

Glasgow Life or Death

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A ROSE BY ANY OTHER NAME

Two and a half years ago, an analysis of Culture and Sport Glasgow (CSG) was undertaken, based on a consideration of its key personnel and the consequences for culture their shared ethos suggested.¹ This research pointed to a takeover of the city's cultural and leisure services by business interests, particularly in the areas of tourism and regeneration, which was perceived to have a detrimental impact on those working in the field and on the long-term financial viability of the city's facilities. It built on concerns that having a private company running the city's culture and leisure may well prove disastrous as democratic accountability was lost and speculative funding sources failed to materialise. Against a backdrop of public sector cuts and deep-seated discontent, the time now seems right for an appraisal of these predictions. The only problem is that Culture and Sport Glasgow would seem to have disappeared. The 'internal outward facing collective brand'² is now known as Glasgow Life and the parent company has been seeking to rename itself Culture and Sport Enterprises. While it would be gratifying to think that questions raised about the devolved model of governance would be sufficient to prompt a name change, it is likely that other factors motivated such a swift re-branding, begun less than two years into the life of the twin-headed company.

One of the reasons for the change of identity alluded to in CSG material is that a lack of coherence across marketing activities has affected its economic performance.³ This may well have provided the initial impetus but, since the re-branding process began, in early 2009, the company has increasingly sought to distance

itself from bad publicity, notably that garnered by the exhibition and events collectively known as 'sh(OUT): Contemporary Art and Human Rights' (subsequently censored by CSG).⁴ This project took place between April and November 2009 at one of CSG's flagship venues, the Gallery of Modern Art (GoMA), as part of its social justice programme. A summer-long furore followed, centred on an outreach project, called 'Made in God's Image', which included the first artwork by a gay part-time minister, Jane Clarke – a blank bible into which visitors to the exhibition who had felt excluded from the good book could inscribe themselves. A campaign, spearheaded by a group known as Christian Watch, protested vociferously about this seemingly benign gesture of artistic inclusiveness (or, rather, the comments that were written into the bible by members of the public) and, in December 2009, a related website called CSGWatch⁵ was launched to protest against what it perceived to be the misuse of taxpayers' money. While the group unashamedly presented itself as homophobic and made assumptions about Culture and Sport Glasgow's anti-religious intent, the campaign elicited an interesting reaction – an article, written from the perspective of CSG Chief Executive, Bridget McConnell, in *The Times*.⁶ Under the heading 'It's as if they want me executed, says culture chief enduring hate campaign', McConnell is proffered as the victim of a witch hunt verging on violence, in an article that discredits press misrepresentation and expresses concerns about the damage done to her professional reputation. While accusations against the press are reminiscent of those levelled at this author,⁷ the recourse to victimhood is also a familiar trope.⁸

¹ Rebecca Gordon Nesbitt, 'The New Bohemia', *Variant*, summer 2008, pp. 5-8 <http://www.variant.org.uk/pdfs/issue32/Variant32RCN.pdf>

² See note 5(3) in Minute of a Meeting of the Board of Directors of Culture and Sport Glasgow 27 January 2010.

³ See, for example, note 5(1) in *Ibid*.

⁴ Following a three-month residency at GoMA, Dani Marti was due to participate in 'sh(OUT)'. However, three of the four works Marti was in the process of finalising for the exhibition were withdrawn. See the statement issued by Marti on the Scottish LGBT forum at: http://www.scottishlgbt.org/CommunityArticles/Dani_Marti_Statement.aspx

⁵ <http://www.csqwatch.com/> was set up, on 24 November 2009, by David Crowter on behalf of Christian Watch, citing an address in Warwickshire.

⁶ Melanie Reid, 'It's as if they want me executed, says culture chief enduring hate campaign', *The Times*, 22 January 2010 <http://www.timesonline.co.uk/tol/news/uk/scotland/article6997613.ece> (accessed 13 November 2010).

⁷ <http://variant.org.uk/clarcor.html>

⁸ See 'CCTV Clears Crime Fighter of Bust-up with Bridget: council boss says gangland campaigner shouted in her face but they were not even in the same room', *Sunday Mail*, 12 August 2007, p. 31.

Other media coverage that seemingly served to consolidate the change of corporate identity includes various damning critiques of arm's length organisations (ALEOs). At a CSG board meeting on 31 March 2010, chair, Bailie Elizabeth Cameron, sought to reassure those assembled that 'none of the references in the press related to Culture and Sport Glasgow (CSG) and that the Company, being a Charity, was very different to some of the organisations referred to'.⁹ While the charitable status of one of the two companies making up CSG is said to act as a safeguard against directors extracting cash in the blatant fashion of other council ALEOs,¹⁰ a Service Agreement between Glasgow City Council and City Property signed two days before the CSG board meeting makes no such distinction, defining ALEOs as 'any arm's length external organisation in which the council has an ownership share, including [...] Culture and Sport Glasgow'.¹¹

Yet another factor hastening CSG's name change might have been the disgrace brought about by the downfall of Steven Purcell as Leader of Glasgow City Council, who had been responsible for the potentially lucrative creation of ALEOs and served as a board member of CSG from its inception.¹² In the minutes of a CSG board meeting held on 25 November 2009, acknowledgment was made that Purcell had been withdrawn from office according to a clause in CSG's articles of association which allows

Glasgow City Council to remove any of its representatives from the company's board by giving written notice of this intention.¹³ It is interesting to note that this occurred in September 2009, almost six months before Purcell's final fall from grace became public on 2 March 2010.

At the same November board meeting, a presentation was made by Lynne McPhee, CSG Marketing and Communications Manager, and Simon Farrell, Managing Director of Tayburn, on the new branding being proposed by Tayburn. At this point, the long-standing CSG board member and newly reappointed chair of its audit committee, Sir Angus Grossart, 'declared an interest in this item as Noble Grossart Ltd were shareholders in Tayburn'.¹⁴ More on this story later; for now, let us consider the re-branding process in a little more detail.

In February 2009, a brief was issued with the aim of appointing a procurement company to source two agencies – one to carry out a total re-evaluation of the CSG brand architecture and the other to overhaul its website. The branding tender signalled a desire to move away from the hastily configured in-house brand – which had allowed the 'customer facing brands' (Glasgow Museums, The Glasgow Club etc.) to take priority – towards an over-arching corporate identity under which the individual activities would recede.¹⁵

⁹ See note 1(a) in Minute of a Meeting of the Board of Directors of Culture and Sport Glasgow 31 March 2010.

¹⁰ This assertion was made by Bridget McConnell following her lecture entitled 'Culture and Sport: A Matter of Life and Death?' at Robert Owen School, New Lanark, 14 May 2010 and confirmed by a Glasgow Life spokesperson on 15 December 2010: 'All members of our Board sign up to our Code of Conduct and none receive financial remuneration [sic] for their work'. Page 24 of Culture and Sport Glasgow Ltd Report and Group Financial Statements 31 March 2010, held at Companies House states that 'No remuneration or expenses were paid to directors in their capacity as directors. However, one of the directors [Bridget McConnell] was employed by the company and received total remuneration in their capacity as an employee' of £132,413 from 1 April 2009 (precise figure released under the Freedom of Information Act).

¹¹ Undated Service Agreement between Glasgow City Council and City Property effective from 29 March 2010, held by Glasgow City Council legal department and viewed under the terms of the Local Authority Accounts (Scotland) Regulations 1985 which permits local authority accounts and related contracts to be inspected during a 15-day period every year.

¹² Steven Purcell's name, address and signature appears on the Certificate of Incorporation for Culture and Sport Glasgow lodged at Companies House on 22 December 2006. According to page 1 of Culture and Sport Glasgow Ltd Report and Group Financial Statements 31 March 2010, held at Companies House, Purcell resigned as a director of CSG on 10 September 2010. For a lyrical account of Purcell's departure, see Clayton Z. Cross on The Absolute Limit, 5 April 2010 <http://theabsolutelimit.com/?p=377>

¹³ See note 3(1)(b) Minute of a Meeting of the Board of Directors of Culture and Sport Glasgow 25 November 2009.

¹⁴ See note 6 Minute of a Meeting of the Board of Directors of Culture and Sport Glasgow 25 November 2009.

¹⁵ Culture and Sport Glasgow Branding Tender – February 2009 released to the author under the Freedom of Information Act.

Three procurement agencies pitched for the role of appointing the two agencies that would undertake the eventual re-branding – the Edinburgh-based Observatory and two companies from London – Agency Assessments International and creativebrief. According to the CSG Information Manager, the initial tender to appoint the procurement company was issued on Tuesday 17 February 2009 with a return date of the following Monday.¹⁶ However, according to documents released under the Freedom of Information Act, Observatory submitted its proposal on 4 February, some two weeks before the tender was issued to the other two procurement companies, with the covering email alluding to a conversation having taken place between CSG Marketing and Communications Manager, Lynne McPhee, and Observatory Partner, Andy Crummey, two days earlier. On 2 March, creativebrief sent a follow-up email to see whether their proposal had been successful and the response came back that an important sponsorship issue had sidelined the decision-making process but that this would be attended to in the next few days and a response would be forthcoming. By 12 March, when creativebrief had still not received notification of the CSG decision, they again emailed to be told by McPhee that she would be back in the office the following day and hoped to get this finished by then and be in touch soon afterwards. However, by 12 March, Observatory had already been appointed¹⁷ and was in full flow with discussions around the schedule for the branding tender. By

the morning of 23 March, creativebrief had still not been informed of the decision.

