



Northern Ireland
Assembly

Committee for Culture, Arts and Leisure

OFFICIAL REPORT (Hansard)

Inquiry into Maximising the Potential of the
Creative Industries in Northern Ireland: Arts
Council

17 May 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Miss Michelle McIlveen (Chairperson)
Mr Dominic Bradley
Mrs Brenda Hale
Mr David Hilditch
Mrs Karen McKeivitt
Mr Cathal Ó hOisín

Witnesses:

Mr Nick Livingston	Arts Council of Northern Ireland
Ms Roisín McDonough	Arts Council of Northern Ireland
Ms Lorraine McDowell	Arts Council of Northern Ireland

The Chairperson: I welcome Roisín McDonough, the chief executive, Lorraine McDowell, the director of operations, and Nick Livingston, the director of strategic development. I welcome you all to our Committee. Thank you for responding to our inquiry.

Ms Roisín McDonough (Arts Council of Northern Ireland): Good morning.

The Chairperson: Roisín, would you like to introduce your team again? Although no one is a stranger to the Committee.

Ms McDonough: I introduce Lorraine McDowell, who is our director of operations and has responsibility for running the creative industries innovation fund, which is pertinent, obviously; and Nick Livingston, who is our director of strategic developments, which, again, has a bearing on this whole matter. I am Roisín McDonough.

The Chairperson: Would you like to make an opening statement, and then members will ask some questions?

Ms McDonough: Thank you for the opportunity, Michelle. We want to give you a little bit of an update rather than rehearse our earlier written submission, which you have. I have referred to the creative industries innovation fund, and we welcome the Programme for Government's commitment to that, with its target of supporting 200 projects. I want to give you a bit of an update on where we are with that particular issue. In November, we made awards totalling just under £400,000 to 41 businesses. We are in assessment mode at the moment, with 100 applications seeking just over £1 million from the fund. Those decisions are going to be made by the end of the month.

A figure of £4 million over a four-year period has been quoted for the creative industries innovation fund, but I want to advise the Committee that we do not get £4 million to allocate to the fund itself. The Department takes some of the funds to cover its own costs for the creative industries post and to facilitate the development of activity that it undertakes under its own aegis. The Arts Council reduced the number of posts that it had from three to two to enable us to deliver and promote the fund. Therefore, the amount available for the distribution of grants will be in the region of £2.2 million to £2.4 million. We are awaiting confirmation of that figure from the Department in respect of the current year's allocation. It is a really important programme, and the benefits that it reaps have already been articulated to the Committee, and they should not be underestimated. We would like the programme to continue in the future.

The Committee kindly sent us information about the European creative districts programme, which was a call from the Directorate General for Enterprise and Industry in the European Commission. On behalf of the north-west region, the Arts Council took the lead and submitted a proposal to the call. We worked with Derry City Council, Ilex, the Culture Company, Digital Derry and the University of Ulster in developing an initial expression of interest in a very short time, and we seek the Committee's support to get to the next stage on that. The proposal focuses on efforts to incubate the creative industries, particularly in the fields of fashion and textiles, publishing, music and creative festivals in the north-west region. There is a cross-border dimension to it, and it builds on all the efforts that have been made in respect of the One Plan for Derry/Londonderry. Therefore, we are hopeful that the application will at least be shortlisted. Whether we make it through the entire process is another matter.

I also want to assure you that we continue our very close working relationship with Creative and Cultural Skills, the sector skills council, and I know that it has been to see you as well. A practical example of that was the two policy seminars that we ran jointly. Those were successful in getting really good dialogue between policy makers and people who are engaged in delivering in the creative industries field. As you will know, Creative and Cultural Skills is housed in the Arts Council, so we have good communication there. We welcome the recent developments regarding its new staff, and, in particular, the post of a creative apprenticeships programme manager. We believe that it will create pathways for young people in particular, with a focus on disadvantaged young people, to find a way into the creative industries, and we will support Creative and Cultural Skills in that. That was a very quick update, Chair.

I will make three or four points in relation to the recommendations that the Committee might like to consider. Everybody knows how unfavourable the current macroeconomic climate is with respect to banks and the difficulties that small businesses and others face in trying to access credit lending. However, the encouragement of venture capital or angel capital investment in exchange for the idea of equity shares is a really important tool in a much wider toolkit. People will have seen 'Dragon's Den', and, advocating that, without all the television dramatics, is probably a sensible approach.

