



OFFICIAL REPORT
AITHISG OIFIGEIL

Constitution, Europe, External Affairs and Culture Committee

Thursday 6 October 2022

Session 6



The Scottish Parliament
Pàrlamaid na h-Alba

© Parliamentary copyright. Scottish Parliamentary Corporate Body

Information on the Scottish Parliament's copyright policy can be found on the website - www.parliament.scot or by contacting Public Information on 0131 348 5000

Thursday 6 October 2022

CONTENTS

	Col.
INTERESTS	1
DECISION ON TAKING BUSINESS IN PRIVATE	2
PRE-BUDGET SCRUTINY	3

CONSTITUTION, EUROPE, EXTERNAL AFFAIRS AND CULTURE COMMITTEE
22nd Meeting 2022, Session 6

CONVENER

*Clare Adamson (Motherwell and Wishaw) (SNP)

DEPUTY CONVENER

*Donald Cameron (Highlands and Islands) (Con)

COMMITTEE MEMBERS

*Alasdair Allan (Na h-Eileanan an Iar) (SNP)

Sarah Boyack (Lothian) (Lab)

Maurice Golden (North East Scotland) (Con)

*Jenni Minto (Argyll and Bute) (SNP)

*Mark Ruskell (Mid Scotland and Fife) (Green)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Lisa Baird (Scottish Government)

Claire Baker (Mid Scotland and Fife) (Lab) (Committee Substitute)

Martin Booth (Chartered Institute of Public Finance and Accountancy)

Councillor Steven Heddle (Convention of Scottish Local Authorities)

Iain Munro (Creative Scotland)

Angus Robertson (Cabinet Secretary for the Constitution, External Affairs and Culture)

CLERK TO THE COMMITTEE

James Johnston

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Constitution, Europe, External Affairs and Culture Committee

Thursday 6 October 2022

[The Convener opened the meeting at 08:45]

Interests

The Convener (Clare Adamson): Good morning and a very warm welcome to the 22nd meeting in 2022 of the Constitution, Europe, External Affairs and Culture Committee. We have received apologies from Maurice Golden and also from Sarah Boyack, for whom Claire Baker MSP is here as substitute. Ms Baker will have to leave to attend to other parliamentary duties during the course of the meeting, but she hopes to be able to return later.

I ask Ms Baker to declare any relevant interests.

Claire Baker (Mid Scotland and Fife) (Lab): I have no relevant interests to declare.

Decision on Taking Business in Private

08:45

The Convener: Our next item is a decision on taking business in private. Are members content to take item 4 in private?

Members *indicated agreement.*

Pre-budget Scrutiny

08:45

The Convener: Our third item is two evidence-taking sessions for our pre-budget scrutiny of the culture spending portfolio.

For our first session, I welcome to the meeting Iain Munro, chief executive, Creative Scotland; Councillor Steven Heddle, vice-president, Convention of Scottish Local Authorities, who is joining us remotely from Orkney; and Martin Booth, executive director of finance, Glasgow City Council, who is attending on behalf of the Chartered Institute of Public Finance and Accountancy directors of finance section. I warmly welcome you all to this morning's meeting.

I will start with a question for Mr Munro on Creative Scotland's plans for a new multiyear funding programme. We have had evidence from the sector on the profound importance of multiyear funding as well as the pressures that the sector is under at the moment. You have outlined that a number of organisations beyond the current network of regularly funded organisations require funding on a multiyear basis. However, given how pressured we know the financial situation to be, what would be your considerations in that regard? How would you assess the impact on the sector of funding fewer organisations on a multiyear basis?

Iain Munro (Creative Scotland): Good morning to the committee and thank you for inviting me to give evidence.

Our multiyear funding arrangements are born out of a funding review that we conducted a few years ago. We were planning to move forward with addressing the feedback from that funding review when the pandemic hit, at which point we naturally swung behind delivery of emergency support. However, we have now returned to our multiyear and future funding framework arrangements, which contain a number of elements.

I know that there is a lot of interest in multiyear funding, but it is important to recognise that the feedback from the funding review has informed our plans for response, some of which are already being enacted. Some of that work, such as moving much more of our funding offer online and being clear about priorities, including our strategic priorities, was accelerated through the period of the pandemic, and we continue to build on those plans. However, the multiyear arrangements are, as you have said, of enormous interest. Having a forward-planning horizon—and the confidence and stability that it enables—is fundamental to the sector's delivering the best-quality outcomes.

In August, we provided a public update setting out the broad timelines, and we are continuing to move forward on that basis. A note in that update acknowledges that the forward-planning confidence that Creative Scotland needs around our budgets in particular is quite fundamental to enabling the best delivery of that new funding framework.

We are keeping everything under review, because of what I have called a "perfect storm" of factors that I have set out in the written submission to the committee. The combination of rising costs and falling income, along with the very positive drive forward on implementing fair work and net zero policies, for example, is an irreconcilable equation in the current financial environment. We are very concerned about budgets, including in-year and future year budgets, particularly in light of the outcome of the resource spending review, which shows a profile that is provisional and which has yet to be set. Because of that perfect storm, we are keen to understand what planning confidence we can get and when we can expect it—particularly on multiyear arrangements and a multiyear budget horizon—to give us confidence that we are not doing anything that will add to the risks or uncertainties or which will further destabilise the sector, which is fighting for survival in many quarters.

I am very concerned about this perfect storm and do not want us to do anything that will add to the challenges that it presents. The fragilities that existed in the sector before the pandemic are back; they are manifest again and are probably tenfold in certain quarters. There is a terrible squeeze on the thin budgets that organisations work with and on employment within the sector for individual artists and practitioners. I am very concerned about this perfect storm leading to a crisis that, on the current trajectory, appears to be looming large.

Although we are moving forward positively to do our best with our available resources, we are keeping under review how we enact all elements of the funding framework, particularly the multiyear arrangement. It is fundamental to stability and confidence in the sector and to getting the best artistic and creative outcomes.

The Convener: Thank you all for your submissions to the committee. I note that the joint submission made by Councillor Heddle and Mr Booth highlights tensions with regard to some of the requests in respect of wellbeing and "a whole system approach" not being recognised in the resource spending review. Will you give us a bit more meat on the bones about your concerns in that respect? What would you like to be changed?

Councillor Steven Heddle (Convention of Scottish Local Authorities): Thank you for the

opportunity to give evidence to the committee. I am standing in for our community wellbeing spokesperson, Councillor Maureen Chalmers, who has recently been unwell, so I apologise for any shortcomings in my evidence. I am sure that we can follow up with something in writing afterwards.

Regarding the whole-system approach, we are aware that the resource spending review does not paint an optimistic picture for local government. We have long been advocates of a multiyear settlement, but we also need a settlement that allows us to build back from the pandemic and adequately support sectors such as culture.

The trajectory for revenue and capital in the resource spending review is not good for local government. The review explicitly speaks of health and social care and social security as priorities. Although they are undoubtedly important, the implications for the remaining parts of the local government pie are bleak, which is why we are advocating a whole-system approach.

The feeling is that, by directing resources towards those sectors, we are tackling the symptoms rather than the causes of the problems and we are not really taking the preventative approach that was proposed 10 years ago in Campbell Christie's report. We need to consider the wider determinants of health, the approach that we take to the matter and the investment that we will put into it. That is why we advocated—and still advocate—the inclusion in the resource spending review of the additional priority of ensuring

“that everyone can live well locally”.

The fundamental answer to your question is that we need a whole-system approach to investing in the determinants of health, which will involve not just the national health service and is not just about putting a sticking plaster on the problems that have been caused by poverty. It is about investing in the services that will prevent these things happening; it is about a move back to increasing life expectancy and addressing the costs of poverty, including child poverty. We feel that emphasising the importance of culture in our schools is a good way of engaging the children in learning, both for their own prospects and to aid our economy. The whole-system approach is about adopting a different perspective and having a more place-based and community wellbeing focus to recognise the wider contributions of all aspects of the public sector.

Martin Booth (Chartered Institute of Public Finance and Accountancy): Adding to Councillor Heddle's comments, I would say that the issue is not just the focus on health, social care and social security in the resource spending review but how that flows through into local government budgets.

With the protections that have been provided to social care over the past few years in the budget, and the additional resources that have been, if not ring fenced, then sort of earmarked for education costs, the core services that are left are coming under ever-increasing pressure.

Culture and leisure is one of those major services. In relation to people's health and wellbeing, all the pressure in recent years has—just to simplify it—fallen on bins and libraries. Refuse collection services, environmental services and culture and leisure have had to bear the brunt of that pressure for quite a number of years now, and it has been really challenging to continue to deliver those services. The issue is not just at the macro level but at a very local level, too.

The Convener: I will move to questions from the committee.

Donald Cameron (Highlands and Islands (Con): Good morning to the panel. I would like to develop the convener's initial question about funding. The importance of flexibility of funding was a message that many of the people who have given evidence to the committee have broadcast to us. We heard quite bleak evidence, which you have already alluded to, Mr Munro, about the current state of morale and the reality that our cultural organisations face—some of them have no option but to consider reducing their offer, whatever it might be.

The convener mentioned multiyear funding, but other approaches have also been raised with us, such as the ability to build up reserves over the years, the spend-to-save approach and so on. As funders, what can you do to facilitate greater flexibility of funding? I will start with Mr Munro.

Iain Munro: In the current crisis, as we did during the pandemic, we signalled to organisations with which we have existing funding relationships—and particularly the 121 regularly funded organisations—that we understand the pressures and want to support them to survive. If that means that they take business decisions that see them adjust what they feel that they are able to deliver while sustaining themselves with the contributions that we, alongside others, are able to make, we would rather have that conversation than stay wedded to the plans that they set out at the beginning of the year that we have contracted against. That flexibility is there for organisations that are in receipt of existing funding.

Our on-going funding programmes remain open to applications at any point for funding against costs that are relevant at the time at which an organisation applies. Some of those funding pressures are translating into increased demand and levels of request to the funding programmes. Nonetheless, the decisions that we are able to

take mean that the resource levels are more appropriate to the time in which those applications are approved. The pressures are still there, however, and it is quite a volatile environment due to inflation, energy costs, audience behaviours, generated income and so on. Even material supply costs and costs in the supply chains in general are fluctuating.