This indication of the differing timings and treatment of the various procurement companies may seem to be an irrelevance, but it potentially skewed the whole process from the outset. According to the Procurement Manual and Rules Relating to Contracts that is unique to Glasgow Life, any contracts worth between £5,000 and £20,000 require quotations from a minimum of three suppliers,¹⁸ and it would seem that the two London-based agencies were simply making up the numbers. Based on the submitted briefs, Observatory does not stand out for its excellence, referring to ‘Glasgow Culture and Sport’ (as opposed to Culture and Sport Glasgow) in its opening sentence.¹⁹ Yet, this agency was personally contacted by McPhee, which makes its subsequent methodology worthy of scrutiny.

Following the appointment, Observatory proactively approached Scottish-based branding agencies, drawing up a consideration list of twelve,²⁰ of which seven²¹ were recommended to take part in ‘chemistry meetings’ in Edinburgh and Glasgow on 31 March and 3 April 2009. The first of these meetings was with Edinburgh-based agency, Tayburn, which then set the benchmark for the other agencies. Unlike creativebrief, which claims ‘true objectivity’ by abstaining from chemistry meetings and pitches in order to ‘demonstrate that we cannot influence the client’s final decision on who wins the business’,²² Observatory attended meetings and, on 1 April, before the Glasgow agencies had

¹⁶ Letter from Pamela Tulloch to the author, dated 27 August 2010, in response to a request for clarification of information released under the Freedom of Information Act.

¹⁷ An email from Lynne McPhee, dated 12 March, discusses a meeting with a representative from The Observatory, who ‘have been appointed by us to run the Brand and Digital Tenders’ released to the author under the Freedom of Information Act. A letter to the author from Pamela Tulloch, dated 27 August 2010, describes how the scoring of procurement agencies was undertaken by McPhee and the Head of Performance and Service Quality.

¹⁸ This was confirmed in a conversation with the procurement department of Glasgow Life.

¹⁹ The Observatory, *Search and Selection Process for a Brand Planning Agency to work with Glasgow Culture and Sport*, 4 February 2009, released to the author under the Freedom of Information Act on 10 June 2010.

²⁰ The consideration list included 999 Design, Clayton Graham, Elmwood, Freight, Good Creative, Leithal Thinking, Merle, Navy Blue, One O’Clock Gun, Radley Yeldar, Red Spider and Tayburn. With a cited turnover of £3.5 million, Tayburn was one of the smaller agencies on this list; Clayton Graham was later withdrawn from the process. The Observatory, *Culture and Sport Glasgow Brand Strategy Agency Search and Selection: Consideration List to Chemistry List*, 25 March 2009, released to the author under the Freedom of Information Act.

²¹ The seven with which chemistry meetings were conducted were Tayburn, Leithal Thinking, Elmwood, Good Creative, Clayton Graham, Merle and Red Spider. Ibid.

²² creativebrief response to Culture and Sport Glasgow, Marketing Procurement Brief, emailed to CSG on 25 February 2009, released under the Freedom of Information Act.

been seen, enthused by email: ‘very impressed with Tayburn, very disappointed with Elmwood!’²³ Further meetings followed, during which four short-listed agencies²⁴ were asked to make final pitches.

A scoring matrix of the four agencies was drawn up and the branding was evaluated by CSG’s Director of Corporate and Community Planning Services (Susan Deighan), Head of Marketing (Lynne McPhee), Marketing Manager and Director of Commercial Development and Fundraising (Anthony McReavy) together with the Head of Marketing from Glasgow City Council.²⁵ During this process, Tayburn secured just one point more than its closest competitor, Red Spider. When a shortlist was later drawn up for phase two of the branding, such a narrow margin was flagged up as cause for concern; with only one point separating some of the short-listed agencies at that stage, it was felt that there was ‘no clear gap to differentiate’.²⁶ Yet, during phase one, no such concerns were raised and Tayburn was duly appointed in late May 2009.²⁷ Thus, a hand-picked procurement company steered CSG to appoint a branding agency with which Bridget McConnell had already worked, on the branding strategy for Glasgow’s Commonwealth Games bid,²⁸ and in which one of its board members had a financial interest.

Following a series of meetings with CSG senior management and staff, Tayburn produced a brand strategy update in late July 2009. In this, the Edinburgh-based agency acknowledged the two sides of Glasgow, the cosmopolitan city it aspires to be contrasting with its status as ‘one of Europe’s sickest cities with the highest unemployment, high drug use, low life expectancy and some of the most deprived areas in Scotland. It is a city without hope’.²⁹ Indeed, a World Health Organization (WHO) report, published in August 2008, argued that ‘The development of a society, rich or poor, can be judged by the quality of its population’s health, how fairly health is distributed across the social spectrum, and the degree of protection provided from disadvantage as a result of ill-health’.³⁰ Based on the findings of a WHO Commission on Social Determinants of Health set up in 2005, the report cites inequality as a major determinant of health. This idea has been expanded upon by UK academics, Richard Wilkinson and Kate Pickett, in their book *The Spirit Level*,³¹ which demonstrates unequal distribution of wealth, rather than poverty *per se*, to be the major determinant of life expectancy.³² As might be expected, Glasgow is mentioned in the WHO report, appearing twice in a table on male life expectancy, showing that a man living in Lenzie

²³ Email from Observatory to CSG, 1 April 2009 released under the Freedom of Information Act.

²⁴ Good Creative, Red Spider, Tayburn, Merle.

²⁵ Letter to the author from Pamela Tulloch, 27 August 2010.

²⁶ CSG email, dated 21 October 2009, released to the author under the Freedom of Information Act.

²⁷ However, a letter of agreement was not signed between the two parties until 25 November 2009 (Tayburn) and 21 December 2009 (CSG), the delay being caused around a technicality relating to the level of professional indemnity insurance possessed by Tayburn (£2 million instead of the requisite £5 million). Information released to the author under the Freedom of Information Act.

²⁸ According to the list of McConnell’s directorships, available at Companies House, she was appointed as a director of Glasgow 2014 Ltd on 25 April 2008. For details of Tayburn’s strategy for the bid, see http://www.tayburn.co.uk/case_study_gallery/glasgow.php

²⁹ See page 1 of Tayburn, *Culture and Sport Glasgow Brand Strategy Update*, drafted on 27 July 2009, released to the author under the Freedom of Information Act.

³⁰ WHO Commission on Social Determinants of Health, *Closing the Gap in a Generation: Health equity through action on the social determinants of health* (Geneva: World Health Organisation, 2008), available at http://whqlibdoc.who.int/publications/2008/9789241563703_eng.pdf. Also see accompanying media release at <http://www.who.int/mediacentre/news/releases/2008/pr29/en/index.html>

³¹ Richard Wilkinson and Kate Pickett, *The Spirit Level: Why Equality is Better for Everyone* (London: Penguin, 2010).

³² For evidence of attempts by right-wing think-tanks to discredit Wilkinson and Pickett’s research, see Editorial, ‘The Spirit Level: Spooking the right’, *The Guardian*, 26 July 2010, at <http://www.guardian.co.uk/commentisfree/2010/jul/26/the-spirit-level-society-criticism?intcmp=239>

can expect to live to eighty-two while his counterpart in Calton has the average life expectancy of just fifty-four.³³ To put this into even sharper perspective, men in India are

Male life expectancy, between- and within-country inequities, selected countries

Place	Life expectancy at birth
United Kingdom, Scotland, Glasgow (Calton) ^b	54
India ^a	62
United States, Washington DC (black) ^c	63
Philippines ^a	64
Lithuania ^a	65
Poland ^d	71
Mexico ^a	72
United States ^a	75
Cuba ^a	75
United Kingdom ^a	77
Japan ^a	79
Iceland ^d	79
United States, Montgomery County (white) ^c	80
United Kingdom, Scotland, Glasgow (Lenzie N.) ^b	82

a) Country data: 2005 data from World Health Statistics (WHO, 2007c).

b) Pooled data 1998-2002 (Hanlon, Walsh & Whyte, 2006).

c) Pooled data from 1997-2001 (Murray et al., 2006).

expected to live eight years longer than those in the poorest parts of Glasgow. This is especially ironic in light of an anecdote, recounted by Bridget McConnell, in which a local graffiti artist augmented the 1980s slogan ‘Glasgow’s Miles Better’ with the tagline ‘than the black hole of Calcutta’.³⁴

Picking up on the WHO report and a 2007 map of Britain’s millionaires which sees Glasgow in seventh place (five places ahead of Edinburgh), the French independent journalist, Julien Brygo, met with some of the beneficiaries of the city’s inequality. Interviewing a handful of wealthy Rotarians, on whose charity our ‘Big Society’ is poised to depend, Brygo found that ‘The clichés of the Victorian era – that the rich are beautiful, wise and generous, the poor lazy and alcoholic – persist’.³⁵ Again, Bridget McConnell adds an ironic twist to the picture, stating that ‘Glasgow was one of the first cities in Britain where business leaders accepted [the philanthropist, Robert] Owen’s premise that poverty wasn’t simply due to the moral failing of individuals, but a result of low wages, unemployment, poor housing, lack of amenities and education’.³⁶ In this case, the business leaders of Glasgow must be regressing because Brygo found, after talking to them, that:

[...] class hatred has never been made more invisible in Glasgow. The gap in life expectancy has been removed from politics and the public domain, and geographical segregation ensures the wealthy remain sealed off from the poor. That social apartheid is allowed to exist without comment illustrates how class struggle has been redefined in traditional, almost reassuring, terms over the last 30 years. Just as in the 19th century, the wretched poor live alongside the philanthropic rich.³⁷

We shall return to these conflicting perspectives of the city in due course. For now, let us consider the purpose Tayburn ascribed to CSG – that of

³³ See Table 2.1 in WHO Commission on Social Determinants of Health, op cit., p. 32 (above).