Northern Ireland is small, so we may need to look further afield in that regard. However, a combination of private investment, loans and grants should be considered in future for some of our more successful creative industries projects, which are on the cusp of significant growth. A good example of that is Digital Derry, which managed to assemble a group of investors who are prepared to speculate, in this instance, up to £100,000. They are ready to go and are looking at a particular cluster of activities in which make that investment. We commend that.

In that context, I do not know how much the Committee has heard about the National Endowment for Science, Technology and the Arts's (NESTA) pilot accelerated programme, which is based on the US model, but, again, we commend that. Although it has some of the normal characteristics, it is different because it is time-limited support and has a series of programmed events and intensive mentoring. It has also cohorts or classes of start-ups rather than individual companies. Again, if we were to take the creative industries innovation fund forward, we would like to focus not on individual companies but on clusters and, indeed, on an intensive mentoring approach.

I just wanted to say that we took the initiative to approach the Institute of Directors, because we were conscious that our companies needed mentoring and support. They needed that when they needed it rather than just when a general programme was available for people to go on. So, we brokered that arrangement, and people are finding it useful. Again, we want to evaluate that.

The other element that we want to stress to the Committee while it is considering its recommendations is the importance of networking, which encourages vital collaboration. Infrastructural support bodies have an essential role, and it is our belief that they should continue to be supported in the future. In

the digital sphere, you will know that we have Digital Circle and Digital Derry, but we also have Craft NI, the Design Alliance and Publishing Northern Ireland. We believe that there is a need to create a lead organisation for the music industry, and we know that is in the pipeline.

There is a ladder of progression; we are aware of that. The creative industries innovation fund gives small grants of up to £10,000. We fly beneath the radar of Invest Northern Ireland, which is really focused on innovation but not yet in the creativity agenda. In that ladder of progression, we recognise that some of the companies that we are supporting will progress to become Invest NI clients. That is essential if they are to grow and to continue their export focus.

I have just two final points, the first of which is about education. I know that the Committee has heard references to putting the steam into STEM, so to speak, and we endorse that. We want to see creativity and the arts at the heart of our curriculum, and we need to liaise and speak to the Education and Skills Authority about that. More work needs to be done there, because, for us, it does not make sense to have that exclusive focus without creativity and the arts also being included. We know that you heard from Creative and Cultural Skills and Creative Skillset on the issue of the skills agenda. They have already made cogent points about the need to link employers' skills needs with that which is provided by further and higher education to get the workforce ready and suitably qualified to take up potential jobs, and that is right.

At the higher education level, we welcome the universities' efforts to extend incubation units for start-ups. However, although they are doing that, more needs to be done. Indeed, we also welcome their efforts under the knowledge transfer partnership scheme, where universities, as you know, collaborate with those working in the field of innovation in science and the arts, with some government funding, to develop businesses. The UK has a body to do that. I suppose that we in Northern Ireland can tap into that, and we have made contact with it. However, I suppose we should consider whether one needs to be set up for Northern Ireland — a Northern Ireland-wide knowledge transfer partnership arrangement. Again, that question is worthy of consideration.

The other point is not so much about what business and government only can do for the creative industries, as important as that is. NESTA asked the question the other way around: what can the creative industries, creative businesses and creative entrepreneurs do to help small businesses innovate and be more creative in their services and products? It set up a creative credit scheme to enable that happen, so it is a two-way street. We commend that approach.

Finally, we need the consortium approach across government. We need that co-ordination, and we will continue to pledge to play our part in all of that as we move forward. Those are my brief opening remarks, Chair.

The Chairperson: Thank you very much, Roisin. The Committee noted previously that, when the creative industries innovation fund (CIIF) funding was announced, there would be a reduction from the previous round. It is noted in your paper that there is a 40% reduction, and I am quite concerned that you come to me and say that you have £4 million but, actually, you do not have £4 million. You say that you have, maybe, £2.2 million or £2.4 million. That is a huge reduction. Is that similar to how the previous funding stream was administered? Was such a large proportion taken off at source, essentially? How can that be accounted for?

Ms Lorraine McDowell (Arts Council of Northern Ireland): The previous CIIF was a £5 million fund, and, in the paper, we say that we gave £3.9 million in grants. This time, it is a £4 million fund, with £2.2 million available in grants. The top-slicing was not as great in the first round of CIIF. We received around £800,000 a year, and, this time, we are looking at something more in the region of £650,000. The Department has made the decision to retain some of the funds for its own activities and to facilitate other creative work.