We are doing our very best with the funding that is currently available—both that which is already committed and that which needs to be available for those who will apply—to accommodate the context, but there are no financial safety nets. Earlier, I mentioned that the financial resilience challenges that predated the pandemic are coming back again and are now even more challenging than before. There is no financial resilience left in the sector, or, at least, the levels of financial resilience are very low.

09:00

During the final round of emergency support, we provided an opportunity to enable organisations to look at how they could uplift their unrestricted reserves into a period of recovery. The total amount of emergency support—as stated in our written submission—was £151 million, which was given through 18,000 additional grants over the two years of the pandemic.

However, even with that last measure—which was not only about reactivating activity, but also about uplifting opportunity for unrestricted reserves—the money is evaporating rapidly. We are in a situation where, with those reserves all gone and no new financial safety nets on the table, people are left with very stark, hard choices about curtailing programmes. I fear that those organisations with high fixed costs, such as those that are in buildings, may not even be able to sustain themselves to keep the buildings wind and water tight and heated and to have basic provision in place to enable them to come back at an appropriate moment. The risks of those funding pressures are high, and we may see the collapse of some core organisations.

Our analysis shows some stark illustrations of that. They are based on the financial information that we hold, and we keep that information up to date as and when we can. Up to one quarter of the 121 organisations that are regularly funded could be insolvent in the next few months—even if we have a standstill funding scenario in place. If those that are at risk of insolvency are also taken into account, that would mean that up to one third of organisations would be at risk within the next few months.

The position is precarious and we are concerned about the reality of the situation. We

will continue to do what we can within the flexibilities of existing budgets, but our own budgets are under scrutiny and review, and we do not yet have forward planning figures for next year or the years beyond to be able to translate that information for people; it is difficult for us to translate funding as quickly and in the best way that we can in the current environment, but we are doing our best to be flexible.

Donald Cameron: I will turn to Mr Booth to get a local government perspective on that.

Martin Booth: We are in a very similar position. I will talk about Glasgow City Council's position, but I think that the same applies to all 32 local authorities.

Our principal investment into the culture and leisure service is through our own provision and our arm's length external organisations. Pre-pandemic, Glasgow Life, which is our culture and leisure trust, had an operating budget of roughly £120 million, of which £40 million came from earned income and £80 million came from the local authority. The £40 million fell off a cliff overnight, and it is fair to say that the pace of recovery from that has been slow but steady, so the council has had to provide additional support. The Covid resources that were provided by the Scottish Government helped significantly with that—when they eventually came. We have a four-year programme of support to help to get Glasgow Life back to where it was, but we do not have the resources to provide it with £40 million, so we had to meet in the middle in providing that resourcing.

However, as Iain Munro alluded to, we are now in a position in which the pressures from inflation—pay inflation and utilities inflation—on all of those services are significant. The resilience that is required to get through that situation makes it challenging even for an organisation the size of Glasgow Life, and the pressure is multiplied for those smaller arts and cultural organisations that are vital to our communities.

Although it is pretty marginal, in order to help with that situation, we have committed to a three-year funding programme for our Glasgow communities fund, which means that organisations get a three-year award. The last batch of funding runs out next March, but the council is committed to a three-year programme going forward. That is flat cash, which is a pretty big commitment for local government at this precise point in time, when we are dealing with our own inflationary pressures. Having sustained funding over that three-year period helps smaller organisations that are often trying to pay wages out of that money, but it is still very challenging. We are not kidding on that we have dealt with all their problems, but it is a little help.

Councillor Heddle: I will provide some of the wider context around the flexibilities and reserves. Every day, in the local government information updates, we see the stark position from councils, who are spelling out what they need to save in the coming years and the lack of reserves that they have in order to do that. The recent Accounts Commission overview of local government presented that very clearly and starkly.

In the context of underfunding local government, we have made it clear that local government has seen a real-terms reduction of 15 per cent since 2013-14, and the 7 per cent real-terms reduction that is prognosticated for local government in the resource spending review means that there will be £743 million less in real terms to spend on services, which equates to a reduction of 20,000 local government jobs. I am saying that quickly, but I do not want to understate how catastrophic that is for local government and the services that we provide.

In that context, flexibilities around policy commitments are essential, because the fact that two thirds of our budget is directed spend means that the remaining third, of which culture is part, inevitably has to be in the front line for any savings that have to be made. We know that that has been happening already. The local government benchmarking framework—and the Scottish Parliament information centre briefing that was part of the papers for this meeting—shows how, even prior to the pandemic, local government had had to reduce spending on culture by approximately a quarter.

The impact is real and, to be able to mitigate that, we need to find flexibilities around the policy commitments, reduce ring fencing and be able to manage our budgets in a way that respects the local democratic priorities that are set by our electorates. I am happy to say that we are having discussions around that, not least in respect of being able to fund the local government pay settlement. We need to find flexibilities of £140 million year on year, just to pay our staff for this year's settlement. It is a problem that will get worse rather than better.

The punchline is that the funding situation has a real impact on what we are trying to address today in order to protect culture and all the benefits that flow from it in relation to wellbeing, as well as simply providing warm places for people to go during the cost crisis. As has been recently highlighted, people are going to libraries simply to keep warm, so if we have to look at reducing library services, there will be other impacts that flow from that.

Donald Cameron: I have one further short point for Mr Munro. You will be aware of the youth music initiative and the reports around its funding.

I want to give you the opportunity to clarify the position on that for the committee.

Iain Munro: I will set that in context. We have strong support from the Scottish Government, which translates into our year-on-year budgets and was also seen in the £151 million of emergency support during the pandemic. We are grateful for that support.

Recognising the financial pressures that are emerging—and which continue—a wider cross-governmental exercise started in mid-June to understand where our uncommitted budgets lay. That process related to technical definitions around contracted spend as opposed to moral commitments or processes that were in train. The Scottish Government has been scrutinising our budgets, like many across the public sector, to understand that picture.

We are in the 20th year of the YMI—it is important to mark that anniversary—which is an enormously successful programme. Despite it being the 20th year and the cycle of the formula fund having been gone through, at the point when those questions were being asked, we were not at the point of contract, as we would have been under the normal process, because at that point the budgets were still under review by the Scottish Government. In August, we were concerned about that still being the case, so we wrote to local authorities to make them aware that we were unable to contract at that point and that there was a hold on the progression of the formula fund. It was not picked up by that many people in local authorities at that point—it was the summer, of course. Subsequently, we became aware of that, and we wrote again to local authorities, which is what was picked up and reported in the press.

Thankfully, the Scottish Government has been able to confirm that that funding is secure, contracted and progressing. However, that has caused problems with the flow of business and created employment uncertainty. It has also had direct impacts on children, which has caused disruption. I am sorry that that has happened, but we were part of a wider governmental exercise that prevented us from being able to proceed with the normal flow of business at that point.

Claire Baker: I will follow on from the questions about the youth music initiative. Are there any other projects or organisations that are funded by Creative Scotland that faced the same issue in relation to taking forward non-contracted work?

Iain Munro: Yes. The full and final budget settlement for us is not yet determined, so there are on-going conversations about other elements of uncontracted spend that we are trying to get closure on in order to understand whether that spend will be there to enable us to translate that in

the business flow. I am afraid that that situation is on-going and, unfortunately, it is becoming harder and harder to manage.

Claire Baker: On the youth music initiative, you wrote to local authorities at an early stage to indicate that there could be a change in that funding. Are any of the other funding streams that are under the same kind of scrutiny still in that situation? Are organisations still expecting to get funding that might not materialise?

Iain Munro: There is a planned second round of open access funding under the YMI—it relies on Scottish Government YMI funding. That is a couple of weeks overdue. We made a round of decisions earlier in the year, which the Government has enabled us to commit resource against. We want to run the second round, but we are not in a position to do that because of the question mark over that element of the YMI budget.

Claire Baker: At the beginning of the meeting, you said that there was a risk of collapse. I think that you said that the Covid emergency support funding was £151 million, and lots of resources were provided by the Scottish Government and the United Kingdom Government to support the cultural sector through a difficult time. We are now facing crises with the cost of living and the cost of doing business. So far, the support is not comparable, but is the current situation as significant for the sector as the pandemic was?

09:15

Iain Munro: The risks of that perfect storm are greater than anything that we saw during the pandemic. It is way beyond the challenges of the pandemic, which were challenging enough. There is a real risk that the sector will contract, which will have an effect on employment, audiences, participation and business failure, as well as on tourism and the wider economy. The ripple effect is deep and long.

If there are no financial measures in place beyond the current budgets, which, as we have noted, continue to be under pressure and face potential reductions both in-year and in the future, it may be beyond our ability to respond to some decisions. We will do our best to navigate the combination of all that and to respond meaningfully, but we do not have the tools that we had during the pandemic. That is very concerning.

Claire Baker: You mentioned buildings as being core to this issue. Are the organisations that are most at risk the ones that have infrastructure and buildings, such as the major theatres, or does that problem go across the sector? Iain Munro may want to respond but Martin Booth might too, because many local authorities also have theatres

and venues. Are they at greater risk because of factors such as rising energy costs?

Iain Munro: They will tend to be at greater risk, because of the higher level of fixed costs, but the problem is not restricted to them. There are fragilities across the spectrum of organisations that we support through regular funding and through other funding routes. Many organisations have very small human resources capacity: they may have fewer than five people. Their ability to manage and navigate when they are fighting for survival is part of the challenge, beyond the issue of the support that is available.

We have close relationships with people and organisations across the sector. Those that have high fixed costs, particularly theatres and galleries, are under enormous pressure. That is not only because of inflation but because of the energy costs that we have noted. Before the decision by the UK Government about the energy price guarantee through to next March, organisations were looking at bills 100, 200 or 300 per cent above the norm. If there is no support beyond March and market forces return, there are projections that bills might be 400, 500 or even 600 per cent above the usual. That alone is a tipping point in organisations' financial equations. For building-based organisations, that will be one of the defining measures; the problem does not only affect the building-based organisations, but they will be the ones at serious risk because of the nature of their business.

Claire Baker: Martin Booth, do you want to respond?

