

**CONSTITUTION, EUROPE, EXTERNAL AFFAIRS AND CULTURE COMMITTEE**

**15<sup>th</sup> Meeting, 2022, Session 6**

**9 June 2022**

**Resource Spending Review**

1. Further to considering the Resource Spending Review Framework consultation earlier in the year, the Committee agreed to hold a follow-up session following publication of the [Investing in Scotland's Future: Resource Spending Review](#).
2. The Committee wrote to the Cabinet Secretary for Finance and Economy and Mr Forbes on [31 March](#) with our submission, suggesting a meeting. And she replied on [5 May](#) suggesting Members might wish to hear from her alongside the Cabinet Secretary for Constitution, External Affairs and Culture. Ms Forbes also indicated she would be happy to provide a written response following the publication of the resource spending review, a paper that we will circulate once we have received it.
3. SPICe have prepared a briefing at **Annexe A**.
4. Members can also find the Committee's submission to the Resource Spending Review Framework consultation at **Annexe B**.

**CEEAC Committee Clerks  
June 2022**

The logo for SPICe, featuring the letters 'SPICe' in a white, sans-serif font on a dark purple background.The text 'The Information Centre' and 'An t-Ionad Fiosrachaidh' in white, sans-serif font, positioned to the right of the SPICe logo.

# Constitution, Europe, External Affairs and Culture Committee

## 9 June 2022

## Resource Spending Review

### Introduction

The Scottish Government published the outcome of its resource spending review on 31 May 2022. This sets out indicative spending plans to the end of the 2026-27 financial year.

At the end of last year, the Government launched a consultation on spending review. The Committee undertook a short inquiry and [submitted its views to the Scottish Government in a letter dated 31 March 2022](#). This built on the Committee's pre-budget and budget scrutiny.

The Committee will take evidence from two Cabinet Secretaries: Kate Forbes MSP, Cabinet Secretary for Finance and Economy, and Angus Robertson, Cabinet Secretary for the Constitution, External Affairs and Culture.

How the spending review will support the delivery of the Government's Culture Strategy may be a key area where that the Committee may wish to explore. The Committee's previous work focused on how the range of outcomes supported by creative industries and the arts, including in health and wellbeing, and how and whether the spending review reflects this is another aspect the Committee may wish to explore. Members will also be aware that local government plays a key role in supporting creative industries and the arts.

This paper is in three subsequent parts. The first is looking at the spending review as a whole. This part is taken from a recent SPICe blog following the publication of the spending review. The second summarises the Committee's work on spending review so far and updates the Committee on some recent developments. The final part highlights the spending plans under the Constitution, External Affairs and Culture set out in the spending review.

# The Overall Spending Review

*This section is taken from a recent [SPICe blog posted on 1 June 2022](#).*

*If members have read this blog already, they may wish to skip to the next section.*

## The 2022 Resource Spending Review: Budget priorities identified

[31 May] saw the publication of the [first multi-year resource spending review in Scotland since 2011](#). It followed a [Scottish Government consultation on spending priorities launched in December last year](#). At the time of the consultation launch, the Cabinet Secretary said the Resource Spending Review (RSR) would “outline resource spending plans to the end of this Parliament in 2026-27” and would

“give our public bodies and delivery partners greater financial certainty to help them rebuild from the pandemic and refocus their resources on our long-term priorities.”

Alongside the RSR, the [Scottish Fiscal Commission \(SFC\) presented its latest economic and fiscal forecasts](#). SFC forecasts give estimates of the revenues that will materialise from tax receipts over the next five years, and the levels of spending that will be required to fulfil social security policy commitments. They also set out important judgements on the likely trajectory for economic growth and inflation.

The [Medium-term financial strategy](#) (MTFS) was also published as well as an [Equality and Fairer Scotland statement](#).

Taken together, these documents will help to inform parliamentary committees’ pre-budget scrutiny.

### An uncertain context

As has become the norm in recent years, this latest fiscal event comes at a time of great economic uncertainty. The Russian invasion of Ukraine, steeply rising energy prices and supply chain disruptions in China, have all added to the difficult economic outlook.