The Chairperson: Do we know what that other work is?

Ms McDonough: We are not in a position to give the Committee that information.

The Chairperson: The Committee may wish to approach the Department about that.

Thank you for your paper. You cover quite a number of the issues that have been discussed over the past weeks, and various themes are coming through that will make it much easier for us when we come to make our recommendations. You mentioned that proposals for Creative Europe are currently

being considered. How could that benefit Northern Ireland, and how could a creative hub in Northern Ireland work within that proposal?

Ms McDonough: Under the creative districts proposal, two regions throughout Europe will be chosen. It is a demonstration of an exemplar programme. Two projects will be chosen to show how creative industries can help to trigger regeneration and how they can be accelerated and grown and developed in the context of a regional economy. That is the purpose of the programme, and we have made an application for the north-west region. As I said, we have talked to our partners, and we believe that this very much builds on the work that has happened, for example, with Project Kelvin. Derry city will be a place with full broadband connectivity at high speed. There is a master plan for the city region area, and there has been terrific co-ordination and co-operation. There is the City of Culture. All of that makes for very propitious circumstances into which a project called the creative districts could be developed and which would provide that kind of learning that Europe needs and, indeed, which we need on the island and further afield to see the specific detail of what will be done to help these businesses grow and develop in particular spheres of activity. So, perhaps we could build on indigenous, traditional industries. That is why we mentioned fashion and textiles, as well as music and festivals. Those are the cultural and creative assets that you find there. More support for those kinds of initiatives needs to be brought to bear. I omitted to say that the university is also one of the partners. We have to bring some match funding to that. I think that up to €0.5 million is available for each project, of which there are only two. Essentially, that is the nature of the proposal. As I said, we have submitted our expression of interest, and we will hear, I think, by the end of June whether we have been shortlisted. If we are shortlisted, we have to put in a hugely detailed proposal — as you will appreciate, it is never easy to get European money — by the middle or end of August, for likely commencement at the end of November, if not December. The only reason we mentioned that is that the Committee sent us the information. We looked at that, thought it was appropriate and believed it was a good programme.

The Chairperson: So the Committee can get some kudos for that.

Ms McDonough: You can take even greater credit when we win. So, thank you for signposting that. As I said, any support you can offer would be terrific. We will be talking to our MEPs and others as we move forward to see whether we can get their support.

Mr Nick Livingston (Arts Council of Northern Ireland): May I add a little bit to that? There are very specific things about the north-west region that will be of interest, not least Derry's peripherality in Europe. I think that that will give the Derry bid, under an open call, which is what it is, some edge over the bids from other regions. I think that there are circumstances prevailing in Derry, in addition to the points Roisín made about the investment infrastructure, the new digitally enabled technology that is being installed and the new creative industries hub. I think that certain features of regions that are peripheral to central Europe will be of interest to the Commission as it tries to bring forward proposals for what it wants to do under the initiative.

I wanted to mention a second point. In your question, you talked about Creative Europe, which is different from the specific open call. I just wanted to add one note about the need to internationalise what many of our artists are doing at the moment. Creative Europe is the global name that the Commission is giving to the replacement fund, which is valued at around €1.9 billion, and which will come into effect from 2014. We have been working with many of our funded clients to gear up their energy and efforts so that they are ready for those changes when they come. The Committee may be interested to know that, as part of that, we have been running a series of information days with clients. The next one will happen on 30 May, and we are, in fact, hopeful that at least one of our MEPs will be at that event.

I just want to give the Committee a sense of what has been happening up to now. In the past three years, the level of successful outcomes, if you like, for some of our funded clients has risen steadily. This year up to the present, working on the European calendar as opposed to the UK financial calendar, we have tracked grants of some £345,000 made to a variety of arts organisations in Northern Ireland. We thought that a useful way of trying to steel resolve and encourage others would be to present a series of case studies, and that will happen at the event later this month. That is part of the general effort that needs to be expended to raise levels of international awareness and, indeed, European connectivity for all our cultural organisations.

The Chairperson: You commented on the difficult economic conditions and the need to explore private financing, citing a number of examples. How do you think the use of angel capital and private

finance could be encouraged? Who should take the lead on that? Is that something that you, Arts and Business or the Institute of Directors (IOD) needs to lead on?