Martin Booth: I will try to be brief. I agree with everything that Iain Munro said. The buildings that we are talking about are big spaces and use a lot of energy. Services that are provided for free will come under increased pressure to be open for longer as welcoming or warm places. Those that charge will be affected by the increasing pressure on household budgets and people's ability to afford to go to the theatre or the gym. The pressures on income budgets, and on expenditure budgets, are creating what Iain referred to as a perfect storm.

The Convener: I have a supplementary question about the impact of the announcement on the youth music initiative. It exposed the precarious contract position for a lot of people who work in the sector. It is disappointing that the youth music initiative was conflated with core education funding and curriculum activity, which had not been under consideration.

My question is for Mr Booth and Councillor Heddle. Have you reflected on the impact that that had? Is local government in a position to offer

sustainability, rather than project-based and short-term contracts, to people working in that area?

Martin Booth: Again, our funding is under so much pressure that doing any more than we are doing just now is incredibly challenging, without funding certainty to provide more security. We have therefore not been able to progress with that.

Councillor Heddle: Both Martin Booth and Iain Munro are spelling out the direness of the situation and the difficulty in providing extra support. The problems that we face are extremely stark. There has been a £200 million reduction in income from our cultural and leisure facilities, while the projected increase in costs is £100 million.

On the first question, we have one-year settlements, so it is difficult to plan ahead and provide the certainty that we would like to provide. I add that, in discussing these pressures, it is easy to think that they relate only to revenue, but they also relate to capital. As well as the problems that we face in retaining and recruiting staff, we face problems in being able to maintain or replace our buildings, which is important when it comes to energy-inefficient buildings, given that we are trying to move towards net zero.

To describe all of this as a perfect storm is therefore absolutely correct.

Jenni Minto (Argyll and Bute) (SNP): I thank the witnesses for joining us and for their written evidence.

Iain Munro, you talked in your evidence about trying to declutter the funding landscape and about a group that you have set up, or are part of, with Highlands and Islands Enterprise, South of Scotland Enterprise and Scottish Enterprise. Will you elaborate on the benefits of that and on how you have been progressing with that work?

Iain Munro: Sure. We did not set up that group, but we are a part of it. It is a partnership across the business support network, in recognition of the fact that the role of Creative Scotland reaches beyond the subsidised sector into the commercial, market-driven end of the creative economy.

The group was established during the pandemic and is still planning its shared work. Through it, we are endeavouring to ensure that it is easy to navigate and access the business support opportunities that people are looking for, from whatever sector—in our case, the interest in the cultural and creative sectors—and that the partners work together to co-ordinate that to better effect. Some of that happens through an online portal, using a triage approach. However, the models for that are still emerging.

In that environment, we want to, and need to, work with and through partners to unlock their resources, be those human or financial, in support

of creative businesses and the wider creative economy, because Creative Scotland does not have a dedicated resource that is sufficient to enable the growth potential that lies within the creative economy. Even in these challenging times, it has proven that it is a growth sector and that it can continue to grow. Screen, which is only one element of the creative economy, is on a growth trajectory.

We want to find models that continue to sustain and enable that growth, despite the challenges. We will therefore keep the conversations going with partners in the business support partnership group, and we will co-ordinate and make it as easy as possible for people to access that support.

Jenni Minto: That is helpful. When I drove past Stirling, I noticed that there was a big film base there. Clearly, the film industry is busy.

Last week, I attended a meeting of the cross-party group on India. The meeting was about trade, and it highlighted the important role that culture plays when countries are beginning and maintaining trade relationships. I am interested in whether, as part of your work through your partnerships with the development agencies, you are feeding in cultural aspects to plans for business expansion. Martin Booth, I notice that you are nodding. Do you want to add anything to that?

Martin Booth: I do not have anything to add to Iain Munro's comments. In Glasgow, we work very closely with our film unit to bring productions to the city. Recently, a Bollywood film was filmed there.

Iain Munro: Culture is a strong calling card and a strong economic force in and of itself, but the Scottish Government is also developing a cultural diplomacy strategy. Elements of soft power are attached to culture, but it is also a door opener. Scotland's renowned cultural identity internationally is a strength that enables us to open doors. We are keen to explore how that can continue to evolve and develop so that we can increase opportunities for cultural and creative development. We will also explore what culture means to the wider economy, beyond the creative economy.

Jenni Minto: Councillor Heddle has his hand up. You are sitting in Orkney, which probably has more brown signs at roadsides per head of population than the rest of Scotland, so you are absolutely at the centre of the cultural sector.

Councillor Heddle: Yes, I am sitting in Orkney, and I feel as though I am sitting on the bridge of a trawler today, given the wind and the way in which the rain is lashing against my house.

Briefly, I will talk about a bit of work that the business support partnership has done. I am a

former COSLA spokesperson for environment and economy and am chair of the Business Gateway board, so I am very aware, and supportive of, the work that is being done by the business support partnership. It is an exemplary example of partnership, with various partners pooling their strategies and looking at individual resources to see what can be done.

In local government, we are rooted in collaboration through our approach to community planning and our close relationship with the third sector. We speak about a whole-system approach, so building up collaborative approaches is very important. The business support partnership is a fine example of what can be achieved.

Jenni Minto: I recognise that there is collaboration between local authorities and the third sector across many different areas, including health and wellbeing. We heard from Mr Booth about Glasgow. Councillor Heddle, is there anything from a collaborative learning perspective that smaller councils such as Orkney Islands Council and Argyll and Bute Council, which is my own, can bring to the table in relation to how they operate when embedding culture in different areas?

Councillor Heddle: Undoubtedly, we can bring something to the table. A positive approach to culture is embedded in my local authority. For instance, we have always prioritised free instrumental tuition, even before the funding for that was provided. Certainly, I am aware that we promote our own cultural activities. You will be aware of the plethora of archaeological sites in Orkney. We support those by, among other things, providing a museum store, which is full of artefacts that have been gathered from the various archaeological sites. We are also custodians of public buildings. Orkney Islands Council is one of the few councils that looks after a cathedral.

In different ways, our approach is replicated across the whole of local government. Martin Booth could rightly point out that Kelvingrove art gallery and museum collection holds £1.4 billion worth of artefacts. We all contribute to culture in ways that are less tangible than simply funding services; we are also custodians of culture, which is an important point to make.

09:30

Jenni Minto: Mr Munro, either in your submission or in the SPICe report, there was a mention of the varying income that comes from the Heritage Lottery Fund and from the national lottery. I think that the funding was at a high of more than £32 million during 2016-17, but it has fluctuated since then. Do you have any comments

to make about why that is and the impact that that has?

Iain Munro: Income from the national lottery is set by using a formula. The National Lottery etc Bill was passed in 1993, so next year will be the 30th anniversary of the national lottery. It exists to add value beyond core Government spend, but funding is reliant on sales of tickets and scratchcards, so the final sums are determined by audience buying patterns and behaviour.

We are one of 12 distributors across communities, heritage, arts, screen and sports, and we channel national lottery resources for the arts and screen sectors in Scotland. We set a planning figure based on an understanding of projections from the national lottery family. It is only at the end of the year, when we close the books, that we know the actual numbers. We are reasonably confident in those planning figures, but there is a degree of fluctuation.

An interesting phenomenon can happen in gambling: when people are financially stretched, income levels are sustained because people gamble more. There is a fairly reliable income stream, which represents about a third of our overall budget. The other two thirds come from the Scottish Government.

New licence arrangements are coming in, and there will be a new lottery operator from spring 2024. The transition process is under way. The intention is that there will be no unnecessary fluctuations that create risks for the national lottery income that we are able to channel, which is 1.78 per cent of the overall total. That is fairly reliable and steady. As you said, the figure dropped markedly when we made our previous round of regular funding decisions in 2018, but the Government stepped in and, year-on-year since then, has committed to backfill to the level of that £6.6 million drop. That is not written into our longer-term budgets. It is an additional element of the overall financial equation and is part of the grant-in-aid cover that we get. The planning level from the national lottery is a fairly stable figure of about £30 million or £31 million at the moment.

Mark Ruskell (Mid Scotland and Fife) (Green): We have had quite a lot of evidence from cultural organisations about the potential use of the transient visitor levy. You all present quite a stark picture, with the possibility of a quarter of cultural organisations—many of which are anchor institutions in communities—going under. What are your thoughts about the transient visitor levy? Is that being built into council planning and income projections? Is there an appetite across all Scottish councils to introduce that, or is it just for the Edinburghs?

Councillor Heddle: That is a good question. The local government position on the transient visitor levy is that that is an example of discretionary local taxation. It is a useful power to allow local government to rebalance our funding, which comes predominantly from the Scottish Government. Very little local taxation is under our control. Local authorities will have discretion whether to use that power and they will be able to use any accrued revenues as they see fit.

You asked whether every local authority wishes to make use of that power. I do not know the answer to that question; I suspect that not all of them would wish to do so. However, I do not think that it would be used just by the Edinburghs—that is, by the large local authorities. My local authority has an interest in the levy. We have about 120,000 longer-stay visitors to our islands, which have a population of 22,000. A greater number of visitors come from cruise liners. Undoubtedly, that has an impact on our area when it comes to maintaining our assets and stopping them being damaged by the increased footfall.

We would probably look at directing the levy towards supporting the tourism industry and perhaps towards supporting the local industries that might experience detriment from mass tourism. However, we are of the opinion that it should be up to local authorities to decide how the levy should be applied, to match the aspirations of the people who elect us as councillors. It should be under local democratic control and used to address local priorities.

Mark Ruskell: Should there be an expectation that, if councils are raising funds in that way, a proportion of them should go towards supporting cultural institutions, or should the use of such funds be purely at the discretion of councils?

Councillor Heddle: The answer to that question has two parts.

That will absolutely be the expectation, and the likelihood is that the funds would be applied in that way. However, it should be at the discretion of local authorities to determine that according to their priorities.

Martin Booth: To back up what Councillor Heddle has said, such funds will come as additional discretionary spend to support the tourism economy, of which supporting cultural and arts is an important element, particularly in somewhere such as Glasgow. A working group has been set up comprising the Scottish Government, COSLA and local authorities to take that forward.