³⁴ Bridget McConnell delivering the Robert Owen Memorial Lecture entitled ‘Culture and Sport: A Matter of Life and Death?’ at Robert Owen School, New Lanark, 14 May 2010, released to the author under the Freedom of Information Act.

³⁵ Julien Brygo, ‘Glasgow’s Two Nations’, *Le Monde Diplomatique*, September 2010. See <http://mondediplo.com/2010/09/13glasgow>

³⁶ Bridget McConnell, ‘Culture and Sport: A Matter of Life and Death?’, op cit.

³⁷ Julien Brygo, ‘Glasgow’s Two Nations’, op cit.

making ‘vibrant Glasgow more vibrant’ and giving ‘deprived Glasgow hope; access to learning, taking part in activities and a gateway to the vibrant side of the city’.³⁸

In order to facilitate this dual role, Tayburn proposed ‘testing a range of branding architectures with a cross section of customers (and stakeholders) to establish the optimum relationship between the various levels of brand’.³⁹ This it duly did, with three options being given – an endorsed relationship, like the BBC, ‘where the product brand is the hero as far as customers are concerned’, a ‘Sky type of approach where category brands are given more prominence’ (Sky Sports, Sky News etc) and ‘a new customer brand – the creation of an overarching new brand (ie not CSG)’.⁴⁰ At a breakout session following a Tayburn presentation on 14 August 2009, option one was rejected as not being radical enough; option two ‘was received quite favourably [...] The group liked this option, although it did not drop ‘Culture and Sport Glasgow’ as a name’; the final option, of creating an entirely new brand, was also greeted favourably, although ‘All preferred “Glasgow” (with the message “Get the most out of Glasgow”) as opposed to “Glasgow Life”’.⁴¹

Interestingly, by January 2010, Tayburn asserted that, although this name had taken a bit of coming to terms with, ‘the majority of respondents (80% – 85%) saw the change to Glasgow Life as positive’.⁴² In the same document, Tayburn dismissed those who did not like the name as ‘older, more conservative people and certainly from a staff perspective

those who had been in the organisation for a long time’.⁴³ Quite which organisation this refers to is ambiguous as Culture and Sport Glasgow was then just over two years old and its name would be unlikely to have secured any abiding loyalty. Nonetheless, at a board meeting on 27 January 2010, Lynne McPhee detailed ‘the results and observations of tests in respect of the new branding “Glasgow Life” which showed an 80% – 85% favourable outcome’.⁴⁴

By late October, the tendering process was repeated as phase two of the re-branding was embarked upon, procured internally this time.⁴⁵ A shortlist of six⁴⁶ was drawn up which, perhaps unsurprisingly, included Tayburn. Given that the ‘creative route’ had already been defined by Tayburn, this left little scope for agencies to engage creatively with the brief, which caused one of the short-listed agencies to withdraw,⁴⁷ with only four companies being considered in the final analysis. This time, the branding proposals were evaluated by Deighan, McPhee and McReavy without a representative from Glasgow City Council.⁴⁸ Again, it comes as no surprise to find that Tayburn seemed the most appropriate agency to develop the branding it had already defined.⁴⁹



As many readers will now be aware, the upshot of all these discussions around branding

³⁸ Tayburn, *Culture and Sport Glasgow Brand Strategy Update*, op cit., p. 1.

³⁹ Ibid, p. 3.

⁴⁰ Loc cit.

⁴¹ Notes on breakout session following brand presentation on 14 August 2009 supplied by email to Tayburn on 18 August 2009 released to the author under the Freedom of Information Act.

⁴² Tayburn, *Culture and Sport Glasgow Strategy Overview (Phase 2)*, January 2010, released to the author under the Freedom of Information Act.

⁴³ Loc cit.

⁴⁴ See note 5(4) in Minute of a Meeting of the Board of Directors of Culture and Sport Glasgow 27 January 2010.

⁴⁵ Letter to the author from Pamela Tulloch, 20 June 2010.

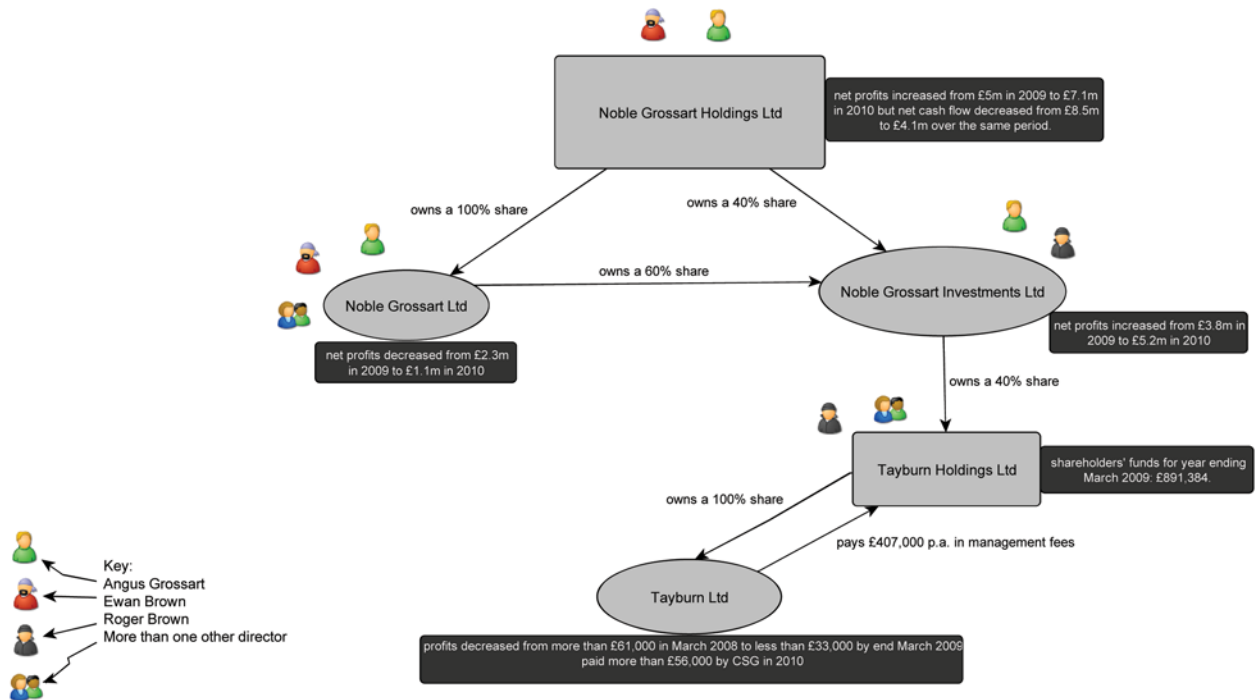
⁴⁶ Tayburn, Graven Images, 999, Redhouse Lane, Elmwood and Freight according to information released to the author under the Freedom of Information Act.

⁴⁷ Email of 3rd November 2009 from Graven Images to CSG released to the author under the Freedom of Information Act.

⁴⁸ Letter to author from Pamela Tulloch, 27 August 2010.

⁴⁹ Branding Tender Phase 2, Contract Reference GCC001781CL released to the author under the Freedom of Information Act. Tayburn was advised of this decision on 10 November 2009.

Relationship between Tayburn and Noble Grossart



Alongside strategic considerations, the economic implications of the re-branding are also interesting in the context of Glasgow's world-beating inequality. On this point, Tayburn anticipated that this would not be a popular move in a recession, pre-empting that 'due to the current climate and imminent cut backs there will be negativity towards the new brand, (Why are we needlessly spending money when staff hours are being reduced and facilities closed?)'.⁵⁶ According to the CSG Information Manager, the agency fees and expenses related to the re-branding cost £53,000.⁵⁷ It is unclear exactly where this figure comes from, since Tayburn phase one cost £22,655⁵⁸ and phase

two cost £34,109,⁵⁹ which totals nearly £57,000. This figure also fails to take account of the procurement of Tayburn by Observatory, during meetings taking place over two months, for which the agency was contracted to be paid £10,500,⁶⁰ and any of the costs associated with reprinting all the stationery, merchandise and signage associated with the company.