Ms McDonough: I do not think that there is any one answer to that. There are business networks, such as the Confederation of British Industry (CBI), IOD and the various chambers of commerce at a local level. Arts and Business's Reach programme is a fine example of that. It encourages arts organisations to get match funding that levers the funding that it gives those organisations. For every pound, they manage to lever around £4 or £5 from the private sector. That is a good model and is in the form of a grant, as opposed to a loan in exchange for equity. Calibrating the grant versus the loan in exchange for equity at the right moment in a company's development programme is hugely complex. We were looking at Arts Council England, which is also going to run a programme for the creative industries, and it is talking about a revolving-loan fund. Obviously, the circumstances are different there. There may be issues of scale associated with companies in England or the UK that are different from those in Northern Ireland. It is talking about loans of £25,000 to £50,000, while we are giving out grants of £10,000 because of scale issues, and that has been successful. There needs to be a combination of these.

It is a stepped approach. We cannot continue to sustain over a longer period just the proposition that we will be giving out grants from now until 2015 or 2020. As Lorraine knows very well, we have experience of when we in the Arts Council were investing in the film industry before we devolved our lottery funding to Northern Ireland Screen. To help to broker private finance, we gave a grant, and, if the project was successful in attracting income, we took a portion of that income back and reinvested it into the lottery funds available for distribution. That kind of approach is worthy of consideration. That should not be the exclusive approach adopted, but a portion of the future allocation of funds should be set aside in that manner to leverage further funding.

We are conscious that Invest NI will not fund anything below the £100,000 radar, so, between our £10,000 grant and the £100,000, there is quite a spectrum of activity. In essence, we are saying that a combination of the approaches that I have suggested is worthy of being looked at, and we will evaluate the programme accordingly and try to test that proposition with some of our funded clients.

For example, Dog Ears from Derry city was a small publishing company that applied for the creative industries innovation fund. That gave it a bit of money, and it created an app. It now has some money from Invest NI and a bit from NI Screen, and it is looking at moving into the digital animation area and going global. Crucially, it now needs private sector investment. It has the government grants and the other bits and pieces, and private sector investment is critical to enable it to get it to that export level, and 'Miss Rosie Red' is a tremendous example of where it could be very successful and internationally acclaimed. It will maybe get on to 'Dragons' Den' or whatever it is. It might require hundreds of thousands of pounds, and finding that level of investment is a very complex area. As we know, all those companies need to hit the jackpot is one or two successes. There is not an easy answer, but it is a combination of various levels and types of support when people need it. We need to get better at that.

The Chairperson: The timing is critical.

Ms McDonough: It is.

Mr Ó hOisín: Good morning. It does not need saying that I am delighted to hear of any good news for the north-west. Those of us from that neck of the woods know that Derry is the capital of culture and has been for quite some time. I am also particularly happy that this has been done on a cross-border basis, because I believe that the creative industries — without making any political point — are all-island industries, particularly when it comes to film and television. The likes of orchestras, music, skills, apprenticeships and what have you are best delivered through an all-island approach.

I have only one contentious question. A lot is being squeezed in this year and next year, particularly in the north-west. I had a meeting last Friday with the Culture Company to assess how that is being widened out to the adjacent council areas and, indeed, to the broader region. I know that it has met the likes of Donegal County Council, Inishowen Tourism, Strabane District Council, Coleraine Borough Council and the rest of the councils in that area. I just wonder whether a lot of what has been envisaged is doable and deliverable within the timescale. I know that there is also a legacy issue, but is this doable? There is a countdown and there are 200-odd days to go. So, my question is this: how practical is it?

Ms McDonough: I do not want to labour the point about the European creative district proposal too much, lest we fail at the first hurdle. It is a two and a half years initiative. The Culture Company obviously has an awful lot of work to do in order to deliver an outstanding programme that everybody will acclaim and from which there should be a legacy. However, it is focused on delivering a cultural programme for the year. This is really about the capacity of the creative industries to contribute to the economic regeneration of the region. In a sense, it is relevant and pertinent, and I would say that it is complementary. I do not think that it will detract from the necessary activity that the Culture Company and its partners will need to engage in to deliver that wonderful programme. I would make the distinction that we are talking about the university, the institutes of technology, Digital Derry and businesses as opposed to a cultural programme.

If we were successful, that would be a real fillip and a good boost and a lot would be learnt from it. We would gain learning from what is an exemplar and a demonstration programme. It would not solve the economic difficulties that the north-west region faces because of its peripherality and other issues. However, it would provide valuable learning, which could, in turn, be drawn on as we try to develop that across the whole of Northern Ireland and beyond.