However, for quite a number of authorities, a levy would be unlikely to bring in a significant amount of money. For the big cities and the more tourism-based local authorities, the sums of

money could be significant, but, for other areas, the initiative is unlikely to have any impact at all.

The levy does not help with the core funding problem, but we should absolutely be looking to add those funds to what is a very challenging area and to support tourism.

Mark Ruskell: How would Creative Scotland seek to work with the levy?

Iain Munro: The application of TVL is a political matter at local government level. As a general point, we support any opportunity for resources to be made available, by whatever mechanism—in this case, TVL—to enhance the resources for cultural activity, as long as that is protected so that at least some resource is channelled towards cultural support and the added value that that delivers and that it is not used as a substitute for cuts. That is important. We would certainly be supportive of the levy if that means more resource will be available within the overall equation.

Alasdair Allan (Na h-Eileanan an Iar) (SNP): Iain Munro, you have reflected on some of the budget pressures that the whole public sector undoubtedly faces. However, it should also be noted that the Scottish Government has seen £1.7 billion disappear out of its budget as a result of inflation.

I do not want to take away from the pressures that you have described, but I am curious to know whether you think that there is anything to be learned from the experience of the pandemic. You rightly say that the situation now is very different and that the pressures are perhaps even greater, but I think that the committee has had some evidence or comment that, during the pandemic, Creative Scotland went to some length to streamline its application process. I realise that we cannot make direct comparisons, but can anything be learned from the experience of the pandemic in dealing with the current inflationary emergency?

Iain Munro: That goes back to one of my earliest points in the evidence session in response to the convener's question about the funding framework and the multiyear arrangements. I spoke about the extent to which we will continue to build improvements into our funding offer and the way in which we deliver that to make it simpler, clearer, streamlined, more transparent and accountable, and proportionate to the level of ask—from small grants through to much larger ones. That is being baked into Creative Scotland's ways of working, particularly with regard to the digital component, so that people can access funding opportunities through online resources where that is appropriate—we offer alternatives where there are accessibility needs. Therefore, yes, we will undoubtedly continue with some of those operational lessons that we have learned.

I will make a wider allied point. We are talking a lot about the pressures of the current environment. I again want to acknowledge the Scottish Government's support in recognition of those wider pressures. There is still budget available. However, we are keen to ensure that we can advocate as strongly as possible for direct culture budgets to the greatest level possible, while continuing to pursue those cross-portfolio conversations that unlock greater opportunities around, for example, health and wellbeing, education and the environment.

There are two elements to understand in relation to money in the system. Yes, there is money in the system—although that might not be available to the extent that we would want, and there will always be challenges of demand, after all—but if the money is reduced, that will inevitably lead to contraction. Conversations about the direct culture budgets happen with the Government's culture division. The cross-portfolio conversations, which everybody is keen to pursue, take longer; it takes time to unlock those wider opportunities. When we are in this environment of financial pressures, a danger with regard to cross-portfolio work is that people retreat and protect their areas. However, we need to pursue those avenues for the longer term, because collaboration will unlock wider opportunities that are for the greater good—not just in cultural terms but with regard to those other policy areas.

Alasdair Allan: My other question is about a subject that we have touched on regularly in the committee and which you have just alluded to, Mr Munro. I will address the question to Councillor Heddle and Mr Booth. On wellbeing, some of you have mentioned the issue of warm spaces. I do not pretend that the function of culture, as practised or promoted by local government or other agencies, is simply to provide warm spaces. However, you have acknowledged the pressure that you will face to provide such facilities. Will both of you say a bit more about how that will be worked into what you do?

Martin Booth: Many services already provide warm spaces; there will just be more demand for them. It is a long time since libraries have just been seen as places that lend books. That is their core function, but they provide a much broader service. In our libraries, we deliver a Macmillan Cancer Support service for people suffering with cancer and other long-term conditions; we also offer employability support, homework clubs and a whole variety of community engagement activities. It has always been the case that lots of people use libraries as their principal place for social contact.

I go back to Iain Munro's comment about accessibility and online availability. I am sure that reading a book online has some societal benefits

for individuals but, for people who perhaps do not have a lot of other contact, going into a library and seeing people is important for their health and wellbeing. Maintaining that will be important. There will be demand for space where people can go to spend a bit more time than they would have done historically because it is warm there. The ability of libraries and other community facilities to provide such space will be vital.

Glasgow is not alone. I think that most authorities are trying to protect their opening hours as much as possible and to provide some additional resources in their libraries over the winter to help people. It has always been a key element of lots of our service delivery.

09:45

Councillor Heddle: Can I come in? Can you hear me?

The Convener: Yes, but I do not know whether you can hear us. Please come in.

Councillor Heddle: Martin Booth made good points. Local government absolutely recognises the value that culture plays in many of the policy objectives that we share with the Scottish Government. Poverty is one that we are focusing on at present because of the cost of living crisis. Child poverty clearly plays into our consideration of education and how we engage children who come from poor backgrounds in it. We have great examples of lessons being provided in Doric in Aberdeenshire as a way to engage children from all backgrounds in their overall learning.

There are wider issues around addressing climate change, the economic benefits of culture and health and wellbeing that are factored into all the strategies that we develop at a service level. They will undoubtedly play into our budget-setting considerations, whenever we set a budget this year—I appreciate that there is some doubt in that regard. The sense of place pervades all that.

Martin Booth spoke about libraries not only being places where people get books. They have moved towards being community hubs and information centres, and as places where people can access the internet or use a 3D printer. That plays into the wider policy areas of the place principle, which local government developed jointly with the Scottish Government, and community wellbeing.

We regret that those matters do not play into the resource spending review; it would be better if they did. I appreciate that the resource spending review is a starting point but bringing a sense of place, community wellbeing and the priority that we articulated—that everybody can live well

locally—would be to the benefit of the review and to our shared strategic goals.

Iain Munro: I will make two quick points. First, I clarify the point that I made about digital provision in response to Dr Allan's questions. I was referring to our operational delivery, not creative programmes that are offered digitally. There was a time during the pandemic when that was prevalent, but that is no substitute for live, in-person arts experiences, to which people want to return. There is a role for digital provision in the way that people can access cultural programmes, but that was not the point that I was making.

Secondly, on warm spaces, I know from speaking regularly to sector development bodies that they are keen to find mechanisms to co-ordinate how the physical resources—particularly building-based resources—can be warm, welcoming spaces during the winter. However, we have to be able to get them to that point. Earlier, I made a point about cost pressures. That might mean that those buildings are not able to open their doors. There is a desire to do the right thing as community resources, but we must ensure that, across the spectrum of the funding support, we can support them as best we can to enable that to happen. Yesterday, I saw a note that said that Aberdeen is quite advanced in co-ordinating its warm spaces initiative, so how that is being planned could be looked at further.

The Convener: I think that providing a cultural offering as part of the warm spaces initiative is a draw and makes it less stigmatising for people who want to be there. Having bookbug clubs, dementia choirs or whatever else in those spaces will make a huge difference.

Given all the evidence that we have heard, and bearing in mind that we are scrutinising next year's budget, will wellbeing be further embedded in cross-portfolio workstreams, or are the current pressures too high to allow any measurable or identifiable progress in that area?

Iain Munro: We must proceed in a determined way and continue to pursue conversations and opportunities. However, as I have said, in the current environment—let alone in a better environment—it takes time for those conversations to come to fruition and open up opportunities. However, it is incumbent on us to do that, for all the right reasons, because of the value and the cultural, social and economic benefits that those opportunities can bring. I definitely want us to pursue that.

As my final comment on the question, I will leave the committee with an issue that is worth exploring: wellbeing economies. Wales, like Scotland, is pursuing a wellbeing economy. In 2015, the Welsh Parliament passed the Well-being

Future Generations (Wales) Bill. Culture is written into that legislation, which says that listed public bodies need to work together with people and communities to ensure that culture is a consideration in the delivery of their services and that there should be a greater contribution through culture to the wellbeing economy. It would not be easy or quick to deliver something like in Scotland, but, in the longer term, that would unlock the true potential of culture's contribution to the wider cross-policy agenda on the wellbeing economy.

Martin Booth: I fully endorse Iain Munro's comments. We need to proceed in that way to make progress, but doing so is very challenging. Survival is our highest priority, but we need to have some hope that we can make things better.

Councillor Heddle: I was delighted by Iain Munro's comments and the Welsh example that he gave. Making a commitment to our future generations is the most important thing that we can do, and it will be excellent if we can get to that stage.

We are up for embedding the wellbeing approach into our policies. We will reflect that back to the Scottish Government and ask it to work with us on that. Individual authorities, such as North Ayrshire Council, have done excellent work on advancing the community wellbeing agenda in Scotland. The adaptation of the local government benchmarking framework towards a wellbeing economy will also be a good step in that direction. However, that is a shared endeavour and we are up for working with our partners and national Government on it.

The Convener: As there are no further questions, I thank you all for attending and for your helpful written submissions to the committee. We will now have a brief suspension for a changeover of witnesses.

09:54

Meeting suspended.

10:00

On resuming—

The Convener: For our second panel on pre-budget scrutiny, I welcome Angus Robertson, Cabinet Secretary for the Constitution, External Affairs and Culture, and Lisa Baird, deputy director of culture and historic environments at the Scottish Government. I invite the cabinet secretary to make a brief opening statement.

The Cabinet Secretary for the Constitution, External Affairs and Culture (Angus Robertson): Good morning, convener, and thank

you for the opportunity to make some opening remarks.

This evidence session on pre-budget scrutiny is an important part of the normal process for setting annual Scottish budgets, but I think that we all agree that the circumstances that we face today are anything but normal. Our public finances are under huge pressure from soaring inflation—which is at a 40-year high—and the cost of living crisis. Uncertainty has increased with the negative market reaction to the UK Government's tax announcements two weeks ago.

The combination of the on-going cost of living crisis, high inflation and the forecast recession has increased demand for Government funding. Not surprisingly, the committee has consistently heard that theme from witnesses in the culture sector. The limited cash funding that the Scottish Government can make available for public services is being eroded by rising inflation. Our budget for this year, as you know, is worth about £1.7 billion less than when it was announced in December, with inflation having risen from 4 per cent to 9.9 per cent in the meantime.