Together these effects have contributed to rising inflation and slowing growth. The SFC states that after Scottish GDP growth of 2.1 per cent this year “we expect growth to slow to 1.1 per cent in 2023-24, slightly lower than we forecast in December 2021.”

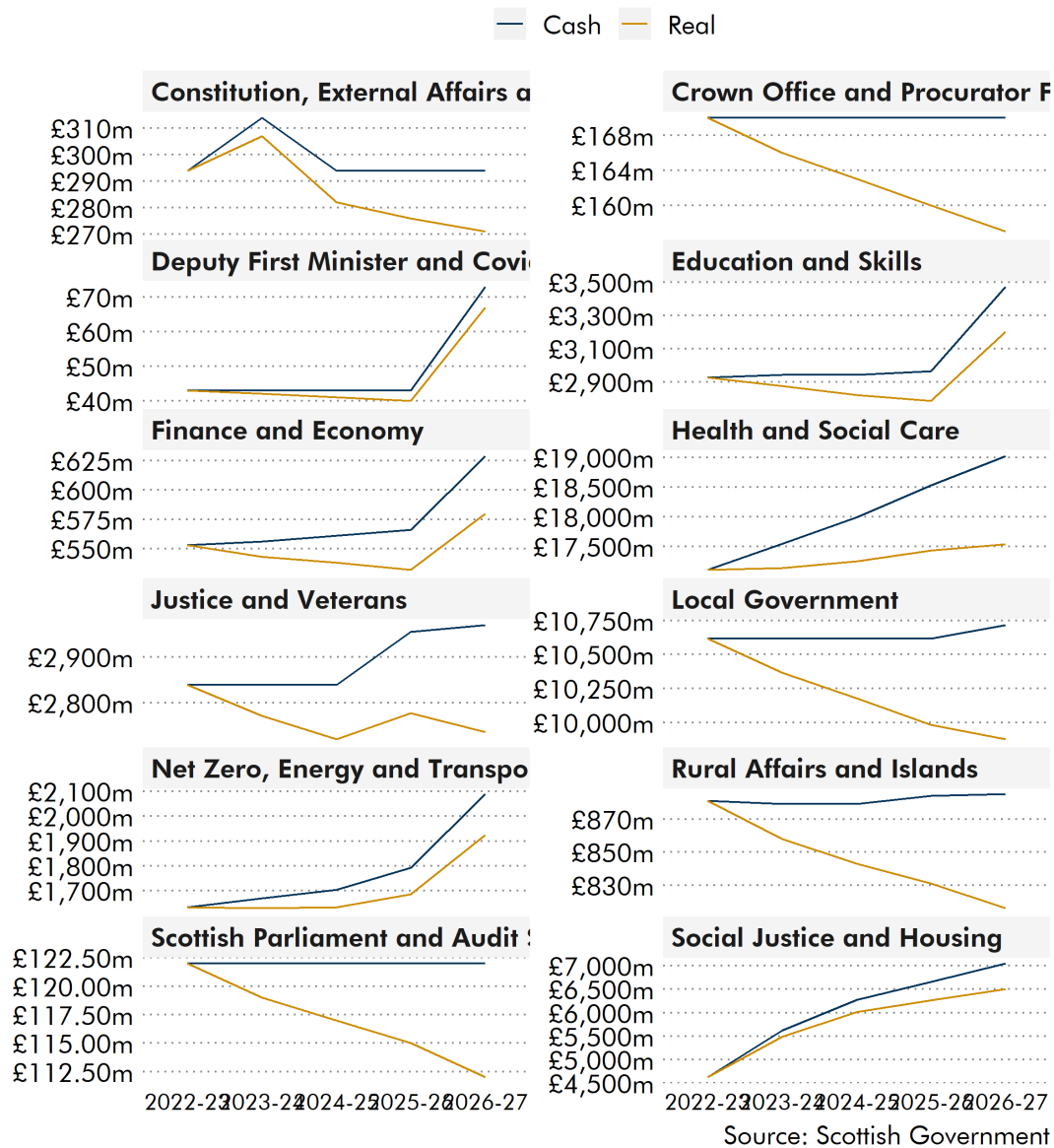
### Resource Spending Review – a tight financial outlook

After adjusting for the effects of inflation (so in “real terms”), the overall spending envelope presented by the Scottish Government in the RSR is expected to grow by 5% over the period 2022-23 to 2026-27, relatively slow growth by historic standards.

