



ALBA | CHRUTHACHAIL

Convener of the Constitution, Europe, External Affairs and
Culture Committee
Clare Adamson MSP
The Scottish Parliament
Edinburgh
EH99 1SP

17 June 2024

Dear Convener,

Thank you for your letter dated 31 May 2024, which followed the evidence that Iain Munro and I presented to the Committee regarding our recent withdrawal of funding to the *Rein* project.

Our working relationship with the Committee is important to us all. The Board of Creative Scotland has met to discuss the points you raise. The Chairs of the Finance and General Purposes and Audit and Risk Committees then met to finalise our response. I now provide my reply, on behalf of the Board below.

As regards your first point, we took the decision to withdraw funding to the project following legal advice confirming that breaches of contract had occurred. The applicant did, verbally, disagree with our decision, and their preference would have been for us to continue to fund the project as they have publicly expressed on their website. However, at no point did we receive any formal challenge to the breach of contract, or the recovery of funding, from the applicant.

In relation to your second point, Iain's initial letter to the Committee stated '*As regards your encouragement that we publish the application materials associated with the project, we intend to do so, but not until we have completed a thorough review of these materials to remove any personal information, any business confidential information, or any information that, if publicly disclosed, could pose a threat to an individual. We will also be taking legal advice on what we issue, prior to doing so to ensure that we comply with our legal obligations, including those under applicable data protection legislation*'.

Although not explicitly mentioned, this also refers to the formal requests we received under FOI legislation, and our legal obligations as part of that. We recognise that the Committee considers it would have been helpful to specifically mention the FOI requests received and we certainly note this for future correspondence.

Our responses to these FOIs were issued on 21 May, and we contacted the Committee Clerks that same day to inform them that we would provide an update to the Committee, including the application information, following a Board meeting scheduled for the morning of 22nd May. No issues were raised with this timeline at that point.

Regarding your request that the Board considers whether it is content that Creative Scotland has been fully open and transparent in its communication with the Committee, the Board has discussed this and can confirm that we believe that Creative Scotland has been fully transparent within the confines of legal processes, FOI legislation, and our statutory requirements. We would also like to reiterate the importance of protecting the individuals involved in this matter, which is something we have taken great care to do throughout. Working within these parameters, we have shared with the Committee the information requested in a timely manner.

The point you raise about reputational damage is taken very seriously. The Board is particularly concerned with the extent to which this matter has been damaging for the individuals involved, and the risk this poses to the case for future investment and support for the culture sector, investment we've been so diligently advocating for. The matter has also exposed some unacceptable behaviour and opinions, including abuse directed at the individuals involved and broader communities connected with the project.

We have publicly and repeatedly acknowledged the track record of the artist and their team and have acted with sensitivity to avoid adding further to the febrile atmosphere surrounding the project. We have been balancing the need to fulfil our legal and statutory obligations and deliver the transparency and accountability required of us as a public body.

The Board would like to reassure the Committee of Creative Scotland's consistent and ongoing adherence to our published processes, and the rigour and robustness of our decision-making.

We also want to reiterate that one controversial award does not represent a systemic problem with our processes. The independent internal annual audits of our funding processes continue to confirm that Creative Scotland has robust systems in place for the administration of grant funding. This includes appropriate and thorough assessment of all allocation of funding and appropriate personnel assigned to each grant award throughout the process. These audits have raised no major issues of concern, providing assurance on the effectiveness of the processes in operation.

We continue to handle more than 4,000 applications a year, with approximately 2,000 awards made. Demand for our funding is at unprecedented levels, and we take great care in managing the application process for both successful and unsuccessful applicants. For example, all applicants can access the Assessment Reports on their applications to help with transparency and accountability of our decision making and support the development of further applications.

It should also be noted that the diverse range of people, organisations and activity we continue to support throughout the year, in communities across Scotland, contribute to the cultural, social and economic value of the work of the sector, and the strength of our cultural reputation abroad. We will continue to ensure we use all channels and opportunities available to promote this success and the confidence it brings.

Nonetheless, we are keenly aware there is always learning in a situation involving a controversial award, like the one concerning the Committee here. The Board has agreed to a more cautious approach to risk in terms of our future funding of projects with sexual content, and those that may involve vulnerable people or children. The Board continually review our appetite to risk as part of the governance of our ongoing business and we will continue to do so.

Furthermore, the Senior Leadership Team at Creative Scotland, with the support and input of the Board, have discussed the application process for Open Funding and have strengthened our safeguards, including the introduction of an additional stage of review for all applications that are recommended for funding. Further information on the nature of these new safeguards is referenced within Iain Munro's [letters to the Committee on 16 April and 22 May 2024](#).

To reflect the Board's revised risk appetite for certain kinds of work, pre-award changes include additional risk-based prompts for assessors and decision-making panels, an escalation process where particularly challenging or potentially controversial work is involved, and an additional review stage, post-panel, before any decision is issued to applicants.

Post-award protections include options for standard conditionality to be applied to higher risk awards, for example relating to monitoring updates and additional reporting/clearance requirements. We are also reviewing the level of maximum funding award to individuals to address the limited governance protections for awards to individuals compared to organisations, and which will also help to manage the unprecedented levels of demand for the Open Fund for Individuals (which has seen a threefold increase since the pandemic).

As requested, we will ensure the Committee continues to be kept informed of the implementation of these changes.

One final important point I'd like to restate is that the Board of Creative Scotland, including myself as Chair, remain unanimously supportive of Iain Munro as Chief Executive, of the senior team and all our staff.

Everyone at Creative Scotland continues to work diligently in support of Scotland's diverse and inspirational culture and creativity, to the benefit of everyone who lives, works, studies or visits Scotland. As Chair, with the support of the Board and all our staff, I am committed to ensuring that this continues.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Robert Wilson', written in a cursive style.

Robert Wilson
Chair