Another financial consideration that remains irksome is the afore-mentioned link between Tayburn and CSG board member, Angus Grossart. According to information available at Companies House, all but one of the 20,000 shares in Tayburn Ltd⁶¹ (representing almost £600,000 shareholders' funds)⁶² are

⁵⁶ Branding Roll-out sent by email on 8 March 2010 released to the author under the Freedom of Information Act.

⁵⁷ A letter to the author from Pamela Tulloch, 27 August 2010 states: 'The rebranding exercise costed [sic] £53,000. This included all agency fees and expenses'.

⁵⁸ According to information released to the author under the Freedom of Information Act, a fee of £19,700 payable in four instalments + VAT (calculated here at the 15 percent rate in effect from 1 December 2008 to 31 December 2009) was included in the Minute of Agreement between CSG and Tayburn. An email from Tayburn to CSG shows that phase one was concluded on 8 October 2009.

⁵⁹ According to page 24 of Tayburn's Branding – phase 2 document, dated 5 November 2009, which details a fee of £29,660 plus VAT (£4,449) to give a final figure of £34,109.

⁶⁰ An invoice, dated 31 March 2009, accounts for £9,500 of this and one dated 22 June 2009 covers £350.95 in expenses.

⁶¹ According to the Annual Return of Tayburn Ltd for the period ending 14 June 2010 held at Companies House.

⁶² Tayburn Limited Abbreviated Accounts for the year ended 31 March 2009 cite shareholders funds (including called up share capital and profit and loss account) having a value of £599,512.

owned by Tayburn Holdings Ltd and it is this parent company in which Noble Grossart Investments Ltd has a significant interest.⁶³ Interestingly, Tayburn Holdings is entitled to extract in excess of £400,000 from Tayburn Ltd in management charges every year, accounting for a sizeable proportion of the latter company's creditors (which, at more than £900,000, are disproportionately high for a company of this size). It is also noteworthy that, by the end of March 2009, Tayburn Ltd owed the holding company £146,632, suggesting that cash was not flowing as it should.⁶⁴ But, perhaps most significantly, the declared profits of Tayburn Ltd almost halved between 2008 and 2009 from £61,689 to £32,584.⁶⁵ All of which means that the fees in excess of £56,000 charged to CSG by Tayburn would significantly boost profits for the following financial year, enabling it to clear some of the management fees owed to the holding company in order for shareholders (including Noble Grossart) to extract dividends. Added to this, the contract with Culture and Sport Glasgow would raise the profile of Tayburn and boost its viability as a going concern at a time when scant re-branding contracts are forthcoming.

The conflict of interest between Noble Grossart and Tayburn that Sir Angus declared at the CSG board meeting is not repeated in the related party transactions of the CSG accounts.

Factors such as these are indirectly reflected in the accounts of Noble Grossart Investments Ltd, which saw profits increasing

from £3.8 to £5.2 million over the past financial year, with the value of its investments swelling from £17 to £23 million and its shareholders' interest increasing from £52 to £57 million over the same period.⁶⁶ Funnily enough, though, the conflict of interest between Noble Grossart and Tayburn that Sir Angus declared at the CSG board meeting is not repeated in the related party transactions of the CSG accounts, and, judging by the interests he does record in this section – as Chairman of the *Scottish Daily Record* and

Despite the implication by the Scottish Government that his directorship in the group was relinquished in December 2003 in favour of non-executive status, Ewan Brown is also cited as the only other director of the holding company, alongside Sir Angus.

the *Sunday Mail* – we are unlikely to read about this synergy in the mainstream press.⁶⁷ And, while a spokesperson from Glasgow Life insists that 'the tendering exercise for the rebrand of Culture and Sport Glasgow was detailed, transparent and open. The Board were not involved in the appointment of, nor approval for, the contract, which was delegated under authority',⁶⁸ no legislative mechanisms exists to prevent board members from profiting from the company's activities.

It is only when we reach the ultimate parent company, Noble Grossart Holdings Ltd, that the extent of Angus Grossart's investment is

⁶³ According to the Annual Return of Tayburn Holdings Ltd for the period ending 26 September 2009, held at Companies House, Noble Grossart Investments Ltd holds 21,367 of 179,899 ordinary shares (11.8 percent) and 97,315 of 119,932 ordinary A shares (81 percent), totalling a 40 percent share in the company, both types of share valued at £1 each, with A shares having priority over ordinary shares (see page 4 of Tayburn Holdings Limited Unaudited Abbreviated Accounts for the year ended 31 March 2009, held at Companies House).

⁶⁴ This, in turn, accounts for a significant proportion of the debtors cited by Tayburn Holdings at £177,800 and of its annual turnover of £434,292.

⁶⁵ These figures are taken from the Unaudited Abbreviated Accounts for Tayburn Holdings Ltd for the Year Ended 31 March 2009, op cit.

⁶⁶ See Noble Grossart Investments Ltd Report and Accounts 31 January 2010 available at Companies House.

⁶⁷ See page 38 of Culture and Sport Glasgow Ltd Report and Group Financial Statements 31 March 2010, held at Companies House. This conflicts with other information available at Companies House which suggests that Grossart resigned from his directorship of the *Daily Record/Sunday Mail* on 10 May 2007.

⁶⁸ In correspondence with the author, 15 December 2010.

revealed. In the annual return for that company to the end of March 2010, Grossart is cited as owning 35 percent of shares, with his daughter, Flure, holding a 17 percent stake. Another interesting fact that comes to light in scrutinising this return is that Ewan Brown, erstwhile chair of the transition board of Creative Scotland – who joined Noble Grossart in 1969 – still owns a 5.6 percent share of the company, with his wife owning 1.5 percent and both having ‘discretionary trusts’ bearing their names to which shares are allocated.⁶⁹ Despite the implication by the Scottish Government that his directorship of the group was relinquished in December 2003 in favour of non-executive status,⁷⁰ Ewan Brown is cited as the only other director of the holding company, alongside Sir Angus, and as the first of five directors at Noble Grossart Ltd.⁷¹ On the subject of personnel, it is interesting to note that the finance director, Roger Brown, who serves as the only co-director (with Sir Angus) of Noble Grossart Investments,⁷² is also cited as the first of four directors of Tayburn Holdings,⁷³ giving him control over how the parent of the re-branding company is run.

In the annual accounts for Noble Grossart Holdings in the year ended 31 January 2010, Angus Grossart is keen to draw attention to the £10.1 million profit that the company made, and well he might, given that the directors were able to extract a dividend of £4.5 million between them, alongside a salary for their highest paid director of £531,000.⁷⁴ This adds to Sir Angus’s already considerable wealth, estimated at £120 million in the 2009 *Sunday Times* Rich List, which, despite dropping by £30 million compared to the previous year, will see him courted for his philanthropy for some time to

come.⁷⁵ It would seem that only one thing could spoil the party on payday – the old adage that ‘turnover is vanity, profit is sanity but cash is reality’. The net cash flow from operating activities has dropped by the same margin as the shareholder payout from £8.5 million in 2009 to £4 million in 2010,⁷⁶ making ongoing dividends from companies like Tayburn necessary to assure continued success.

THE REALITY OF CASH

Let us turn now to a consideration of the financial management of Culture and Sport Glasgow (as it is still known for accounting purposes), which has been an abiding concern since the twin companies were formed. In summer 2007, an article based on material supplied by Unison outlined the rationale for devolving council services to private trusts on the basis of presumed savings in tax and rates. Already at that time, it was suggested that the democratic accountability lost through this process was unlikely to be compensated for by improvements to services. More than three years ago, it was possible to say that ‘Findings show that many such trusts suffer funding problems as council support is phased out, while private donations either fail to materialise or do not consistently deliver the funding required to maintain services’.⁷⁷ With this in mind, it is useful to measure the performance of CSG against these indicators.

Taking the first point, the loss of democratic accountability, let us consider how a corporate desire to present the best possible face to the public is grounded in the way in which decisions are taken within the company. While the minutes of quarterly board meetings

⁶⁹ See Annual Return for Noble Grossart Holdings Ltd, dated 30 March 2010, held at Companies House.

⁷⁰ See the press release from 3 November 2008, entitled ‘Chair Appointed to Creative Scotland’, on the Scottish Government website which states that ‘Mr Brown joined Noble Grossart in 1969 and was an executive director of that company until December 2003. He is a non-executive director of Noble Grossart’: <http://www.scotland.gov.uk/News/Releases/2008/11/03111331>

⁷¹ See annual returns for the respective companies. According to the list of Ewan Brown’s directorships held at Companies House, it would seem that it is only Noble Grossart Investments Ltd from which Brown resigned as director (on 19 December 2003).

⁷² See Annual Return for Noble Grossart Investments Ltd, dated 30 March 2010, held at Companies House.

⁷³ See Annual Return for Tayburn Holdings Ltd, dated 8 October 2009, held at Companies House.

⁷⁴ See Noble Grossart Holdings Ltd Report and Accounts 31 January 2010, held at Companies House.

⁷⁵ See *Sunday Times*, 26 April 2009 http://business.timesonline.co.uk/tol/business/specials/rich_list/rich_list_2009/article6163833.ece

⁷⁶ Noble Grossart Holdings Ltd Report and Accounts 31 January 2010, op cit., pages 8 and 15.