Our cash plans in the resource spending review announced little more than four months ago are similarly being eroded by greater inflation. That is a challenge that faces public services in all Government portfolios, but I am acutely conscious of how economic circumstances are affecting the culture sector. Building-based organisations in particular face steeply rising costs. Everyone who works in the sector is rightly concerned about their pay as living costs rise so steeply.

Added to that is the mixed picture of post-Covid recovery in visitor and audience numbers. On the one hand, I hear some positive reports of recovering visitor numbers in museums, galleries and heritage attractions, but, on the other, there is a more tentative picture in relation to audience figures in performing arts and cinema. Most of all, there is the continuing uncertainty, as the rising cost of living undoubtedly means that people are cutting back on leisure spending. What the committee has heard from witnesses is what we are hearing from our discussions with our culture public bodies and the broader sector.

To address those economic challenges, the Scottish Government is making hard choices to prioritise spending through savings that were announced by the Deputy First Minister on 7 September and the emergency budget review that is due later this month. Although none of that is a surprise to the committee, it is worth repeating the context to what will be difficult decisions in the forthcoming 2023-24 budget.

The resource spending review envelope for culture and major events for the next financial year

is £172.8 million, which is a cash reduction of £4.2 million, or 2.3 per cent. That does not include the impact of inflation, which shows that there is already a challenge before inflation is factored in and, indeed, before the possible further public spending cuts that are being trailed by UK ministers.

I will continue to argue for the most public funding that we can afford for the culture sector. I am also keen to conclude some work on multiyear funding, even if economic uncertainty means that the figures for later years can be at most only indicative, because I know that multiyear figures would help the sector to plan ahead.

I know that the committee wishes to concentrate on the culture budget in its pre-budget discussions, but I would also be happy to answer any questions on other areas of my portfolio. If there are any questions that I cannot answer today, I will, of course, write to the committee.

The Convener: Thank you, Mr Robertson. I will open by asking about what you said about the recovery in museum visitor numbers. During our evidence session last week, we heard that, although visiting museums is free to the public, additional funding is made through special exhibitions and discretionary spend in cafes and museum shops. In terms of visitor numbers, how are they capturing whether visitors' discretionary spend is falling, even though visitor numbers might be up? I have asked the question in a convoluted way, but could you reflect on that?

Angus Robertson: Galleries and museums are in a better position to understand trends in visitor attendance and spending, but we know the headline numbers and percentages. To be frank, a lot of that is encouraging and shows that people are visiting, which is one reason why we are committed to free public access.

We hope that people who view evidence sessions such as this will take every opportunity to encourage the public to visit our amazing galleries, museums and public cultural institutions. I will take a stab at answering by saying that discretionary spending reflects how people are feeling about how much money they have in their wallets. Although people might enjoy going to see great works of art, they might be economising on other things—they might be choosing to use the cafes less and to buy less in the amazing, high-quality shops in our galleries and museums. That is my best stab at answering that question, but I have no doubt that those who are in charge of galleries and museums will be looking at all of that.

Notwithstanding that, I take the opportunity to encourage people to be aware that such facilities are still free and are open to the public to attend. They are also warm spaces, which people should

consider as we enter the winter months. As we emerge from Covid, we should remind ourselves that we perhaps have not been to visit our galleries and museums for a while so should take the opportunity to do so.

The Convener: Our focus has been on the wellbeing economy and the Government's ambitions on wellbeing, and I want to explore how that might impact on culture across portfolios. The evidence that we heard this morning from Creative Scotland and COSLA indicates that those bodies feel that there is a disconnect between the priorities in the resource spending review and wellbeing. Have you had time to consider and reflect on that? Do you think that everything is in order to allow people to make decisions with a greater focus on wellbeing?

Angus Robertson: I would always want to be very mindful of that and to try to ensure that the situation that has been described is not the case, because wellbeing matters. At the same time, there is a general recognition that we find ourselves in a very difficult budgetary situation, with the Deputy First Minister currently going through an emergency budget process. I apologise to the committee because, although I am sure that members appreciate that we are in a live budgetary process, they probably want to probe and to ask about certain things so that they can better understand them, but part of the process has, unfortunately, not been decided and is subject to consideration at present. Notwithstanding that, in my department and in departments across the Government, when we make very difficult decisions—perhaps, sometimes, impossible decisions—we try, at all times, to minimise the impact that they will have on people.

As I have mentioned in relation to galleries and museums, we know about the mental health and other health benefits that culture can offer. If people are still able to access—as they are—such facilities free of charge, that is a reflection of the fact that it is an important priority for us. That is a wellbeing priority as well as a statement of the importance of culture.

My additional point about such facilities being warm spaces is also a reflection of the fact that there is a wellbeing dimension to it. Let us be frank: there are people who are making choices, literally, between heating and eating. If there are places that people can visit where it is warm and where one can have great enjoyment in appreciating art and artefacts and the living culture that we see in our museums and galleries and elsewhere, that in itself is a reflection of the importance of wellbeing. However, I appreciate that, when there is uncertainty about the continuity of funding for different projects that provide

positive support for initiatives that have a wellbeing dimension, that is a challenge for those who are impacted or who fear that they might be impacted.

All that I can say is that we are taking that seriously as we go through the emergency budget process. As you will appreciate, I will be arguing—I am arguing—as strongly as I can for the maintenance of the maximum possible budget for culture.

Donald Cameron: Good morning. My question is not specifically on a budgetary matter, but the issue came up in evidence last week. Alex Paterson of Historic Environment Scotland said that around 60 historic sites are closed to the public or have restricted public access. We will all have examples of that in the regions or constituencies that we represent. There has also been talk of a policy of managed decline. We all understand that those sites must be safe for visitors and staff, but what action is the Scottish Government taking to help HES accelerate the inspection, fixing and reopening of those sites?

Angus Robertson: First, I will make a general point on the observation about the challenge to heritage buildings in particular in Scotland and reflect on my visit to Paris this week. Yesterday, I was at the United Nations Educational, Scientific and Cultural Organization. Much of yesterday's discussion was on that issue of the heritage estate—in Scotland but also globally—and the fact that we have a shared challenge on that. That difficulty, which we have in a country that is so full of castles and historic buildings that are of a great age and, often, in an advanced state of decline without roofs and built of stone that is eroding and so on, is common across the world because of the changing climatic situation in which we find ourselves. Therefore, the challenge that we face is not unique.

My second observation is that, unfortunately, it is not going to get better in as much as the challenge is not going to get any better. My third observation is that we, quite rightly, want to uphold the highest health and safety standards when people visit amazing places such as Linlithgow palace or any number of castles that have high walls but no roofs and masonry that is not always secure. Therefore, I make that general point about the on-going challenge.

On your specific point about Historic Environment Scotland, I would first like to say that we have a world-class organisation that is trying to deal with all that. I am not comfortable with the phrase "managed decline". However, taking it at face value, one is trying to manage an estate and that estate is declining. It is just a statement of fact that masonry is falling down. Incidentally, the masonry has been falling down for hundreds of

years. It is just that we now have much higher standards with regard to what conditions it is acceptable to let people enter in order for them to enjoy the facilities.

10:15

Therefore, Historic Environment Scotland is going through the process of trying to ameliorate particular circumstances in particular sites that you have highlighted, and then there is a more general point about the places that are perhaps less well visited. Then, frankly, that has to be matched against the resources. That is the responsibility of Historic Environment Scotland, and we need to do everything that we can to ensure that it has the resources to deal with that, because everybody appreciates that it is about our national heritage.

So far so good—or so far so challenging, but there is a bit of a silver lining in the recovery of visitor numbers to heritage sites. Again, I use the opportunity—because members of the public watch proceedings of such committees—to encourage people to please visit our castles, palaces and historic sites and to say, “Please join Historic Environment Scotland. Get yourself a card and go along and visit and support our heritage sites.”

However, I would be the first to acknowledge that, when you are talking about finite resources and an ever-growing scale of financial challenge, one will not manage to do everything. Therefore, there is not a simple fix, and I would not want to pretend that there is. The Government must work in partnership through the agencies that are charged to get on with that work. If we need to come back to that issue, I am fully prepared to do that. However, it is not my job to micromanage—or, really, to manage at all—arm’s-length organisations that have responsibility in that area. I have no doubt that we will come back repeatedly to the issue, because the threat remains and it will endure, as will the aspiration to protect as much of our built heritage as we can.

Donald Cameron: Thank you. I will turn to the issue of funding. We had some interesting evidence from Kirsty Cumming of Community Leisure UK. She called for a move away from what she described as “initiative-driven funding”. She went on:

“There are lots of little pots of money out there, but lots of time and effort are required to put in applications for them. Indeed, they are often for things that are seen as new, despite the fact that there might be programmes that are already delivering something similar across Scotland.”

What are your reflections on that? Is it time to end the initiative-led approach and move towards a different system of funding?

The Convener: If you do not mind, Donald, I will make an addendum to that question. We also heard evidence from organisations that very similar projects from the same artist can be funded from two different pots of money and that the thinking is not always joined up in that regard.

Angus Robertson: I am sure that those who are charged with making some of these project funding decisions will be looking closely at the evidence that has been given. The committee took evidence from Creative Scotland before I sat in this chair. I am sure that they will be thinking about that, because they will be thinking about it anyway. If I am entirely honest, I think that it will be an eternal question. We want new and innovative projects, do we not? We want to learn the best from elsewhere and we want to try to improve things. There is always an attraction on all our parts, regardless of where we sit politically, to say, “This is a good and new thing, and we need this new thing to help address this shortcoming or this challenge or this opportunity.” At the same time, we have a series of established projects that are supported. There might be a feeling that those are holies of holies that could never be challenged. There is a tension in that, is there not? I do not think that there is a simple answer to this, but we need to be on the ball with that particular dynamic. We need innovation and projects, but we also need to protect that which is good and that which works.

That is one aspect of the challenge, but on the second question of different funding pots, it was always thus, was it not? As well as the Scottish Government and Government agencies that are charged with supporting projects, there are other places that provide funds for cultural projects. I am thinking of, say, the UK Government in some cases; in the past, we had the European Union; and beyond that there are different national and international pots.