Mr Ó hOisín: At what stage of advancement is the Ebrington project, which has been central to all this? How important, particularly within the wider north-west area, are community festivals, which have lost out somewhat in the past number of years?

Ms McDonough: I am not in a position to speak about the Ebrington project other than to say that Ilex has been involved as a partner. We are aware that buildings 80 and 81 at Ebrington will become a creative industries hub. That is under way. We are aware of that and welcome it. It will provide incubation units and the kind of clustering and hub of activity that are characteristic of successful creative industries activity, as shown by the NESTA report. So, we welcome that.

On the issue of community festivals, as you know, the Big Lottery Fund and the Arts Council have made a contribution towards a fund of £1.1 million to enable community activity to benefit in the run-up to the City of Culture celebrations, to ensure that communities do not feel that they are somehow locked out or that they cannot avail themselves of resources to make their contribution to the City of Culture. As I said, that dedicated fund has been set up, and we are a contributor to it. It is important that we recognise that there are other kinds of important activity.

Mr Ó hOisín: Do you agree that there is a disparity between the amount of projects that are located in the greater Belfast region and the amount elsewhere, particularly in the north-west?

Ms McDonough: The Executive's commitment of £12.6 million to enable the programme delivery for the City of Culture has been hugely welcomed, especially by people in the city of Derry but also by the wider public in Northern Ireland and the Republic. When I talk to people, they say that it is fantastic. They see it as not just Derry City of Culture; in many ways, it is the Northern Ireland, Ireland and UK City of Culture. It has all of that possibility and all of those links. It is welcomed. I am on the Culture Company, and we are very pleased to play our part. We are supporting it through other funded activity, including our Lottery funds and other sources, to help to put on that programme. The £12.6 million is not enough, resources are needed from elsewhere, but it is a stonkingly good chunk of it. The Executive are to be congratulated for making that investment.

The Chairperson: I imagine, Mr Ó hOisín, that other Members who represent different constituencies would more than welcome an investment of over £12 million in their constituency and would be quite happy with it.

Mr Ó hOisín: Chair, I do not doubt that at all. I was asking specifically about the community festivals fund.

The Chairperson: I would be more than content if that were ploughed into the peninsula.

Mr Ó hOisín: It probably has been in the past.

Mr Livingston: I wonder whether it would be appropriate for us to send you a copy of the concept note behind the district proposal. We could send that to the Committee, and it would give you a bit more depth on the outputs and all the activities that would be happening over the 30-month period. It

might give you a sense of how that sits coterminous to all of the other programmes that are going to be rolled out as part of 2013.

The Chairperson: That would be useful. Thank you very much.

Mr Hilditch: Roisín, what are your views on the need for a design strategy? That point has been made by other groups.

Ms McDonough: I wear a Creative and Cultural Skills sector council hat as well as my Arts Council one. Speaking with both hats on, I would say that we commend the efforts, which have been self-starting, of the design sector in our society. The Design Alliance was formed; it has its website, it is running networking events, it is getting speakers over and it is coming together. One of the things that it endeavours to do is raise the profile of design and its central importance. Everything that we see, do and touch has a design consideration behind it, although that is hidden at times. It also looks at how it can collaborate to get contracts. It is very hard for small firms to get government contracts or other contracts. Your question is whether we need a design strategy for Northern Ireland. The answer is yes; anything that brings together a focus on design is important. It is not just to do with glasses or tables; it is not necessarily just physical products. In respect of a strategy for design, I was very seized about its extension to the designing of services that are streamlined, creative and innovative at the point at which users engage with them. When people think of design, they tend to think of a physical product, like an iPad or all the iconic designs and brands that we have, be they shoes, trainers, clothes or whatever. I thought that extending it to services that the public receive and engage with is a very creative approach. Do we need a design strategy? It depends on the sense in which we understand that. Anything that brings coherence is always to be welcomed.

Mr Hilditch: Because of where the Arts Council positions itself in view of government, have you any views on why local councils have not really responded to the inquiry. I think that three of the 26 councils responded, which is a bit disappointing.

Ms McDonough: That is disappointing. Before we came in, we were looking at the distribution of our funds, because, obviously, there will be concentrations on the conurbations of the Belfast City Council and Derry City Council areas. In the first round, our grants were spread across around 10 local authority areas. The last round included 17 local authority areas, so, as the fund becomes more widely known, you see take-up in those areas. I share your disappointment in that respect. I hope that Belfast City Council and Derry City Council have been to the Committee as part of your inquiry. Perhaps the focus of economic regeneration activity might have been a bit more conventional and traditional than looking at the opportunities that may arise in this area. I am surprised, because I know that, in the past, north Down has, rightfully and wonderfully, marketed itself as being the creative peninsula.