⁷⁷ ‘O Rose, thou art sick! Outsourcing Glasgow’s Cultural & Leisure Services’, *Variant*, issue 29, summer 2007, p. 30.

undertaken by the charitable arm of the company are belatedly posted online, CSG has recently initiated a practice of organising meetings of the directors away from the prying eyes of minute-takers. At the March 2010 meeting, the board requested that the Chief Executive ‘arrange a Board “Away Day” to discuss in detail the way forward for the company’,⁷⁸ whereby ‘the Company’s future strategic plan would be discussed at the Director’s Away Day proposed by the Chief Executive’.⁷⁹ At the next quarterly meeting, the board again requested an Away Day ‘to discuss in detail the way forward for the Company’.⁸⁰ This was scheduled to take place after the board meeting on 2 September. However, a request for minutes or details of any Away Days elicited the response ‘On inspecting our records [...] it would appear that Culture and Sport Glasgow does not hold the information which you have requested. Neither does anyone else hold it on our behalf’.⁸¹ Yet, the company continues to assert that ‘Glasgow Life fully complies with FOI legislation and is subject to scrutiny by Glasgow City Council’.⁸²

Returning to the concern that council support for devolved trusts might diminish, we find that, in autumn 2009, as momentum gained in the public sector for using the ‘global financial crisis’ as an excuse for cuts, CSG was informed that the service fee payable by Glasgow City Council was to be reduced by an initial £1.7 million p.a.,⁸³ likely to increase over the next

three years.⁸⁴ Representing 2.3 percent of the service fee payable to CSG,⁸⁵ this was apparently due to the council’s budget planning process, for which there is provision in the Service Agreement signed by the two parties.⁸⁶ This state of affairs was reported to the CSG board at the September 2009 meeting and, rather than concentrating on ways to plug this already substantial shortfall, a need for further savings was outlined on the basis of rising utility costs and pension contributions and reduced income forecasts with the end of the Dr. Who exhibition.⁸⁷ (Quite why the end of the Dr. Who exhibition was such a major loss is not clear, given that the Glasgow Boys exhibition at Kelvingrove attracted an almost equivalent number of visitors and generated significant funds.⁸⁸) By the time of the next board meeting, in November 2009, this revision of spending had translated into ‘a strategy for reducing Culture and Sport Glasgow’s expenditure by £3.4m for 2010/11’,⁸⁹ thus doubling the cuts imposed by the loss of council funding. It is worth mentioning that, during the September 2010 board meeting, an even worse prognosis was given, which took into account the likelihood that the Scottish Government would also decide to ‘protect key service areas which would inevitably mean much larger cuts for the organisation’.⁹⁰ No longer falling under the auspices of the public sector, CSG will have no protection when government considers its key service areas.

⁷⁸ See note 7(1)(c)(iii)(C) in Minute of a Meeting of the Board of Directors of Culture and Sport Glasgow 31 March 2010.

⁷⁹ Ibid, note 8(1)(c)(i).

⁸⁰ See note 8(1)(f)(C)(ii) in Minute of a Meeting of the Board of Directors of Culture and Sport Glasgow 23 June 2010.

⁸¹ Letter sent by Joe Larkin, CSG Assistant Business Support Manager on 15 October 2010, seen by the author.

⁸² A spokesperson from Glasgow Life in correspondence with the author, 15 December 2010.

⁸³ See Report by the Chief Executive on Budget and Service Planning, note 9(2)(a) of a Minute of a Meeting of the Board of Directors of Culture and Sport Glasgow, 2nd September 2009 and Budget Plan 2010/11, Report to Board Meeting of 31 March 2010 by Interim Director of Finance, point 6.

⁸⁴ This is stated in a letter from the Director of Strategic Planning and Corporate Services (Susan Deighan), dated 22 September 2009, released under the Freedom of Information Act and seen by the author.

⁸⁵ In the unaudited version of Glasgow City Council’s accounts to 31 March 2010, inspected under the provision of the Local Authority Accounts (Scotland) Regulations 1985, the service fee payable to CSG by GCC is given as £72.765 million. In the Report and Group Financial Statements for Culture and Sport Glasgow Ltd, it is given as £76.149 million. According to the unaudited GCC accounts, an additional £10.1 million was invoiced by CSG to various council departments during the past financial year, while venues operated and managed by CSG on behalf of the council receive direct subsidy from the council verging on £50 million.

⁸⁶ Email correspondence with the Corporate and Property Law Section of Glasgow City Council under the terms of the Local Authorities Act.

⁸⁷ See note 9(2)(b) of a Minute of a Meeting of the Board of Directors of Culture and Sport Glasgow, 2 September 2009.

⁸⁸ According to the Glasgow Life Annual Review 2009–10, the Dr. Who exhibition attracted over 140,000 visitors, generating final tickets sales of £719,970 (page 30) while the Glasgow Boys attracted more than 123,000 visitors (page 6), which simple mathematics would suggest generated in the region of £632,545. Minute of a Meeting of the Board of Directors of Culture and Sport Glasgow 2nd September 2010, note 8(4) also mentions high visitor numbers with an impact on retail sales.

⁸⁹ See note 10(5) of a Minute of a Meeting of the Board of Directors of Culture and Sport Glasgow, 25 November 2009.

⁹⁰ See note 8(3)(b) of a Minute of a Meeting of the Board of Directors of Culture and Sport Glasgow, 2 September 2009.

Turning to a consideration of how CSG arrived at a figure that matched the council's culled funding, we find that Bridget McConnell delivered a budget and service planning report to the board at its January 2010 meeting,⁹¹ detailing the following cuts:

Venues Review £1.196m
Review of Events £160,000
Review of Storage Requirements £80,000
Utilities Efficiencies £200,000
Review of Staff Terms and Conditions £1.614m
Income Generation £150,000

Of the two most pertinent items on this list, the review of venues will be considered in more detail here, followed by an analysis of the review of staff terms and conditions.

Bearing in mind the concerns articulated above – that funding under new models of governance would prove inadequate to maintain services – we find that CSG undertook a review of the venues it manages on behalf of the people of Glasgow. This led to recommendations to close eleven recreation and community centres, of which top priority was given to the Bellrock facility in Calton,⁹² where, it will be remembered, men have the lowest life expectancy in any of the countries surveyed by the World Health Organization. The results of this review were presented to the CSG board,⁹³ which includes four male Independent Directors, among them Lord Macfarlane, who has already exceeded the expectations of longevity common to the richest parts of the city. According to the minutes of this and subsequent board meetings, no objections were raised to the proposed loss of valuable resources in some of the poorest parts of the city. It should be added that this lack of dissent extended to the carefully selected councillors appointed to the CSG board, and

bailies Gordon Matheson and Alan Stewart were notable by their absence at the meeting.⁹⁴ Fortunately, these closures needed to be ratified by the full council, which rejected the closure of facilities and venues operated by CSG.⁹⁵ Thus, a democratically elected group of officials accountable to the people was able to overturn the recommendations of a private entity. But, despite an assurance that 'there are no plans for *further* closures in the next financial year 2011/12'⁹⁶ the issue has not disappeared from the agenda – notes from a quarterly governance meeting between the council and CSG to have taken place on 30 June 2010 indicate 'the need for clarity in relation to processes around the closure of properties'.⁹⁷

Keeping Bellrock Community Centre open – including wages, running costs and a substantial programme of investment – was estimated by CSG to cost £358,588; the staging of Glasgow International, a visual arts festival designed to attract tourists to the city that takes place for two weeks every two years, costs £384,000.

Incidentally, keeping Bellrock Community Centre open – including wages, running costs and a substantial programme of investment – was estimated by CSG to cost £358,588;⁹⁸ the staging of Glasgow International, a visual arts festival designed to attract tourists to

⁹¹ Budget and Service Planning Report by Chief Executive to Board Meeting of 27 January 2010.

⁹² Page 4 of Culture and Sport Glasgow Private and Confidential Venues Review released under the Freedom of Information Act and seen by the author.

⁹³ See point 2 of Budget and Service Planning Report by Chief Executive to Board Meeting of 27 January 2010.

⁹⁴ Ibid, apologies (p. 1).

⁹⁵ See notes 3 (7)(g)(iv) and (F)(dd) Minutes of Glasgow City Council 28 January 2010.

⁹⁶ From a Glasgow Life spokesperson in correspondence with the author, 15 December 2010, italics added.

⁹⁷ Avril Lewis (Glasgow Life Business Support Manager) cited in note 1 from the Quarterly Governance Meeting Note of Meeting 30 June 2010, released to the author under the Freedom of Information Act.

⁹⁸ Figure taken from page 4 of Culture and Sport Glasgow Private and Confidential Venues Review, op cit. The investment accounts for £307,330 of this, making running costs just £78,258 thereafter, just 20 percent of the Glasgow International budget.

the city that takes place for two weeks every two years, costs £384,000.⁹⁹ At the same time as the closure of Bellrock was proposed, adjustments in opening hours were being advocated at various sports facilities and museums throughout the city, with the much-visited Kelvingrove, Burrell Collection and GoMA being explicitly immune from this process.¹⁰⁰ These facts combine to suggest that tourism remains a central priority for CSG.

