries Partnership Agreement.

They will very much be the front face of Creative Scotland for artists and partners. For presentational purposes, the Portfolio Managers may be known outside Creative Scotland by their lead responsibilities.

14. Development Officers:

This is the pool of not less than 34 officers who will lead and support Creative Scotland's project based developments. There will be a single job description but it is recognised that there will be a variation in the skills and experiences of these officers, especially in the early years of the new organisation..

Development Officers will be available to work on any project in any art-form or policy area. They may be working on more than one project at a time and they may have different roles in different projects. To work successfully, the pool of Development Officers will need to contain staff with a variety of skills and experiences, including staff whose backgrounds are in operations (finance, IT, etc.) as well as those who have been previously working in art-form or policy areas.

Initially, four Development Officers will be assigned to support the two Portfolio Managers dedicated to the creative industries.

15. Finance and Operations:

The following functions will report to the Director of Finance and Operations

- Finance

- Information and Communication Technologies (ICT)
- Office and Administration Services
- Operations Support
- External Funding

The overall responsibilities of the Finance and Operations team are to ensure that systems, processes and reporting structures are maintained and developed to ensure and improve the effectiveness and efficiency of the organisation and the implementation of its strategies, policies and procedures, including decision-making.

The structure proposed in this Business Model recognises the parallel ambitions of ensuring a smooth and effective transition to Creative Scotland, to be operational from April 2010, whilst ensuring that all statutory and legal obligations of the predecessor bodies are appropriately addressed. The structure is considered flexible enough to adapt to the changing and developing needs of Creative Scotland. However, further review and development of the operation's structure will be required as the organisation evolves through its first and subsequent years of operation.

16. Director of Finance and Operations:

The Director of Finance and Operations will report directly to the Chief Executive and be responsible for leading and managing all support teams, including Finance, Information and Communications Technologies (ICT), Office and Administration Services and Programmes support and resource management.

The Director of Finance and Operations will provide strategic financial support to the organisation, supported by the Head of Finance and the Finance Team. The Director of Finance and Operations will be responsible for supporting the Chief Executive to ensure effective governance structures are in place for Creative Scotland and will if the corporate structure requires, undertake the formal Company Secretarial role.

The Director of Finance and Operations will be also responsible for corporate legal matters.

17. Finance:

The Finance function will be responsible for managing the financial activities, assets and funds of Creative Scotland in an efficient, effective and economical manner complying with legislation and regulations.

The above structure reflects a total of seven FTEs, led by a Head of Finance.

18. Information and Communications Technologies (ICT):

The ICT function will be responsible for developing and implementing appropriate efficient and effective ICT systems. During the early stages of Creative Scotland, the workload within the function is anticipated to be higher than normal as new systems/processes are developed and implemented to meet the demands of the developing organisation. The ICT team will require to be supported in this work by the provision of external project staff.

The above structure equates to 4 FTEs, led by a Head of ICT.

19. Office and Administration Services:

The role of the Office and Administration Services function is to provide all necessary administration support to Creative Scotland. The Office and Administration Services function will be responsible for facilities, procurement, compliance and receptions.

The above structure reflects headcount of 11, which due to part-time working equates to 9 full time posts.

20. Operations Support:

This team will support the Executive in the planning of resources, the evaluation of programmes and projects and internal audit. The requirement is to help the Executive to plan, track and allocate staff efficiently to project and other development activity.

This team will have five FTE's lead by a Head of Operational Support and four officers and will effectively act as a permanent project office. They will liaise with every project manager and receive regular (weekly) updates on progress against agreed plans. These will then be collated and reported to the project sponsors (Portfolio Heads) and the Executive

21. External Funding:

The External Funding function will be responsible for administering the investment decision process and ensuring compliance with the Creative Scotland investment policy and conditions. This team will also be responsible for ensuring that all necessary legal and contractual documentation, investment processes and criteria are in place and are consistently and appropriately applied across all investments and projects.

The precise make-up of the future Creative Scotland external funding function, including the number of staff employed, has not been finalised. The key dependency is the defining of the new investment model for the NDPB.