The Chairperson: That is the Ards peninsula.

Ms McDonough: Sorry; it was Ards, not north Down.

Mr Livingston: Ards Borough Council did respond.

Ms McDonough: I thought that that was quite a visionary concept, not only for cultural tourism but as a way of celebrating the fact that lots of microbusinesses and micro creative activity is going on in the area, which contributes to the wider sense of wealth and, often, well-being. I do not know whether Ards Borough Council has been before you. I hope that it has.

The Chairperson: Ards Borough Council attended one of our stakeholder events and, as you mentioned, was a trailblazer.

Mr Livingston: I will add one footnote to the point that Roisín made about a design strategy. It might be pertinent to mention that that might be an area that could be referenced in the development of the curriculum in Northern Ireland. It really needs to start early on. Sir John Sorrell was in Northern Ireland recently and spoke at a lecture in the University of Ulster about the work that the Sorrell Foundation had been doing to embed principles of good design into curriculum practice. I was struck by that, and there is much that Northern Ireland, as a region, might potentially do to follow on that lead.

Mrs Hale: Roisín and the panel, what are your views on The Department of Culture, Arts and Leisure's (DCAL) creative industries framework?

Ms McDonough: It is important that DCAL has taken the lead; it was the originator of the 'Unlocking Creativity' document. It is to be welcomed that it has managed to secure the funding and, indeed, is at the point of wanting to articulate cross-departmental policy on this matter and to co-ordinate that. I am glad that it took the lead. I know that it has presented that to the Committee and that it wants to establish an architecture and a structure to enable the delivery of increased activity in this sphere. It can be a crowded territory, but that is just the way that Departments are currently, with their numbers and their respective bodies. Co-ordination is essential, and the fact that DCAL is choosing to co-ordinate that is really good. We will play our part in that. We believe that our experience in delivering the creative industries innovation fund is valuable, and that should feed into that framework. Delivery bodies have a critical role to play. Policy is one thing; the implementation and delivery of policy on the ground is another. That is where we believe we have a very strong and important role to play. I cannot make any further comment than that. We are generally supportive of what DCAL is trying to do.

Mr D Bradley: Good morning. I notice that your submission has a number of paragraphs on tourism. It states that cultural tourism represents between 35% and 40% of the overall product and that that is increasing by around 15% per annum. It also states that cultural tourism is the fastest growing tourism sector. Do you think that we have developed a readily recognisable and identifiable cultural product for Northern Ireland?

Ms McDonough: We are getting there. We work very closely with the Northern Ireland Tourist Board to ensure that the development of cultural tourism is one of its key strategic objectives. If we were to look back to four or five years ago, we would find that cultural tourism did not exist to the same extent that it does now. So, we welcome that. I think that we work well together. Anybody who has been in Belfast over the past few weeks could not help but be struck by the enormous energy, vibrancy and buzz in the city. Obviously, the 'Our Time, Our Place' campaign has been very successful in giving focus to the cultural tourism industry in Northern Ireland, particularly for the Titanic centenary, the Titanic signature project and the opening of the Metropolitan Arts Centre (MAC) recently.

The MAC is one thing that we happen to know about. People increasingly talk about it as if it is a visitor destination as much as an arts and cultural facility; both are important. People go to look at the building and just to be part of the ambience. So, we now have a strengthened cultural tourism offering, and that is to be welcomed. As you know, one of the things that we will continue to argue in favour of is the provision of a dedicated public gallery. Although the MAC has good facilities, a public gallery is, nonetheless, absent from Northern Ireland. We believe that that is a gap. Visitor attractions are terrific. However, people want an offering with depth and breadth, of which, we believe, a gallery is a component.

Mr Livingston: I will add one or two comments. First, there is no cause for complacency. Bear in mind that Northern Ireland as a region and Belfast as a city are classed as "second holiday" or weekend break destinations, which are the most competitive parts of the market. To achieve what is called "stand out" in that very competitive marketplace, you need to be not just excellent but outstanding. In the coming years, the work we will have to do collectively with other players in the tourism industry — the Tourist Board and other cultural organisations — will play a part in that.