Spending is allocated by portfolio as follows

## Resource Spending

Change in resource spending in cash and real terms



However it is also important to bear in mind that, as ever, with Spending Reviews, the situation is likely to change. As the Cabinet Secretary herself said:

“today’s Resource Spending Review is not a Budget. Change to the fiscal position is inevitable over the next few year, one hopes for the better. Tax decisions will be taken in future budgets.”

So what did the RSR say and do?

### Priorities for spending identified, but less detail than the previous spending review

The Scottish Government identifies the following key priorities for RSR:

- “reform to improve outcomes for children currently living in poverty
- reform to help achieve the just transition to a net zero and climate resilient society where we play our part in tackling the global climate crisis;
- reform in the way we experience our public services as we recover from the COVID-19 pandemic; and
- transformation of our economy to enable growth, opportunity and a sustainable outlook for our future.”

Spending choices are presented down to “level 2”, less detail than provided in the last Spending Review over a decade ago, which presented spending to the more detailed “level 3” budget lines.

Given what the Cabinet Secretary said when launching the RSR consultation in December about providing greater certainty to public bodies, this may disappoint public bodies who have not received details of their broad spending envelope. For example, it is not possible to look at the document and see the funding outlook for key public bodies which are presented in level 3 budget lines like Health boards, Skills Development Scotland and SEPA among others.

The [Cabinet Secretary responded to this point about the detail provided in a tweet](#), saying:

“We’ve set out as much granular detail as possible to help with planning, but there are limits due to the extreme economic volatility - when the UKG published its figures (on which we base our budget) inflation was 3.1%. Now it’s at 9% and set to rise further.”

### **Health, Social Care and Social Security protected, meaning less for other parts of the budget**

Looking at the Budget numbers presented, the clear priorities of the government in a budgetary sense are Health and Social Care and Social Security.

Spending on the health and social care portfolio is projected to increase to over £19 billion in 2026-27, an increase of 2.6% in real terms over the course of the RSR period.

Social Security assistance is forecast to increase by just under 50% over the period, reaching £6.5 billion in 2026-27. Indeed, the SFC point to an increasing gap between the amount the Scottish budget will receive in its block grant for Social Security and the amount the budget plans to allocate to social security benefits.

In the current year (2022-23) social security payments are forecast to be £462 million higher than the amount added to the Scottish Budget (the block grant adjustment, or BGA) for payments devolved from the UK Government. In 2026-27, spending above the funding received by the UK will increase to just under £1.3 billion. This extra spending has to be found from within the Scottish Government’s spending envelope.

## Unprotected budgets face being squeezed

There is very little explicitly said about those budget lines that are not stated as priorities. This therefore must be inferred by looking at those budget lines that are not rising.

The [SFC points out the implications of this in its forecast document which states:](#)

“The Scottish Government plans to increase spending on health and social security.....Before adjusting for inflation, the remaining funding is lower for the first three years of the RSR than in 2022-23. Only in 2026-27 is funding for other areas expected to increase above the current level.

“Once adjusted for inflation, funding for other areas falls more substantially for the first three years of the RSR and is 8 per cent below 2022-23 levels by 2025-26. In 2026-27 funding is expected to be 5 per cent below 2022-23 levels in real terms. This reduction in real funding for other areas has consequences for how the Scottish Government has allocated funding to different portfolios.”

By prioritising health and social security as it has, other parts of the Budget will be squeezed. For example, Local Government’s “core” resource budget is projected to be cut by 7% in real terms over the period. The £10,616 million local government figure used in the Spending Review is the combination of the General Resource Grant, guaranteed non-domestic rate income and specific revenue grant figures (as set out in the [SG’s 2022-23 Budget](#)) plus the additional £120 million [announced at Stage 1](#). There has been no official reaction from COSLA yet, likely because, after the Local Government election, COSLA leadership is still to be determined.

In addition, the Enterprise, Tourism and Trade budget line will fall by 16% in real terms – this is something that parliamentary committees may wish to consider, given the impact of the pandemic on tourism and the economy.