Another dimension that is worthy of consideration is the amount of time that organisations have to spend on trying to identify where they can get funding from. One has to be of a certain size to do that sort of thing efficiently and effectively and to have the expertise to draw down those funds. I am not being critical here—it is just an eternal observation and a statement of fact.

Something that I would be concerned about if it were so would be people not knowing where to turn in order to draw down funds. That is as relevant in the public sector as it is for Government and other organisations. After all, there are some very important funding sources beyond Government; I can think of, for example, the Heritage Lottery Fund and, indeed, the Postcode Lottery, which, incidentally, is headquartered in Edinburgh and gives a lot of

support to a lot of small and medium-sized community and cultural projects.

I know that there was a lot in that, but what I will say is that if the committee has evidence that people are finding it difficult to know where to turn—which is potential criticism number 1—or, secondly, that they are not being treated fairly when they seek support, I have to say that I would like to understand that better. The context of all this is constrained budgets, which are an issue affecting not just Government but other funding organisations in both the private and public sectors. I should also mention philanthropy, because there are cases of people who have been extraordinarily generous in supporting culture and the arts but whose spending has now been constrained.

There is something in all of that. I take upon myself the fact that I have some responsibility with regard to my convening power—if I can call it that—to be able to help in different areas of funding, whether it be national or local government, philanthropy or the private sector. I am doing some of that work already, but maybe there is more that I can do. I am open to encouragement, Mr Cameron.

Donald Cameron: I am glad that you have mentioned philanthropy and the private sector, because as you have said there is a panoply of sources of potential funding, including some businesses that directly fund cultural organisations. However, it is not an area that we have explored that much in the past month or so. Thank you very much for your responses.

The Convener: Alasdair Allan has a supplementary on this, and then I will bring in Jenni Minto and Mark Ruskell.

Angus Robertson: Was it something I said?

Alasdair Allan: I will resist the temptation to talk about a specific building, cabinet secretary, as we have already corresponded on it.

On the issues that you are raising with regard to Historic Environment Scotland, what is your expectation of the extent to which those communities to whom historic buildings that might not be open are still important should be involved and kept aware of what is going on?

Angus Robertson: I agree 100 per cent that communities need to know what is happening with local buildings or cultural attractions for a number of reasons, including the fact that people want to access them and so want to understand when they are open.

Here is another thought: some places might want to support the maintenance, restoration or reopening of facilities. One might similarly say that there might be philanthropists or funding

organisations that have a particular geographical interest or historical connection. One might have a name that connects one to a place or a building. We can think of people around the world who feel like that. North America is full of people with Scottish surnames, and they feel a genuine connection to a place because of their name. It has struck me for a while that helping people to make a connection with a place, a name, a building or a cultural site has potential as a funding stream.

I am keen to explore that, because if I meet people from the United States who feel that they come from a particular part of Scotland and they would want to make a contribution to that part of Scotland, it might be that there is potential to match people's interest and support to address the challenge that we are talking about in the context of Historic Environment Scotland. I am interested in the committee's thoughts. I am not fishing for reflections on that right now, but there is something in our being able to match up community interest in local buildings, historic sites and so on with the interests of others elsewhere. That might be a way to supplement the projects that are under way to protect our historic infrastructure. Anything that might secure additional funding streams or public support would be a good thing.

The Convener: Mr Ruskell has a supplementary question on that.

Mark Ruskell: I want to follow up Mr Cameron's question and your reflection on that eternal question about short-term funding or "projectism", as I think that it is called. It is a question that needs an answer, because I see a lot of public money being wasted due to the fact that projects have to eternally reinvent themselves. That wastes core staff time, which is spent on funding applications and trying to develop new projects on the back of those. What organisations really need is multiyear long-term funding to enable them to get to a place where they might well innovate and move into a different space. However, in the meantime, they need a space to grow into that. You mentioned the power of convening. How do you answer that question? How do you crack that issue, because it has been there for years and it is grinding the entire voluntary sector down—not just in the culture sector but in many other sectors.

I see an official nodding at that.

Angus Robertson: If Ms Baird wants to jump in, she is free to do that at any stage.

I have a couple of reflections on that. With regard to multiyear funding certainty, I have given evidence to the committee before that, in the Government, we appreciate the need for the maximum certainty about medium and longer-term

budgetary projections, regardless of whether people get the happiest news. The need to have some sense of the planning horizon is absolutely understood. I hope that people will appreciate that the current economic situation, which is not of our making, is making our lives more difficult with regard to the ability to satisfy that perfectly reasonable demand. However, we still aim to give projects and organisations the maximum possible longer-term understanding of their financial outlook. That is point 1.

10:30

Point 2 is that there is another dimension to Mr Ruskell's observation, which he did not mention but which is important to consider in this context: many projects are supported to start up, grow and find their feet, because they believe that, once they are up and running, they will be self-funding or significantly self-funding. There is also a tension in that context, because it is not always the case that they reach the position of being as self-funded or totally funded as they initially planned to be.

Therein lies a challenge for funding bodies, whether that is Creative Scotland or any other, which is wanting to make sure that one uses funds to let a thousand flowers bloom while not always being the ultimate paymaster for everything for ever. It takes the wisdom of Solomon to work out how one can always get that right.

As with our present budgetary challenge, organisations that are trying to set up and become as financially successful as they can be suddenly find being themselves buffeted by these kinds of challenges and others. We do not need to go into Covid as the most recent example of something that very few people saw coming as a challenge at the scale that it was.

I am just adding another dimension to Mr Ruskell's point, and I agree with him that the intention is, for obvious reasons, to give people the maximum potential understanding of where funding support is and will be over a number of years, but the issue of sustainability of funding also has the added dimension that not all projects are supported with a view to being funded for ever—for example, if the funding is starting up, the project is time limited or the organisation is doing a particular job.

I understand that there are a load of organisations out there that are funded regularly, deserve to be funded regularly and are assessed as being good value for money and worthy of support. We need to do that as well as we can in constrained times. I will be absolutely frank with the committee: it is not easy for those organisations, and it is not easy for colleagues in the Government or agencies such as Creative

Scotland and others to match the ambition of maintaining public support for cultural institutions, but we will have to try and do our best to get through the very bumpy period that we are entering. We are not even in the eye of the storm yet.

Is there anything from your side, Lisa?

Lisa Baird (Scottish Government): No; that covers it.

The Convener: I will ask a final supplementary question. Many third sector and voluntary organisations that we have taken evidence from were really thankful for the support that was given through Covid, which helped most of them to keep afloat, but they also expressed to us how dynamic the funding landscape became at that time. Instead of those organisations feeling as though they had to jump through hoops and get through lots of red tape to get to a pocket of money, the funders looked on them as trusted partners and said, "We know what you do, so here's the money. Go and do it during this really difficult time." A lot of organisations said that not having to make so much effort to get money was such a relief. It is certainly a significant worry for organisations that they have now to continue making that effort. I recognise that it is public money that has to be accounted for, and that outcomes have to be achieved, but organisations feel that the red-tape barriers have gone back up.

One specific thing that was mentioned by more than one organisation was that it was felt that having been fiscally prudent and building up reserves became, all of a sudden, a barrier to accessing emergency funding. Organisations felt a little hard done by because there was no guidance from the Scottish Government about what levels of reserves they were expected to have. I do not know whether that is something that you or the Office of the Scottish Charity Regulator could influence. There were inconsistencies in respect of the challenges that organisations faced, and they would want us to raise that with you.

Angus Robertson: I am alive to the points that you are making. As, I think, committee members know, the challenges of Covid led to an unsurpassed level of dialogue between the Government, Creative Scotland and the creative sector, because we were dealing with an existential crisis across the entire sector. We were in the fortunate position of having funds to dispense in that emergency situation. The Government tried its best, as did Creative Scotland, to get funding to where it was needed through the different phases of the intense Covid period in order to deal with the specific challenges that Covid posed to the cultural sector. We were being very well advised as to what those challenges were.

My first observation is that having the funding to distribute undoubtedly made the situation a lot easier than it would have been had funding not been in place. Secondly, it is worth noting that when one is dispensing such a significant level of funds, there is always a risk that fraudulent applications for financial support could be made. We know that that happened with personal protective equipment and the like during the Covid period, but I am not aware of any significant parallel development in culture funding. In significant part, that is because of the experience of Creative Scotland as a funding organisation, for which it deserves recognition: we should not take that for granted.

The convener made the important point that we are talking about public money. People need to have confidence in the culture sector, the public agency that supports it, the Government and the Parliament, which oversees that funding and makes strategic decisions around it. We should never take that for granted. Creative Scotland deserves to be recognised for having managed the funding process.

I will move on to the substantive point about cultural organisations after the most extreme phase of Covid. I completely understand that it is a tremendous challenge that there is not now the amount of money going out the door to support organisations that there was during the height of the Covid period. People are trying to balance their books, recover from Covid and recover visitor numbers and the numbers of people who pay to come through their doors in theatres, cinemas or similar venues. I hear the warning that things are going to get more difficult, in many respects. This summer, festivals across Scotland have been very successful, in comparative terms. There is a feeling, however, that next year will be more difficult—not least because of inflation, among other reasons.

I will address the specific point: I will take it away and will be happy to write to the committee on how organisations are advised in relation to funds that they hold, and on how they are advised on funding decisions that might be made on the basis of their having £X in reserve meaning that funders are prepared to give only £Y in public funding. Organisations might have made difficult decisions about having reserve funding in place so that they can keep their heads above water, because they do not know what the situation will be like in three, six or 12 months. I am content to go away and look at the matter so that I can try to get the best guidance, because I want organisations to feel that they are being treated fairly.

However, again it behoves me to say that we are talking about dispensing taxpayers' resource

during a cost crisis. Therefore, decisions have to be made on the basis of who has funds—full stop. All I am trying to say is that it is not easy. I want decisions to be as sympathetic as they can be, but I also want people to be advised as best they can be advised. There is an additional dimension to that. I have had conversations with people in the culture sector who are looking at next year's festivals or the following year's tour, for example. They are having to make medium-term and longer-term financial plans, and it is extraordinarily difficult for them to work out how things will add up.