I want to give the Committee a sense of how that work has already begun. Some of our cultural organisations, for example, are bringing animation and life to places where cultural infrastructure exists in Belfast and, in particular, in the Titanic Quarter. That has given a real sense of what could be achieved. We have had a number of very successful productions, for instance, that have been put on in historic venues. That is something that could be built on, grown and developed. We have been leading with the Tourist Board on a series of industry seminars and masterclasses for the cultural sector. That definitely raises our game in respect of the level of awareness and how to broker partnerships, particularly with the hospitality sector, to make sure that what is being offered to the tourist is coherent and meaningful. Even in that regard, work needs to be done with other players. The Strategic Investment Board (SIB), for instance, should be involved. It has recently commissioned a piece of work to look at the coherence of the cultural tourism offer in Titanic Quarter in particular.

Mr D Bradley: I was thinking also along the more traditional lines. We have a very rich literary history here; some of it is not yet history. I was thinking of John Hewitt, Louis MacNeice, Seamus Heaney, Brian Friel, and so on. Are we — maybe I am bit of a philistine for using this word — exploiting them

sufficiently from the point of view of tourism? Seamus Heaney, in particular, has achieved world status as a poet in the English language. Considering what the South has done with Yeats, Beckett and Joyce and so on, we do not seem to get the same sort of afterglow from those figures as perhaps we could.

Ms McDonough: I was at a round-table discussion with Tourism Ireland, and exactly the point that you made arose. It came from people who were involved in the John Hewitt International Summer School. They said that it struck them that the Arts Council is only really interested in the big things and how we sell and market them. They are a small-scale festival in Armagh, and they highlighted that they were the only thing that really happens at that period in the year and that they attract in several hundred participants. They told us that it is very lively: the shops and restaurants love it when they are there. They have important messages to give out, and they said that their brand is a very rich literary brand. The challenge that was thrown down was whether we were interested in them. The answer that came back was absolutely. The proof of the pudding is in the eating, but the point that you made is a very substantive one.

We have a myriad of smaller-scale niche festivals distributed across Northern Ireland. People who are interested in literature, talks, exhibitions and that kind of programme come for those festivals. They are not profiled enough or understood enough, and we fund quite a lot of them. Their profiles need to be raised. For example, the International Beckett Festival is being established as we speak, and we are involved in funding that. We hope that that will give a focus to Enniskillen because of the connection with Portora Royal School. You are right: all of those activities and festivals need to be part of that niche offering. One of our stand-out unique selling points is our rich literary and musical heritage. It is second to none on this island and in these islands and beyond. We will work with the Tourist Board, Tourism Ireland and our clients, as Nick said, to try to get that profile. They need it and deserve it, and we should be proud of them.

Mr D Bradley: When you meet the Tourist Board, do you discuss the cultural product and how to mould that and present it?

Mr Livingston: We have a memorandum of understanding with the Tourist Board, which means that we meet at least once every quarter. We discuss a set programme of items when we meet. Our work is primarily, as you can imagine, leading up to the opening of the signature project in Belfast. It has been largely around cultural infrastructure and so on.

Ms McDonough: And the cultural Olympiad as well.

Mr Livingston: Exactly. But, in a sense, as that relationship develops, grows and matures, the range of things that we are discussing and the potential areas for co-operation and common work are growing all the time. It strikes me that there are things that we could do around creating common portals and destination stand out; for example, facilitating people who are coming to Northern Ireland to collectively purchase not only their hotel accommodation and travel but tickets for shows that they want to see or festivals that they want to visit. Those are practical areas where we can co-operate and work together.

Mr D Bradley: You mentioned a national gallery for Northern Ireland. That would be a major contributor to the cultural life here from the point of view of tourism and encouraging the visual arts. Would there be an opportunity to link in with the National Gallery of Ireland in Dublin and have a symbiotic relationship, which would mean that works could be shared across the island?

Ms McDonough: The Ulster Museum has been successful in that regard, in showing some of the 'Treasures from the North', as they call it, that have gone down to the National Gallery of Ireland in Dublin. We all visited that. There are opportunities for exchanges. I suppose the issue is the sheer physical limitation on size and what can be shown at any one point, hence the need to strengthen the physical infrastructure for gallery provision. Of course, galleries co-operate and things rotate. For example, the MAC is in partnership with the Tate, hence the Conor and Lowry exhibition is there, which is fabulous. That is the first time they have been put side by side.