As Glasgow City Council has a controlling interest in CSG, the company is treated as a subsidiary within the council's accounts. In a

At the end of the 2009 financial year, Culture and Sport Glasgow owed £9.6 million; one year later, it owed £58.1 million, a staggering jump of £48.5 million. In the financial year ending in March 2009, it made a profit of £1.6 million; one year later, it had made a loss (before tax) of £1.4 million, a gulf of £3 million.

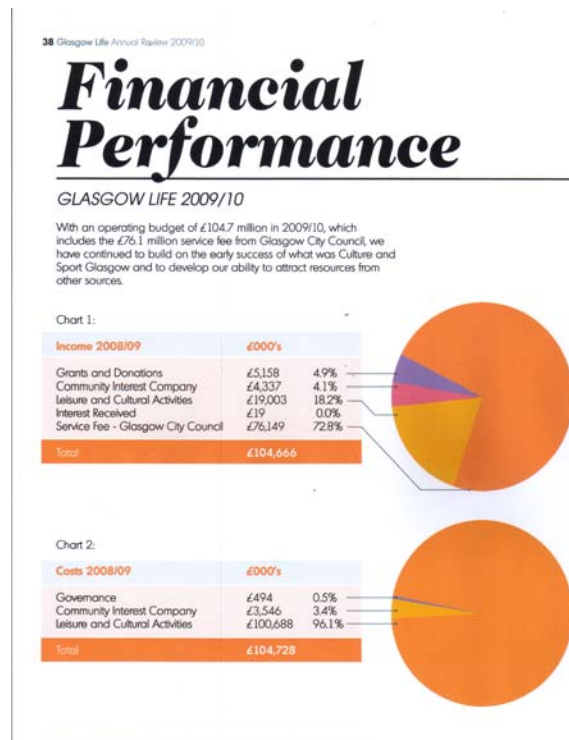
note to Glasgow City Council's Group Disclosure of Accounts, the following entry appears for Culture and Sport Glasgow: 'After accounting for FRS 17 "Retirement Benefits", the net liability of the company was £58.106 million at 31 March 2010 compared to £9.575 million at 31 March 2009. The loss on ordinary activities before taxation at 31 March 2010 was £1.399 million compared to a profit of £1.638 million at 31 March 2009'.¹⁰¹ Putting this another way, at the end of the 2009 financial year, Culture and Sport Glasgow owed £9.6 million; one year later, it owed £58.1 million, a staggering jump of £48.5 million. In the financial year ending in March 2009, it made a profit of £1.6 million; one year

⁹⁹ Figure taken from page 31 of Culture and Sport Glasgow Ltd Report and Group Financial Statements 31 March 2010, held at Companies House.

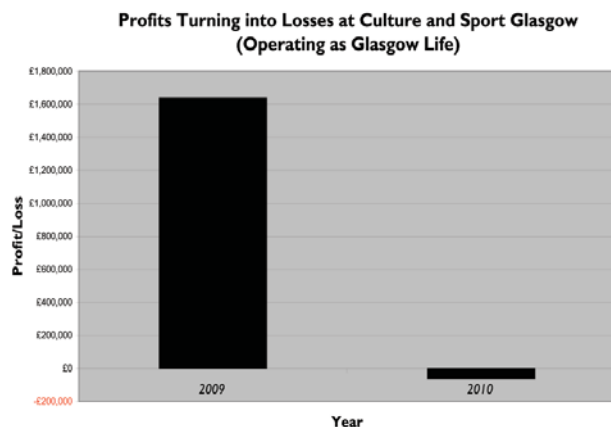
¹⁰⁰ Culture and Sport Glasgow Private and Confidential Venues Review, op cit., p. 5.

¹⁰¹ Glasgow City Council Financial Statements for the Year ended 31 March 2010 (Pre-Audit Inspection Copy), p. 86, which were open to inspection under the Local Authorities Act from 26 July to 13 August 2010.

¹⁰² Glasgow Life Annual Review 2009-10, op cit., page 38.



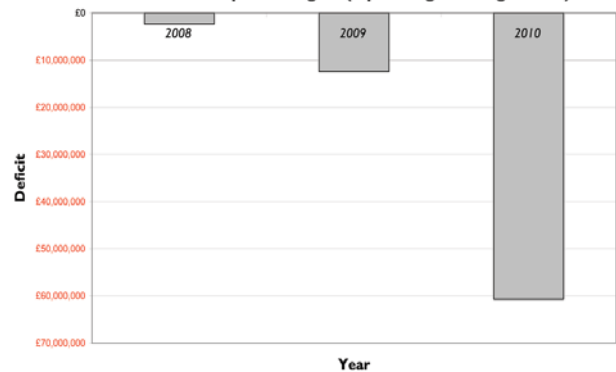
later, it had made a loss (before tax) of £1.4 million, a gulf of £3 million. You could be forgiven for having missed this evidence of falling profits as CSG has not been at pains to bring it to our attention. As is the tendency of such documents, the Annual Review 2009-10 dwelt on the positive, preferring to represent income and expenditure as segments of a whole, rather than a year-on-year comparison. And, while the figures given are for 2009-10, the subheadings point to them being for the previous financial year, which would seem to be a blatant misrepresentation of the facts.¹⁰²



In order to understand this picture more fully, we need to examine the accounts for Culture and Sport Glasgow. Studying documents held at Companies House, the picture of net pension liabilities outlined above is easily confirmed, and it is immediately obvious that a deficit of £48.5 million has been run up in the past financial year compared to £10.9 million last year.¹⁰³ Incidentally, at the end of the 2008 financial year, this stood at a mere £2.4 million, which seems to suggest an exponential pattern of growth in the pension deficit. A spokesperson from the company explains that ‘Changes to reporting of pensions under FRS17 provide a snapshot of any actuarial deficit or surplus, as determined under the reporting structure on a specified date’.¹⁰⁴ While it is true that FRS 17 compels a view of the overall picture in relation to public sector pensions, these accounting standards have been effective for accounts beginning on or after 6 April 2007,¹⁰⁵ which corresponds with CSG’s first fiscal year, thus failing to explain the sudden increase in the deficit.

According to the notes to the accounts, ‘Culture and Sport Glasgow participates in the Local Government Pension Scheme, which is administered by Strathclyde Pension Fund’.¹⁰⁶ Pension deficits are usually a direct function of underperforming investments or underinvestment by the contributors relative to the number of members. The company maintains that ‘pensions remain fully-funded and are not at risk. [...] Any perceived deficit is as a result of stock market fluctuations and increasing life expectancy’.¹⁰⁷ Yet, it is unlikely that life expectancy has lengthened so suddenly over the past financial year (especially in Glasgow) and the fund has generally been performing well on the stock market, increasing in line with its

Graph Showing the Deficit in Unrestricted Pension Funds of Culture and Sport Glasgow (Operating as Glasgow Life)



targets to win a host of awards in 2009.¹⁰⁸ The mystery of the pension deficit remains. Luckily, though, Bridget McConnell’s pension will be unaffected by fluctuations as dedicated amounts of £21,016 and £22,785 have been stashed away these past couple of years in anticipation of her eventual retirement.¹⁰⁹ Somewhat worryingly, the directors of CSG are now seeking to generate a surplus of £500,000 in 2010-11 to go some way towards making up the reserves needed to protect the pension fund.¹¹⁰ This money has to come from somewhere and it will be interesting to see which cuts will be proposed elsewhere.

Sticking with the accounts, the CSG loss before tax of £1.399 million reported by Glasgow City Council on the basis of CSG’s unaudited accounts is harder to verify. In the final accounts audited for the company by KPMG (the same auditor Noble Grossart uses),¹¹¹ last year’s profit of £1.638 million is there for all to see, but this year’s loss has become £62,000,¹¹² which, when subtracted from last year’s profit margin, is exactly (and uncannily) equal to the £1.7 million of cuts the company projected it needed to make. Nowhere is the discrepancy of £1.337 million, between the unaudited and audited accounts, explained. Delving a little deeper into the notes to the accounts, some interesting facts spring out.

¹⁰³ See Group Statement of Financial Activities (incorporating a group income and expenditure account) on page 17 of Culture and Sport Glasgow Ltd Report and Group Financial Statements 31 March 2010.

¹⁰⁴ In correspondence with the author, 15 December 2010.

¹⁰⁵ See <http://www.frc.org.uk/asb/technical/standards/pub0206.html>

¹⁰⁶ Ibid, note 20, p. 35.

¹⁰⁷ In correspondence with the author, 15 December 2010.

¹⁰⁸ Conversation with a representative of Strathclyde Pension Fund, 24 November 2010.

¹⁰⁹ Culture and Sport Glasgow Ltd Report and Group Financial Statements 31 March 2010, op cit, p. 24.

¹¹⁰ Ibid, p. 12.

¹¹¹ See page 11 of Noble Grossart Ltd Report and Accounts 31 January 2010, held at Companies House

¹¹² Culture and Sport Glasgow Ltd Report and Group Financial Statements 31 March 2010, op cit, p. 17.