## Public service reform: reforming and resetting

Public service reform is clearly targeted as an area where the Government aims to achieve funding “efficiencies”. Indeed, the spending review sets an “expectation that public bodies will deliver annual efficiencies of at least 3 per cent” and that all public bodies are expected to “demonstrate that they remain fit for purpose against the present and future needs of Scotland’s people, places and communities”.

The Cabinet Secretary in her speech to the Chamber called for a focus on public service reform “to become more efficient, giving us space to realise our ambitions for better outcomes”. The RSR document provides some examples of how this reform might be achieved.

- Digitalisation – for example, providing common digital platforms that cut across organisational boundaries.

- Maximising revenue through public sector innovation – for example, expecting public bodies who charge for services to identify ways to recover more of their costs.
- Reform of the public sector estate – for example, have fewer public sector buildings and increasing co-location and the interoperability of offices.
- Reform of the public body landscape – for example, through further consideration of the potential for shared services.
- Improving public procurement – for example, aim to increase cross-sectoral consolidated procurement, and building on current sectorial centres of expertise to realise financial efficiencies.

It is not clear what scale of savings the Scottish Government envisages from these plans and over what time period, although the document states that:

“Over the coming months, the Scottish Government will engage pro-actively with public sector leaders to identify options that should be prioritised over the spending review period. Initial conclusions will be included in the 2023-24 Scottish Budget.”

### **Pay and public sector headcount**

Another key plank of the Cabinet Secretary’s ambition to reset the public sector post pandemic relates to public sector pay costs.

The public sector pay bill totals over £21 billion per year and comprises a sizable proportion of the discretionary spending envelope. With consumer price inflation running at close to 10%, it is likely that demands on public sector pay are going to increase in the coming months. The RSR states that “the Scottish Government will always look to support the lowest paid” but that “we can only protect jobs and services if we can agree on settlements within what is available to the Scottish Budget.”

The Scottish Government states in the RSR that

“we propose an approach which aims to hold the total public sector pay bill (as opposed to pay levels) at around 2022-23 levels whilst returning the overall size of the public sector broadly to pre-COVID-19 levels. This will enable space and flexibility for fair and affordable pay increases that support the lowest paid in these challenging times.”

This implies a reduction in the headcount of the public sector with “the broad aim to return the total size of the devolved public sector workforce to around pre-COVID-19 levels by 2026-27.” Since the end of 2019, employment in the devolved public sector has increased by around 30,000 on a headcount basis.

### **A RSR for outcomes?**

Much of the language in the RSR appears to be focused around “outcomes” – chapter 2 is headed “Delivering Strategic Outcomes for Scotland” and chapter 3

“Improving outcomes.” However, there are only a few mentions of [the National Performance Framework](#) and [the National Outcomes](#). Some of the language of the high level national outcomes is used, for example “We will invest public funding to build a Scotland where communities are fairer, inclusive and empowered, and people grow up loved and respected, well-educated, and healthy.”

But, there does not appear to be any analysis of the impact of the spending plans in the RSR on the delivery of the different national outcomes and the outcomes in totality, or of how the data in the NPF has informed these spending plans. This may be an area committees wish to return to in their pre-budget scrutiny.

## Conclusions

After over a decade of single year budgets that stood alone, it was fascinating to hear a more medium to long term set of spending priorities identified yesterday. These choices will have big implications for non-protected parts of the budget and the wider public sector.

While recognising that these are broadly indicative spending figures that will almost certainly change, the RSR nevertheless sets a strategic direction for the public sector in the years to come.

There will be much for Parliament and its Committees to scrutinise in budget cycles to come.

## The Committee’s work on the Spending Review

The Committee undertook several evidence sessions on the Government’s Resource Spending Review Framework in February and March. This included hearing from the Royal Society of Edinburgh, Arts Culture Health & Wellbeing Scotland, the Social Enterprise Network Scotland, a panel with a focus on local government funded services and the Cabinet Secretary for the Constitution, External Affairs and Culture alongside Cabinet Secretary for Health and Social Care.

Details of these sessions and the submissions the Committee received can be found [on the Committee’s website](#). This work also built on the Committee’s [pre-budget scrutiny and report](#).