We will be as helpful as we can be. Unfortunately, I do not have the magic wand that can answer all the queries, but I want things to be fair and I want people to be well advised. I do not want people to feel that they are being penalised for running effective organisations or that they are hard done by compared with others.

Incidentally, I should say that, although we look closely at the public evidence sessions and the evidence that the committee receives, if you have information about circumstances that I and my officials might not know about—any information that might not have been said in public or that you have picked up during visits—please let us know. In that way, we can be as well informed as possible.

Lisa Baird: I will add one further point. Along with the excellent work that Creative Scotland did getting funds out the door, Historic Environment Scotland distributed about £1.9 million-worth of funding for the historic environment recovery fund, which went to about 40 area-based organisations, some of which were community groups. That should be recognised, too. That answers Mr Allan's question, in part.

Jenni Minto: I will add to that list. Museums Galleries Scotland also did an amazing job of getting funding out. I think that it made the decision that organisations should have three months of reserves to keep them going, which was very helpful. Local authorities also helped.

I will change the topic slightly. As you know, we have just taken evidence from Iain Munro of Creative Scotland. He spoke about the importance of the culture budget, but also highlighted the importance of cross-portfolio conversations. For example, I attended a meeting of the cross-party group on India at which we talked about trade, but culture is a really important part of that, as was recognised by the Minister for Business, Trade, Tourism and Enterprise, Ivan McKee.

We also talked about wellbeing. Last year, you were joined in an evidence session by the Cabinet Secretary for Health and Social Care, and we talked a bit about social prescribing and how the

culture portfolio might be able to help in that. Iain Munro finished his evidence by saying that we must proceed with that in a determined way. Therefore, I am interested to know what the Scottish Government is doing in that area.

Angus Robertson: I might be wrong, but I think that today is the third or fourth evidence session in which we have touched on that issue as an emerging and on-going initiative that we hope will make concrete strides, so I am glad that the issue has been brought up again.

I will provide an update to the committee on progress since I gave evidence with the health secretary, Humza Yousaf. We have set up a short-life working group with health colleagues to agree a clear set of actions for collaboration. The terms of reference are being drawn up and all the things that you would expect to happen to make the process productive are happening. The group involves health and wellbeing colleagues for their comment, including colleagues with particular expertise in policy interests regarding social prescribing. However, the group will have a broader remit than that, as it will cover a range of policies that cross various bits of government.

10:45

We will provide more information on the work of the group in our culture strategy action plan, which will be refreshed before the end of the year, so the Government is considering the issue. I do not want to give the impression that the matter has gone somewhere that it will take a very long time to come back from, or that we will not hear anything because people are away thinking great thoughts for far too long. The work needs to be on-going. Be assured that we are seized of the matter.

The circumstances that we are in now do not make this any easier, because it does not take long before people ask questions about additional funding. We are back to our new initiatives; this would be a new initiative. How do we make a new initiative happen? At some point, money comes into the equation. There is also an additional challenge, to which I do not have the answer yet, but I will signal it. No doubt you would be asking questions about this if I was here with Humza Yousaf again. If there is a growing cultural dimension to health and wellbeing, as there should be, should the health portfolio fund it, or should the culture portfolio fund it? Those are bridges that we will have to cross.

I know that we have a very strong focus on health. It was very helpful that Humza Yousaf and I sat next to each other and publicly declared that we want to make progress on the issue. I am very keen that it goes even wider than that; I have reported to the committee before that it was a

Cabinet decision that culture would be mainstreamed across the whole of Government.

There are significant areas of positive impact—for example, I mentioned justice. Many cultural organisations already play a significant role in helping with rehabilitation and with the mental health of people in the justice system, but much more can be done. Similar questions arise about funding, but that should not deter us from making progress.

I have given concrete answers to Ms Minto's question in relation to the administrative and governmental progress that is being driven across departments. The eternal challenge is to ensure that we are not stuck in our silos, is it not? We will all have to work to help our colleagues who have responsibility for health, education, justice and so on to realise that culture, and much that the culture sector can offer, should be integral to the thinking of many more people than has been the case up to now.

That issue was partly the subject of conversations that I had with UNESCO in Paris yesterday. I was very frank about the stage that we are at. We have an understanding and an aspiration, and we are committed to making progress. We are trying to make progress, although no doubt some people will say that we should be doing more or making quicker progress or whatever. That is fine—it is good to have that encouragement. A bit of pull and a bit of push are good, in this context.

I must say that UNESCO colleagues were extremely impressed that we are at the stage that we are at, and are very keen for us to engage with them, with a view to our sharing what we are doing with other countries and cultural organisations—not because we have the perfect solutions or all the practical applications of how to make things work, but because we are perhaps slightly further down the track than other places are. That is a good thing. The subject is not only relevant in Scotland, although it is extremely relevant here in Scotland; that is our responsibility. We should do our best to work with colleagues elsewhere, and not only to help those who want to emulate, follow or work in parallel with us.

I am keen to understand better whether there are countries that are further down the road. I am sorry—I know that I am digressing slightly, convener. As another update, I note that last week I met the head of the British Council and we discussed how best we can be informed about initiatives in other parts of the world that are further ahead or that are doing things better or in different ways. That could help us to identify and appreciate what we might want to do, and could encourage us to do it. It could also help us not to take a wrong turn somewhere along the way. I am

not sure that we have a mechanism in place for that yet. I think that such learning could be relevant for the Parliament's committees, the Government and its ministers.

How we might do all that was discussed during the Edinburgh international culture summit 2022. I am keen that we learn from others as much as we can, because that will help us to get to where we want to be more quickly than would be the case were we just trying to test our own approach. No doubt the committee will do that, but I strongly encourage members to work in partnership with the Government to ensure that we are best informed about what works. I know that some committee members have a very strong interest in the area. Ms Boyack is not here, but she, together with Mr Ruskell, are examples of members who have repeatedly expressed an interest in the matter. I am sorry—I have started to mention specific committee members. I will get into big trouble for not mentioning everyone.

Jenni Minto: That is what happens when you start making a list.

Angus Robertson: The committee is seized of the subject—let us just leave it at that. I commend the committee's interest, and I want to hear any suggestions and feedback that it has.

Jenni Minto: Claire Baker and I are both involved in the cross-party group on culture and communities. Tayside Healthcare Arts Trust has spoken a lot about the importance of arts and culture supporting people through illness and chronic conditions, which was very helpful.

Angus Robertson: Forgive me for not having mentioned it, but there are cross-party groups in Parliament that do a lot of work in parallel with the formal subject committees. Unfortunately, I am not able to go to as many of those meetings as I might want to, but I would hugely welcome feedback from them. If you are learning important lessons and meeting important people who you feel we need to hear more from or understand better, please get in touch. We are keen to be as informed as we can be.

Jenni Minto: That is very helpful.

Earlier this week, I visited Campbeltown grammar school, and I was interested in the importance that it attaches to art and music throughout its students' learning. That tied in with a lot of what was discussed during the culture summit in the Parliament, when Claire Baker hosted a session on Ukraine.

You have talked about the usefulness of the UNESCO meeting in Paris in enabling you to hear about what other countries are doing and learn from them, and in allowing them to learn from Scotland. I am interested in your thoughts on how

Scotland can support Ukraine from a cultural perspective.

Angus Robertson: We did not talk about that before the evidence session; I feel as though you have been reading my mind on that very point.

Those of you who were at the culture summit will know, because I mentioned it, that we have an opportunity to take twinning a lot more seriously. I raised that point with UNESCO yesterday, because it seems to me that it is ideally placed to help to drive that, together with the Ukrainian authorities, which, of course, would have to be at the heart of making such an approach work.

For those of you who have not heard me make the point before, after the second world war, it was decided that, for a number of reasons, twinning arrangements would be a very useful way for countries to be able to help one another to rebuild, come together and emerge from conflict. If you look at the twinning arrangements that we have had in Scotland, which were largely with French and German towns and cities, that purpose was very clear. There was an exchange of people, especially with France and Germany, which was very important after the first and second world wars.

I think that there is an added dimension to that. UNESCO told me yesterday that, in Ukraine, 198 sites of particular importance—I think that I am right in saying that—have been totally or significantly destroyed. It is using satellite imagery to log the damage to cultural sites in real time. That is something new that it is doing—it has not done that in the past. It was not able to do it in Syria, for example, and although it was not able to do the preparatory work, it is now involved in the rebuilding of parts of Mosul.

UNESCO is very keen to do a lot of the preparatory work during the conflict so that when it ends—pray God it ends as soon as possible, with a victory for Ukraine and the restoration of peace and justice—cultural organisations such as UNESCO will be able to work in partnership with the likes of the Ukrainian culture ministry to find out exactly where one should intervene to help with rebuilding. High-profile commitments have already been made to rebuild the theatre in Mariupol, for example, but there are countless hamlets, villages and towns where the church or synagogue, or other sites of particular importance, have been destroyed.

To come back to my point about twinning, it is great that cities such as Edinburgh have twinned with Kyiv and that cities such as Glasgow have been looking at twinning arrangements with Ukraine, but would it not be all the more effective if towns, small towns and villages as well as cities here, but internationally too, twinned with other

communities in Ukraine? That is the point that I was making about UNESCO: as a United Nations organisation with national delegations, it is in an ideal position. If it could push that sort of thing down through its organisation and encourage multiple twinning arrangements with small villages and towns that have lost their hospitals, their libraries and their public services as a way of rebuilding those communities and their cultural sites as a priority as they emerge from conflict—as soon as that might come—that would, I think, be the best way forward.

There might well be other ways of doing such work, but that solution strikes me as a particularly attractive one. I have raised it at the Edinburgh international culture summit and with colleagues in different political groups in the European Parliament in an effort to get them to adopt it and push it down through the system, and I have talked about it with the British ambassador to UNESCO in order to get her to encourage the Department for Digital, Culture, Media and Sport in England to think about it, too. If there is any best practice that we can establish here, let us do it. I know from speaking to the Ukrainian consul general in Edinburgh about it that the Ukrainians are extremely keen on the idea. Why not have a look at what we can do and encourage others to do likewise?

Jenni Minto: I would imagine that the knowledge that Historic Environment Scotland has would be useful, too. Indeed, Mr Cameron asked earlier about restoring buildings and so on.