So, you will get a degree of co-operation and that is brilliant for people who do not have the opportunity to go to London, Dublin or wherever it is to see such iconic works. However, there still remains the issue of the physical infrastructure that needs to be addressed because, as we said before, 90%-plus is in storage at any one time. Many of our treasures are by great Northern Irish artists whose work you just cannot see, and that is a shame.

Mr Livingston: That exhibition, which was put on three years ago in the millennium wing of the National Gallery of Ireland, proved to be exceptionally popular. I remember checking with the institution at the time and it told me that in the first three months there were 66,000 visitors. The thing that is striking about that is that those are important works created by indigenous Irish artists. They speak of this place and many are fabulous landscapes that we do not see with sufficient frequency. They span a considerable period, of that appealing area from, say, the pre-Raphaelite period right up to the end of the Second World War. That is a rich resource available to us, which visitors to Northern Ireland would like to see but are impeded in doing so because we simply do not have the physical space to show it.

Mr D Bradley: Is there an interest group working towards a national gallery or is it just an idea that is floating around at the moment?

Ms McDonough: The Arts Council has been prosecuting that since before I joined it, which is now 11 years ago. It has been prosecuting it for the past 15, 16, or 17 years. It is a journey filled with hope that has not yet evaporated. But is there a group? We are all highly conscious of the resource constraints, and capital development budgets have been really pruned. We have to be realistic in that regard. I suppose it is like many things in life; if you think an idea or proposal has merit or is worthy, you will prioritise it. We are trying to persuade and advocate for the need for such a facility. Maybe, it is the kind of Chinese proverbial drip, drip, drip on the stone, until, eventually, someone says, "Actually, that is a really good idea. We are going to do it." Lots of people say that it is a terrific idea, the difference is saying that you are going to do it, and we are not yet at that point. Any continuing assistance from the Committee as a champion for that is welcome.

Mr Livingston: The SIB has commissioned a study to look at the coherence and the bits that are missing in the fabric at the moment. We have raised that with it again, and that is something that you could perhaps reinforce if you get the chance to do so.

Mr D Bradley: Sometimes, if you have a group of advocates, as well as tapping into government funding, they can source funding from philanthropists and various other areas. If you look at the example of the new Lyric Theatre, there was departmental funding but there was also private funding, without which the project would not have got to where it is now. So, perhaps that is a direction that we should be considering.

Ms McDonough: Absolutely. The Lyric Theatre got the single largest capital donation of £1 million. Well done to those involved in the project, and well done to the Naughtons, who said, "That is where we want to put our money." The relationships that you build with potential investors are long term. If you are talking about a gallery, you are really talking about £50 million or £60 million or thereabouts. That is a significant investment, comparable to, although maybe not quite as expensive as, the Titanic signature project, and that is necessary for it to have the required scale and visibility. Getting private sector investment to match any public sector investment on that scale is hugely difficult. However, as I said, we are hopeful all the time.

Mr D Bradley: Thank you very much.

The Chairperson: Finally, Roisín, Creative Scotland has been brought to our attention, and it is something that we obviously want to explore in more detail. However, it is part of a merger of the national arts and screen organisations. What is your view on that? How could it work in Northern Ireland?

Ms McDonough: We are open to it. That is the first thing. We followed closely the creation of Creative Scotland, because our counterpart was the Scottish Arts Council, which was quite a large organisation; Scottish Screen was a bit smaller. We followed the politics of it all through the debates in the Scottish Parliament on the issues and all its vicissitudes over about six years. We also followed the institutional realisation of that ambition when it came to the merger. We continue to speak to our counterparts in Creative Scotland, because, as you know, with our creative industries innovation fund we have a bit of a hybrid model, but it is nothing too distant from what Creative Scotland is about.

It is too early to say how it is settling in, but it has got over the initial hurdles. People are seeing the value and benefit to them of having a co-ordinated mechanism through which they can do their work as an artist or an arts organisation and have a single point of contact if they want to turn that into

business and grow accordingly and collaborate. So, it has the added advantage of having created a single point of contact and a single brand. It has a coherent strategy, is backed by the Scottish Parliament and is the lead body. So, well done. Work that was in progress has been realised, and Creative Scotland is looking at the feedback from its users. It was a bold and courageous decision, and it is one that we would be more than happy to consider and be part of.

The Chairperson: Thank you very much for your time and your very detailed response, which was very welcome to the Committee. We will see you soon.

Ms McDonough: No doubt you will. Thank you very much.