Government’s consultation on the spending review, [Investing in Scotland's Future: resource spending review framework](#) identified ways in which to deliver improvement in challenging circumstances. These were to—

- Empower individuals and communities
- Integrate service provision
- Prevent negative outcomes from arising
- Become more efficient by reducing duplication and sharing services



The document noted that these were “heavily informed by the principles of the Christie commission’s report on the future of public services”. The Framework also identified areas to explore which may make public spending more effective. These areas were—

- Cross-government collaboration to reduce duplication;
- Public service reform;
- Preventative spend;
- The capacity and distribution of Scotland’s public service workforce;
- Better targeting of some policies in order to focus on achieving outcomes for those most in need, whilst releasing funding to be put towards other measures; and
- Targeted revenue raising.

In the Committee’s letter to the Government on the Resource Spending Review Framework, the Committee welcomed the explicit relationship between the approach of the spending review and the Christie Commission’s four principles of reform. In doing so the Committee stated that “there is clearly a need as identified by the AGS and interim chair of the Accounts Commission to address why there continues to be ‘a major implementation gap between policy ambitions and delivery on the ground.’”

The RSR references the Christie Report a number of times. For example, the RSR contextualises the ‘key reforms over the life of this parliament’ within the legacy of the Christie Report and the Scottish Government’s “reform principles of people, partnership, prevention, performance and place” which will “guide all of us across the public sector as we move through the rest of this parliament.” The RSR also stated that the Government has “set strong expectations on public bodies and public services to work effectively together and with the private and third sectors using the totality of resources available to improve outcomes.” (p29-30) Details of how this approach will relate to concrete policy decisions supporting the heritage and creative sectors and scene are not set out in the RSR.

A focus of the Committee’s work was on how different portfolios within the Scottish Budget contributed to activity and outcomes in the creative industries and the arts. Conversely, the Committee also explored how spending on creative industries and the arts contributed to outcomes beyond culture and heritage; in this regard, the Committee’s work focused on the contribution to health and wellbeing outcomes.

The First Minister’s foreword to the Culture Strategy stated that culture is “a cross-government priority – one which all ministerial portfolios in the Scottish Government contribute towards”. One of the Strategy’s ambitions is to demonstrate “that culture is central to Scotland’s wellbeing and cultural, social, economic and environmental prosperity.” The strategy aims to—

“Place culture as a central consideration across all policy areas including: health and wellbeing, economy, education, reducing inequality and realising a greener and more innovative future.” (p30)

The Culture Strategy stated—

“We will also work across the Scottish Government to create strategic cross-policy compacts to deliver co-ordinated approaches to realising shared policy outcomes through culture in key policy areas such as health and wellbeing, community empowerment and regeneration; exploring options for leadership, resource sharing, compatible planning and complementarity policies.” (p32)

The Cabinet Secretary’s [letter in response to the Committee’s report was issued on 23 December 2021](#). It stated—

“I am starting a series of conversations with fellow Cabinet Secretaries in the key complementary areas of education and skills; health and wellbeing; economic development; and net zero. This is so that we can identify areas of joint collaboration and action to inform our portfolios’ part in the multi-year Resource Spending Review. We intend this to inform both the outcome of that spending review and a longer-term cultural recovery plan. More detailed recommendations from the National Partnership for Culture, established under A Culture Strategy for Scotland, on capitalising the synergies between culture, health and wellbeing will also be concluded in early 2022. As the Committee recognises from the evidence it has seen, there is widespread appetite, interest and capacity in the culture sector to engage with the health and wellbeing agenda, and this is a real opportunity in developing a cross-cutting approach.”