Expenditure on Finance, Procurement and Business Support was up this year, as was that for Marketing and Media,¹¹³ the two budgets accounting for an increase of more than £1 million, which is hardly surprising in light of the re-branding. One potential irregularity that one might be tempted to explore if one was an auditor paid £28,000¹¹⁴ to check the accounts is that the company's fixed assets have been augmented by 11 percent this year¹¹⁵ but depreciation has jumped by 149 percent compared to last year.¹¹⁶ Said auditors might audibly wonder whether the company was trying to strengthen its balance sheet or, at the very least, why a 'public sector' company persisted on buying equipment and vehicles into which obsolescence had been quite so forcibly inscribed.¹¹⁷

Grant income has also taken a serious battering, dropping from £7.1 million last year to £3.1 million this year, contributing to a decrease in the overall voluntary income into the group of £3.2 million.

Let us conclude this section with a consideration of the external funding that was thought would flow into these new model structures as soon as the shackles of local authority control had been thrown off. The

service fee paid to CSG by Glasgow City Council under the devolved arrangement only accounts for nine months' worth of funding¹¹⁸ and the rest must be raised from external sources in order for the full complement of services to be provided. If the company fails to attract this external funding, the facilities it operates and the people using them will suffer. As one might expect in the current economic climate, the net return on unspecified investments is down by more than £500,000.¹¹⁹ Grant income has also taken a serious battering, dropping from £7.1 million last year to £3.1 million this year, contributing to a decrease in the overall voluntary income into the group of £3.2 million.¹²⁰ This drop in project funding, combined with the reduction in service fee paid by Glasgow City Council might well lead the company into unsavoury collaborations with the private sector as already evinced by the sponsorship of the Riverside Museum by BAE Systems, Britain's favourite arms dealer.¹²¹

The picture outlined above makes the phrase 'many such trusts suffer funding problems as council support is phased out, while private donations either fail to materialise or do not consistently deliver the funding required to maintain services' less a gloomy forewarning and more a statement of fact. Equally prophetic is the three-year-old assertion that 'In Scotland, while many of these trusts initially performed satisfactorily, they appear to have come up against a similar set of problems: stagnation of core funding with savings and extra funding being slow to materialise; pension liabilities; as well as dealing with the costs of audit, internal

¹¹³ Ibid, p. 23.

¹¹⁴ KPMG LLP has been paid this amount annually since CSG came into being. See Ibid, p. 23 and page 33 of Culture and Sport Glasgow Ltd Report and Group Financial Statements 31 March 2009, held at Companies House.

¹¹⁵ Increasing from £2.36 to £2.63 million, see Culture and Sport Glasgow Ltd Report and Group Financial Statements 31 March 2010, op cit., p. 18.

¹¹⁶ See page 22 of Ibid, which shows depreciation to have increased from £231,000 to £576,000.

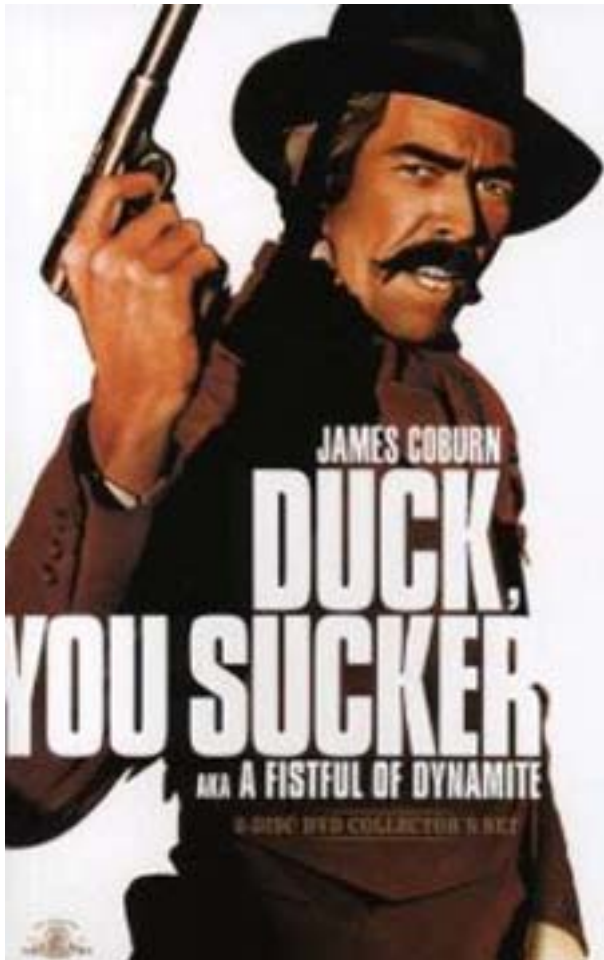
¹¹⁷ According to note 1 of the accounts (Ibid, p. 21), CSG plant and equipment is only expected to last three to five years and motor vehicles four years.

¹¹⁸ See Ibid, p. 12.

¹¹⁹ According to page 17 of Ibid, investments fell from £523,000 at the end of March 2009 to £19,000 at the end of March 2010. This includes interest receivable and the net return on pension assets (which stands at zero at the end of March 2010).

¹²⁰ Ibid, p. 25. This was explained by a Glasgow Life spokesperson on the basis that 'This is primarily restricted funding where external organisations provide us with funding to support a specific project or activity. This income is accounted for on a cash basis when received and held on our Balance Sheet until it is spent. Funding may be for a project which lasts for a few weeks or for several years. The cash flow of spend can also vary considerably with spend sometimes being up-front and sometimes not until the project is complete. This means that the income flow can be very variable and will not flow steadily into the accounts. With regard to generating additional external income. Despite the recession we are increasing the amount of income we generate beyond the service fee from Glasgow City Council. In the year in question, despite the fluctuations in restricted funding, our overall external funding increased by £975,000.' In correspondence with the author, 15 December 2010.

¹²¹ See note on BAE Systems at: http://www.powerbase.info/index.php?title=BAE_Systems



and external regulation and reporting structures'.¹²² But we needn't worry too much because an audit committee has been set up, chaired by Angus Grossart with up to four additional members, which, amongst other duties, aims:

- To formulate policies and plans for the strategic management of the Company's financial resources, both revenue and capital.
- To supervise, monitor and review the implementation of budget and service plans in the context of the Company's key objectives and priorities.
- To assist the Board in approving the use of additional resources, reserves and balances, and changes to the Company's budget and service plan.

- To supervise, monitor and review the strategic development of the Company's Information and Communications Technologies.
- To manage and supervise the arrangements for the proper administration of the Company's financial affairs.
- To be responsible for oversight of pension arrangements.¹²³

Alongside users of cultural and leisure facilities in Glasgow, the other people most affected by this financial picture are those working for the company.

DUCK, YOU SUCKERS

Two contracts govern the relationship between Glasgow City Council and Culture and Sport Glasgow (which, against its wishes, the double-headed company is still known).¹²⁴ Both of these detail a clear commitment to the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) in regard to Assigned Employees being transferred from the local authority to the service provider. Under TUPE, employers have strict obligations following a transfer; they must take over all employment contracts (to prevent the cherry-picking of staff), assuming all rights and obligations under those contracts; they must honour any collective agreements made on behalf of employees; they must not dismiss employees for any reason connected with the transfer unless agreed with an employment tribunal; they must not unilaterally worsen the terms and conditions of employment of any transferred employee; and they must consult representatives of the employees. In turn, employees can expect their conditions to continue exactly as before and, if they find that there has been a fundamental worsening in their terms and conditions of employment as a result of the transfer, have the right to terminate their contract and claim unfair

¹²² 'O Rose, thou art sick! op cit., p. 30.

¹²³ See Appendix 1: Terms of Reference Audit Committee Minute of a Meeting of the Board of Directors of Culture and Sport Glasgow 23 June 2010.

¹²⁴ A Transitional Services Agreement (document GLAS795090 V19), dated 30 March 2007, and a Services Agreement (GLAS800682 v19).

dismissal before an employment tribunal, on the grounds that actions of the employer have forced them to resign.¹²⁵ In addition to staff previously employed by Glasgow City Council who were transferred to Culture and Sport Glasgow, the Transitional Services Agreement states that all new employees should be given the same terms:

Following a Service Transfer, CSG shall ensure that the terms and conditions of employment offered to any new employees employed or engaged by the New Supplier in connection with the provision or the procurement of the provision of services equivalent or similar to the Services, or any part of the Services, shall be no less favourable overall than the terms and conditions of employment applying to the comparable Assigned Employees.¹²⁶

At CSG's March 2010 board meeting, it was advised that 'staff had been balloted by their respective Trade Unions for strike action and action short of strike following the announcement of a pay freeze and the introduction of revised terms and conditions relating to changes to public holidays/annual leave and over time working'.¹²⁷ Prior to this, the January Budget and Service Planning document had alluded to consultations having taken place with unions since September 2009 around a Review of Staff Terms and Conditions valued at £1.614 million as part of the £3.4 million projected saving outlined above. This review into staffing proposed:

- Reducing the number of public holidays from 12.5 to 6.5 days.
- Confining overtime payments to plain time and only permitting overtime to be worked when absolutely necessary.
- Exploring the reduction of staff working at 37 hours per week to 35 hours per week.¹²⁸

McConnell asserted that these changes would be achieved by dictat, giving employees twelve weeks' notice of the plans, and, while the agreement of the one hundred staff affected by these changes would be sought, if it was not forthcoming, they would be written to individually, their contracts terminated and re-engagement offered on revised terms and conditions.