For this reason it is assumed that current SAC and SS arrangements will continue for at least 6 months from the start up of Creative Scotland and potentially for the first financial year of the new organisation. The current SAC headcount is eight and the SS headcount is five.

22. Human Resources (HR):

The Business Model recommends that the Head of HR has a direct reporting line to the Chief Executive. This should support the Chief Executive as they build the new culture and reinforce the authority and influence of the HR function.

The HR team will work closely with Executive to manage the ongoing change-activity.. The HR team will liaise with the Resource Planning function to deal with issues relating to skills development, flexibility and resource planning.

It is proposed that the HR function would have three staff, a Head of HR supported by an HR Manager and an HR Officer.

23. The Communications Directorate:

The overall purpose of the Communications Directorate will be to ensure that Creative Scotland has the right knowledge and information, in the right form, at the right time to deliver the right message to its selected audiences. The Directorate will manage Creative Scotland's interaction with the press and other media, civic society and with the general public. As part of that function, it will track policy developments, environmental factors and knowledge breakthroughs, at both an international and national level, to allow Creative Scotland to continuously develop its corporate, project and advocacy planning and implementation.

The Directorate will have responsibility for the protection and enhancement of the Creative Scotland brand and for managing the reputation of the organisation at home and abroad. The

expectation is that internet and related technologies will be key to how Creative Scotland is presented and how it interacts with its wide variety of stakeholders.

The Directorate will lead on advocacy and promotion, developing and implementing strategies based on evidence and collaboration with sectors and partners. It will have responsibility for overseeing Creative Scotland's involvement in events and for representing Creative Scotland in a partnership with the Scottish Government and other agencies in relation to international development.

24. Director of Communication:

The Director of Communication will report directly to the Chief Executive and will be responsible for leading and managing the Communication team.

The Director of Communication will be responsible for all aspects of communication and public relations. This will include dealing with press and media, the Creative Scotland website and all external communication and for managing Creative Scotland's involvement in international development. The Director will also lead on advocacy, philanthropy and events.

25. Communications Function:

The Communications function will, in addition to the Director, have a team of nine. The Director will have four direct reports, the equivalent of Portfolio Managers, and these will be supported by five staff, which will be the equivalent of Development Officers. The function will work as a single, flexible, multi-disciplinary team and the Director of Communications will assign responsibilities on the basis of need and opportunity. There will be four key areas of responsibility:

- Horizon scanning both at corporate and specific project services including commissioning primary research, desk research and evaluation
- Media, public affairs, reputation and brand management, events and advocacy campaigns.
- Internet, intranet and extranet and digital communication and for marketing both corporate and specific project services.
- International Development.

Creative Scotland 2009 Ltd is currently working with the Scottish Government on how best to coordinate the development of Scotland's artistic profile abroad and how best to leverage Scotland's unique cultural heritage for both cultural and economic purposes. This includes the engagement of other Government agencies and of Scottish local government.

The future of the locations team at Scottish Screen, the legacy from Scottish Screen Locations, will be determined by the review of current programmes and the discussions on international development with the Scottish Government. If this function is retained, in whole or in part, by Creative Scotland, then those engaged will report to one of the Director of Communication's direct reports.

26. Location:

The Business Model is based on the continued occupation of the SAC offices in Edinburgh and the SS Offices in Glasgow.

The Chief Executive will be based in Edinburgh and the members of the Executive Team will be expected to spend the majority of their time in Edinburgh. A significant degree of flexibility has been built into the remaining roles to allow, as far as is practically possible, for all other staff to

maintain their existing 'home' bases. The consequence of this flexibility does mean that staff will be expected to travel from the 'home' base on a regular basis

27. The Implications:

The Business Model suggests an overall headcount of: 97

In addition, the current headcount is retained in the following areas but is subject to review:

- External Funding = 13 (existing SAC & SS teams)
- International (Locations) = 3

Total Headcount = 113

Given part-time working, especially in Office and Administration Services, this equates to an approximate full time equivalent headcount of 111.

The current full time equivalent headcount across the present Scottish Arts Council and Scottish Screen is **146**.

Creative Scotland 09 Ltd
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