In [evidence on 17 March 2022](#), the Cabinet Secretary for Health and Social Care, Humza Yousaf MSP, expressed a willingness to work with colleagues across Government to deliver shared outcomes. He recognised the “benefits that cultural activities can bring to people’s physical and mental health not as a bolt-on but as an important and integral part of the recovery and transformation”. (Col 21) Mr Yousaf also highlighted the role of the Deputy First Minister to support cross-government working, and he said that the Government is “working more collaboratively, with more cross-Government and cross-portfolio working, than at any time before now.” (Col 23)

The Cabinet Secretary for the Constitution, External Affairs and Culture suggested that the Government was developing ways in which greater collaboration could be achieved. He said—

“We are in a sweet spot at the moment, as we are thinking about all this and trying to find the mechanisms to make it work, and we very much look forward to the examples that you might give through your questions or in your report.” (Col 24)

The Committee made recommendations to the Government on how it could better reflect the wider benefits of cultural activities. It recommended—

“The NPF and the Scottish Government’s culture strategy should more explicitly recognise the positive impact which access to cultural activities can have on health and wellbeing. This could include, for example, the inclusion

of data related to cultural prescribing within the national indicator which measures participation in cultural activity.”

The Committee also stated—

“In our view this approach should empower public sector leaders to make the changes needed to deliver a more collaborative approach and rethink how performance is measured in delivering these outcomes.”

The Committee argued for a “reappraisal of what is considered as health spending” given the preventative spend agenda. The Committee called for “a ‘whole system’ approach is essential to the spending review and that this is consistent with an outcomes-focused and collaborative approach”.

The Committee sought greater clarity on how the Government would make progress or updates in a number of areas. These included—

- The work to map local authority support for culture and supporting better collaboration between national and local agencies.
- The Government’s intended timescales for delivering the required upscaling of culture projects currently supporting health and wellbeing and the redirection of funding towards demonstrable preventative approaches.
- An update on its research on how the use of cultural services support health outcomes including how relevant findings are used locally and nationally to inform service design.

### *National Partnership for Culture workstreams*

To support implementation of the Culture Strategy, the Scottish Government established the National Partnership for Culture. On 6 April 2022, the Scottish Government [published the outputs of the NPC across](#) its ‘priority themes’ of work in 2021-22. These themes were:

- Wellbeing (particularly mental health)
- Fair work
- Culture in education (including skills)
- Measuring Change

The Government published information papers and reports of the workshops under each of these themes. The reports contain details of the “priority themes, issues and proposed actions” of each workshop. It is not clear when or whether the Scottish Government will formally respond to these reports.

This paper will briefly set out some key points from the Wellbeing and Measuring Change reports.

## Wellbeing (particularly mental health)

[This report](#) made comments under the following themes:

- **Young people and education**  
Including recommending that the Government set out a plan to “embed artists and other practitioners” in schools and “increase investment in culture within educational settings”.
- **Training, skills and Investment**  
Recognising the specialist skills and knowledge required to work effectively within the culture and health interface. The group called for more professional development in creative practitioners on developing these skills and for training in both health and the creative sectors on the benefits of cultural activities in maintaining mental health and wellbeing. The report also called for the Government to “devise an approach to investment in culture and wellbeing that supports the preventative spend agenda, attracts consistent cross-portfolio funding and goes beyond short-term project funding to support capacity building and the scaling up of approaches that work”.
- **Community wellbeing and tackling inequalities**  
Under this theme, the workshop discussed the concept of community wellbeing and exploring how to ensure people can make informed choices about culture and health.
- **Partnership working, policy and legislation**  
The NPC echoed the Committee’s findings here, calling for “cross-portfolio working that brings culture and health Ministers together in a shared commitment to support joint working and develop cultural approaches to health and wellbeing which recognise culture as an area of practice within health” along with “joint financial commitments” and “a nationally agreed strategic framework around culture and health and wellbeing”.
- **Advocating for culture and cultural renewal**  
The report discussed the need to better articulate the role of culture in people’s wellbeing and raise awareness about the power of culture and its role in the prevention of physical and mental ill health

## Measuring Change

Under this workstream, the [information paper](#) set out a suggested approach to measuring progress of the Culture Strategy. It said—

“The Culture Strategy sets out ten aims which sit under three high level aspirations. There are few specific actions/targets/objectives set out underneath these aims. What the Culture Strategy sets out to achieve is neither easily or immediately quantifiable. As such, it was important for the group to avoid inadvertently setting specific objectives that would, in effect, become the delivery plan for the aims.

...