Angus Robertson: Absolutely, but there is a wider point to take into consideration. The cultural organisations can give specific advice on the built heritage, such as churches, synagogues and the like, but there is also the wider issue of municipal reconstruction. After all, we have seen the wholesale destruction of towns, where literally all that is left are the roads and the sewerage system, and communities right across Ukraine are going to need expertise to rebuild those towns. Our local authorities might be able to play a role in that, as they have excellent road and housing departments. Our colleagues at the Convention of Scottish Local Authorities might also be able to look at that. There might be ways in which we can help in a broader sense. I think that it would be excellent if we were to aspire to that.

11:00

The Convener: Cabinet secretary, Ms Baker has been at another committee. I am minded to allow her to ask some questions, but we do not want you to repeat previous answers. If necessary, you can direct Ms Baker to the *Official Report*.

Angus Robertson: Of course.

Claire Baker: Thank you, convener. I apologise—I had to attend a meeting of the Scottish Parliamentary Corporate Body. I have had a member of staff watching this meeting, so I hope that I will not repeat questions that have already been asked.

Angus Robertson: If you ask a really difficult question, I will say that I have answered it already. *[Laughter.]*

Claire Baker: My first question relates to something that we heard from the previous panel. We asked Iain Munro about the youth music initiative and he explained the situation with that. He said that other funding streams are being reviewed and that discussions are on-going. Do you know when those discussions are likely to conclude? Organisations will be waiting to hear what will happen to those funds.

Angus Robertson: I was not being serious when I said that I would not answer difficult questions, and that is a difficult question. The reason why it is a difficult question is that it concerns part of the emergency budget process that we are currently in. All our funding decisions are part of the review process.

I do not want to misquote the Deputy First Minister, so I have brought along what he had to say about timelines, because it is important. He has made the point, which is understandable, that we are in a difficult circumstance because of the impact of the recent UK mini-budget. We are aware of the problems that that brought, but we have the added challenge that it has not been informed by independent forecasts by the Office for Budget Responsibility. That is why—I think that all colleagues know this—the Deputy First Minister has announced that he now has an advisory panel that is helping to advise him during the emergency budget process that we are having to go through in Scotland as a result of what has gone on elsewhere.

In giving evidence to the Finance and Public Administration Committee, the Deputy First Minister said:

“I am expecting to conclude the Scottish Government’s emergency budget review in late October”.

He also said:

“As part of that work, I have established an expert panel of economists who will assess the impact on Scotland of the Chancellor of the Exchequer’s fiscal approach.”—*[Official Report, Finance and Public Administration Committee, 4 October 2022; c 3.]*

I imagine that Ms Baker may already have a supplementary question about the fact that there are cultural organisations that want to have the best clarity about their financial situation. I made

that point in general terms to Mr Ruskell, because the Government has an aspiration, which I know that the committee shares, to have a much more multiannual approach to funding decisions and an understanding of the financial horizon for all kinds of organisations. I appreciate that, at present, there are some that do not have that.

There is still an aspiration to try to give the maximum understanding over more than one financial year. I recognise that we are in the middle of a budget process in which decisions are having to be made, and that people will want to have certainty as quickly as they can. I am really not in a position to go further than to say that I appreciate the point that is being made. I understand the question that is being asked, but I am not in a position to answer in detail, save to say that it is an absolute priority for me that, if any organisation needs urgent clarification, I would want to seek to be able to provide that.

If Ms Baker has in mind any specific cases that she wants my officials to be aware of, she should raise them. However, I have pointed out the process that the Deputy First Minister is engaged in. I am very actively involved in vocally supporting the protection of maximum spending capability in the culture portfolio. That is also on-going.

I hope to be able to report back in person or in writing, if that is more expeditious, as soon as we are able to confirm the details of what that will mean in general terms, but also to ensure that, if there are any specific cultural organisations that need clarity, they have that as quickly as possible. However, I hope that Ms Baker appreciates that I cannot go further than that. The timing is unfortunate, given the circumstances. We are trying to talk about the budgetary process while it is still on-going, in the middle of a financial crisis.

I will try to get back as quickly as I can to give the detail to members of the committee, but also to any organisations that feel that they are in that acute situation.

Claire Baker: We will get the budget statement when we return from recess, so there might be an opportunity after that for Creative Scotland to get more clarity on which funds it can progress with and which might have to be—

Angus Robertson: I hope that all organisations, whether they be agencies or the cultural organisations whose funding flows from them, can have maximum clarity as quickly as possible for the obvious reasons that we have been talking about.

Claire Baker: This morning, Iain Munro gave us quite a bleak picture of the cultural sector, highlighting a real risk of contraction and concerns over closures, particularly for those organisations with buildings and infrastructure. During the

pandemic, £151 million was put into the sector, and real efforts were made to support it through that crisis. Now, we are facing a second crisis, which, we were told earlier, is more significant than the crisis that we thought was so life changing for everybody. We are actually in a more difficult situation.

I know that the Government is under extreme financial pressure and that the budget review is all about looking for savings in order to invest in key areas. I think that we would all share the same view of what those key areas are, but the concern for cultural organisations, which make a huge contribution to tourism and our economy, is that, after everything that we have gone through, and when the country has already invested significant sums of public money in them, they could still collapse. I recognise how challenging that is for the Government to resolve, but is it also making the link with the fact that, two years ago, we spent a lot of public money in that area and that we cannot really let those organisations fail now?

I am sorry, convener—I know that we are pressed for time. However, one of the things highlighted in last year's programme for government was a scheme that related to the percentage of Government spend going into culture, which is something that the Culture, Tourism, Europe and External Affairs Committee in the previous parliamentary session argued for and which might well be one solution for the Government. Is the Government making the link between the public money that went into the sector two years ago and what needs to happen now?

Angus Robertson: Yes, yes and yes. We covered some of this ground while you were at the corporate body meeting. In general terms, I made the point that, during the Covid pandemic, additional funding was made available to the Scottish Government. It was up to the Government to decide how that funding would be dispensed to deal with the Covid emergency, and very significant additional support was provided to the cultural sector, for the reasons that Ms Baker has rightly pointed out.

However, it is important to put on record the fact that we do not have additional funding to deal with the present circumstances in which we find ourselves. Unless there is additional funding or, indeed, additional powers for the Scottish Parliament to raise funds—as we know, we are pretty much unique in world governance terms in not being able to borrow in times of emergency—we will have to manage our finances within the constrained devolution settlement in which we find ourselves.

If I were an organisation that had been supported through Covid and which had emerged

from Covid to find myself in constrained circumstances with much diminished support, would I feel bitter? No doubt I would. We are doing everything that we can to try to use the resources that we have, while at the same time being absolutely frank with cultural organisations and the committee about the scale of the challenge. Unless somebody is able to come along and say to me, "Here's additional funding of the kind you had during Covid," there is not going to be additional funding in general. We are now in an unenviable situation, and some organisations are going to find it extremely difficult, because the same scale of additional funding that was available during Covid is not going to be available at a time when we are trying to recover.

I understand very well the point that Ms Baker is trying to make, but I draw attention to another point that she has made, which I, too, make regularly. A significant part of the spending on the cultural sector that comes from the Scottish Government through Creative Scotland and Screen Scotland, for example, is key to unlocking additional resource in the wider economy, and I am extremely keen to ensure that, in having to make such difficult decisions, we do not lose sight of the fact that we are talking about an important part of not just the nation's cultural life, but the economy and different economic sectors.

I am making that case very loud and clear in Government. I know that people are listening but, as I have pointed out a number of times now, my colleagues are having to make very difficult decisions on the basis of constrained financial circumstances—and with the additional problem of inflation, which as the committee has heard is, in many parts of the creative sector, running significantly higher than the 10 per cent in the general economy. Indeed, I have been hearing the figure of 30 per cent quite a lot from certain cultural organisations.

Claire Baker: The scale of the challenge is immense and it is not going to be resolved through smaller projects. However, I again point out that, in the 2021-22 programme for government, the Government mentioned establishing a percentage for the arts scheme. Has any progress been made on that?

Angus Robertson: Ms Baker is drawing me into an exchange about the Scottish Government's on-going emergency budget review process. Her point has been made. I have heard it, and I hope that she has heard me say that I am being as vocal, outspoken and constructive as she and the committee would expect me to be during an internal budget process to ensure that we have the best possible settlement in the circumstances to support the cultural sector. Unfortunately, I cannot say more than that.

The Convener: Thank you for your attendance at this morning's meeting, cabinet secretary—*[Interruption.]* Did you want to come in, Mr Ruskell? You will need to be very quick.

Angus Robertson: You were looking at me, convener, when you talked about having to be quick. I feel suitably guided.

Mark Ruskell: I was reflecting on your points about the short-life working group and the mainstreaming of cultural work across other colleagues' departments. How transparent will that be in the forthcoming budget? Will we be able to look at the health or justice budget, say, and see a thread of cultural and wellbeing work with numbers attached to it, ideally, that might or might not add up to 1 per cent, but which, regardless of that, will actually show what impact that work will have in the forthcoming year and where the spend will work in a cross-departmental way? Is it too early to have that kind of transparency in the budget?

Angus Robertson: My answer to that question is the same as my answer to Ms Baker's: we are in the middle of a process. Mr Ruskell's point is well made, and I will take it away and discuss with officials how we can satisfy the need for transparency. As I have often said to the committee, I understand how important that is for you in your work and for us to be able to collegiately make progress in what is a shared endeavour. I will take that away and no doubt, as we emerge from the budget process and there is greater certainty about things, you will have wider questions that we will be able to answer directly. I hope that I can leave that there.

The Convener: I thank the cabinet secretary and Ms Baird for their attendance. I ask people to clear the room quickly, as we have another agenda item to deal with and are now very pressed for time.

I close the public part of the meeting.

11:13

Meeting continued in private until 11:17.

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

All documents are available on
the Scottish Parliament website at:

www.parliament.scot

Information on non-endorsed print suppliers
is available here:

www.parliament.scot/documents

For information on the Scottish Parliament contact
Public Information on:

Telephone: 0131 348 5000

Textphone: 0800 092 7100

Email: sp.info@parliament.scot



The Scottish Parliament
Pàrlamaid na h-Alba