While the third of these proposals was not considered vital to achieving savings, Bridget McConnell expressed, in no uncertain terms, that she intended to proceed with the first two changes. During the January board meeting, she outlined her intentions for the meeting that would be taking place between CSG directors and trade unions two days later, advising 'that we intend to proceed with the implementation of the changes to public holidays, overtime, and the revision of opening hours'.¹²⁹ Rather than negotiating with the unions, McConnell asserted that these changes would be achieved by dictat, giving employees twelve weeks' notice of the plans, and, while the agreement of the one hundred staff affected by these changes would be sought, if it was not forthcoming, they would be written to individually, their contracts terminated and re-engagement offered on revised terms and conditions.¹³⁰

¹²⁵ Originally implemented in 1981, TUPE was widened in scope in 2006. See *Employment Rights on the Transfer of an Undertaking*, HM Government Department of Business, Innovation and Skills, June 2009 <http://www.berr.gov.uk/files/file20761.pdf>

¹²⁶ Transitional Services Agreement, clause 12.7 (page 15) inspected under Local Authority Accounts Regulations (1985).

¹²⁷ See note 7(1)(c)(i) Minute of a Meeting of the Board of Directors of Culture and Sport Glasgow 31 March 2010.

¹²⁸ Culture and Sport Glasgow, Budget and Service Planning 2010/11, item 6.

¹²⁹ Budget and Service Planning Report by Chief Executive to Board Meeting of 27 January 2010, point 6.

¹³⁰ Ibid.

Despite public assurances that jobs had not been lost,¹³¹ Bridget McConnell oversaw the measures she had threatened, which led to a rare combined action on the part of four different unions.¹³² When it became clear that no agreement could be reached between CSG management and the unions, the conciliation service, ACAS, was brought in to arbitrate¹³³ in a process that has been led by Frank Blair, who was pivotal in shaping the Northern Ireland peace agreement. According to a union spokesperson, McConnell has not once appeared at these discussions and CSG representatives have been thrown by Blair's objectivity. At the time of writing, CSG has consistently refused to release any details on the discussions pertaining to the review of staff terms and conditions under the Freedom of Information Act,¹³⁴ a decision which is being investigated by the Scottish Information Commissioner. Pay has been frozen and posts are left unfilled, with temporary workers being brought in to bridge any gaps, thus bypassing TUPE guidelines on new employees. Morale among the workforce is at an all-time low, and there are widespread rumours that culture and leisure will be taken back under the umbrella of the council. Given that the agreement between Glasgow City Council and Culture and Sport Glasgow includes the provision for termination by either party – 'with immediate effect if the other Party fails to

observe or perform any of its material obligations'¹³⁵ or if 'the other Party ceases to carry on its activities, becomes unable to pay its debts when they fall due, becomes insolvent or apparently insolvent'¹³⁶ or 'In the event of either Party committing any breach or series of breaches in respect of its obligations'¹³⁷ – it would seem that this rumour is predicated on more than just hope.

INVISIBLE CLASS HATRED AND SOCIAL APARTHEID

The talk at which Bridget McConnell recounted the afore-mentioned anecdote about the self-deprecating Glaswegian graffiti artist was entitled 'Culture and Sport: A Matter of Life and Death?' In this presentation to a small audience of the over-sixties delivered within New Lanark World Heritage Village, McConnell elaborated on her vision of culture and sport as a tool of economic regeneration in a divided city. In the process, she attempted to redeem the instrumental value of culture as something inseparable from its intrinsic value, frequently paraphrasing the ideas articulated in the thesis she submitted for the degree of Doctor of Education at the University of Stirling in March 2009. In this doctoral study, she sought to demonstrate that social inclusion is an historic concept and that private intervention into the arts in Glasgow has a precedent dating back to the nineteenth century.¹³⁸ Drawing on her insight into government, McConnell comments

¹³¹ This assertion was made by Bridget McConnell following her lecture entitled 'Culture and Sport: A Matter of Life and Death?', op cit.

¹³² BECTU, GMB, Unison and Unite.

¹³³ This is confirmed in note 8(2) of Minute of a Meeting of the Board of Directors of Culture and Sport Glasgow 2 September 2010, which states: 'With regard to HR issues (a) that four members of the Directorate had attended a day long conciliation meeting at ACAS which had been spent agreeing a process to move forward and resulting in a schedule of 6/7 meetings; and (b) that the aim was to ensure that the entire process was concluded by 31 October 2010.'

¹³⁴ On 6th August 2010, the author requested that 'the minutes of meetings to have taken place between Culture and Sport Glasgow/Glasgow Life employees/board members and Trade Union representatives since the start of 2010, and copies of other correspondence (letters, emails, telephone calls) exchanged' be released under the Freedom of Information Act, specifically in relation to the review of staff terms and conditions. This request was refused on the basis of Section 30 (b) (ii) of the Act – Prejudice to effective conduct of public affairs, which was upheld in an internal review by Susan Deighan (initiated on 15 September and concluded on 8 October). The final word on this from a Glasgow Life spokesperson is 'We continue to meet with the Joint Trade Unions as part of regular meetings to discuss not only disputes, but all matters pertaining to staff pay and conditions' in correspondence with the author, 15 December 2010.

¹³⁵ Transitional Services Agreement, clause 10.1.1.

¹³⁶ Ibid, clause 10.1.5.

¹³⁷ Ibid, clause 10.3.

¹³⁸ Bridget McConnell, 'Which Cultural Policy? Whose Cultural Policy? Players and Practices in a Scottish Context' Thesis submitted for the degree of Doctor of Education, Institute of Education, University of Stirling, March 2009, pp. 5-6.

not only on the inevitability of an instrumental approach to culture by government but also on the overall plausibility of culture as a tool for good.¹³⁹

Fast forward to New Lanark in May 2010 and McConnell would continue to invoke the merits of cultural participation. Acknowledging the link between physical activity and both physical and mental health, she argued that:

Just as the evidence of psychological impacts of sport and physical activity are becoming more widely known, recent desk research undertaken in Culture and Sport Glasgow has revealed a plethora of amazing research articles from medical journals – not just from arts workers trying to justify their funding bids but from medical researchers – demonstrating the life-enhancing and life-lengthening impacts from participation in cultural activities and the arts including participation less intensive than art therapy.¹⁴⁰

The purpose of this paper is not to discuss the findings of either the medical profession or the researchers bound to their desks at CSG. Rather, one of its aims is to test the rhetoric of the company against the enactment of its policies, its words against its deeds.

In order to substantiate her argument about the instrumental value of culture, McConnell cited a Finnish study which ‘showed that general participation in cultural, social and religious activities improved the [sic] longevity in men to such a degree that the public health services were recommended not to focus solely on specific risk factors like smoking, but on wider cultural participation’.¹⁴¹ Finding that someone fully cognisant of the purported health benefits of participation in culture and leisure – its contribution to a longer life and mental wellbeing – would recommend the closure of Bellrock Community Centre in Calton, where life expectancy is the lowest in the world, is nothing short of irresponsible. Framing these ideas in the context of life and death, to a privileged audience

in rarefied surroundings, is nothing short of callous.

In trumpeting the benefits of cultural participation, Bridget McConnell repeatedly referred to the reinvention of Glasgow as a ‘major cultural tourist destination’ and, as we have seen, CSG considers itself integral to this renaissance. The problem with cultural tourism is that it contributes to the social apartheid that Julien Brygo witnessed in Glasgow, as parts of the city become no-go areas for the invisible class that remains unaddressed by municipal museums and unwelcomed into restaurants and shops. During Glasgow’s stint as Capital of Culture in 1990, Euan Sutherland, an artist based in the city, made a body of work under the title *Cultural Façade*, exposing the complicity of culture in denying this reality. Twenty years on, the façade has become an edifice of inequality, compounded by the high-earning outsiders visiting the city.

At one point during her talk, McConnell mentioned that ‘In a city of extremes, Glasgow has lots of new money, but also some of the worst poverty and ill health in Western Europe – it is a moral, economic and human imperative that our cultural policies reach out to those who are excluded, inspiring a new generation to create, innovate and succeed’.¹⁴² But nowhere in CSG’s rhetoric is it explained how marginalised citizens are able to pass through what Tayburn identified as the ‘gateway to the vibrant side of the city’. Furthermore, in alluding to poverty and ill health as abstract values, McConnell spectacularly avoids addressing the connection between the unequal distribution of wealth and drastically curtailed lifespans affirmed by the World Health Organization and academic research. The reasons for this are obvious. If Bridget McConnell were to acknowledge that inequality, more than poverty, was the major contributor to ill health and premature death in Glasgow, she would be forced to accept that some of her board members were culpable in this process, through their relentless quest for private profit. She would also have to accept that she herself was implicated in sustaining inequality by bolstering the increasingly precarious cultural façade.

¹³⁹ Ibid, p. 14.

¹⁴⁰ Bridget McConnell, ‘Culture and Sport: A Matter of Life and Death?’ op cit., slide 6.

¹⁴¹ Ibid, slide 9.

¹⁴² Ibid.

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