“Rather than attempt to create a set of specific indicators under each aim the group considered the types of questions that, should the aims of the Culture Strategy be delivered, one would expect to be able to answer ‘yes’ to. These critical questions were gathered into six groupings:

1. does Scotland's arts, heritage and creative industries have a diverse workforce? Is this workforce working under inclusive, accessible and Fair Work conditions? Are decisions made by diverse collectives of decision makers?
2. are we encouraging investment in the arts, heritage, and creative industries to help us to achieve our cross-policy goals and to secure our infrastructure for future generations?
3. does this, and the next generation, of cultural and creative workers have the appropriate skills and levels of education to support Scotland's world class cultural and creative offer? Is everyone with the talent and ambition, irrespective of their background or personal characteristics, supported in their education, learning, and skills development? What are the barriers to skills and educational development and what is the Scottish Government doing to remove them?
4. are our diverse cultural events, organisations and creative products recognised as high quality by our own citizens? Is this excellence visible to audiences and publics internationally, and do they view us as a culturally vibrant nation?
5. do people living in Scotland have equitable access to the spaces, places, and resources they require to pursue their cultural interests in a way that is meaningful to them?
6. do we have the physical assets needed to host, make, and communicate our cultural endeavours? Do we have a healthy base of voluntary and community groups undertaking and enjoying cultural activities?

The paper suggests that “an independent, representative group” considers these questions annually. To support these considerations, the group “would draw on a range of evidence/data, some of which is also generated for other purposes and some of which would be generated specifically for this purpose.”

## *Scotland's National Strategy for Economic Transformation*

In March 2022, the Government published its [National Strategy for Economic Transformation](#). This Strategy was referenced several times in the Spending review. For example the Spending review stated—

“We want our economy to be globally competitive and sustainable, with thriving businesses and quality jobs and fair work for everyone. The

commitments set out in the ‘National Strategy for Economic Transformation’ (NSET) are therefore supported in this spending review.” (p10)

This strategy lists the Creative Industries as one of Scotland’s strengths although it does not make specific mention of the Culture Strategy, Creative Scotland or HES.

National Strategy for Economic Transformation set out five policy programmes with a sixth covering Delivery.

Figure 3: Policy Programmes of Action Form a Cycle with Delivery at the Centre



Under each policy programme, the strategy lists programmes for action. These include actions that could apply to agencies in the Culture and Heritage sector. For example, under the fifth programme is listed the following action—

“Work with employers and trade unions in sectors where low pay and precarious work can be most prevalent (including leisure and hospitality, and early learning and childcare) to deliver sectoral Fair Work agreements, in partnership with industry and trades unions, that deliver payment of the real living wage, better security of work, and wider “fair work first” standards. We will also promote the benefits of collective bargaining to achieve higher standards of pay, better security of work and greater union representation.”

And under the sixth programme—

“Ensure that strategic guidance to our key delivery agencies aligns with the priorities and delivers the programmes of action set out in this strategy and is consistent with multi-year budgeting that will allow delivery partners to plan ahead.”

The extent to which the National Strategy for Economic Transformation has taken account of the Culture Strategy is unclear. It is also unclear to what degree the agencies that support activity in the creative industries fall under the ambit of this strategy and its reporting mechanisms.

## Constitution, External Affairs and Culture portfolio

The focus of this section is on the spending plans set out in the Resource Spending Review (RSR) under the Constitution, External Affairs and Culture portfolio. As noted above, these figures are not final and subject to the annual budget process – the RSR says that the “funding envelopes set out here are indicative of what we can reasonably expect over the spending review years”. (p7)

Below is the indicative spend under the Constitution, External Affairs and Culture portfolio. These are in cash terms.

Table 9: Constitution, External Affairs and Culture Portfolio Spending Plans

Level 2*	2022-23 £m	2023-24 £m	2024-25 £m	2025-26 £m	2026-27 £m
External Affairs	33	35	38	39	40
Referendum	-	20	-	-	-
National Records of Scotland	22	23	25	23	23
Historic Environment Scotland	61	63	58	55	48
Culture and Major Events	177	173	173	177	183
<b>Total</b>	<b>294</b>	<b>314</b>	<b>294</b>	<b>294</b>	<b>294</b>

\* Figures include rounding adjustments and projected internal running costs which are subject to change as programming is finalised.

Should these spending plans prove accurate, this would be an estimated real terms<sup>1</sup> fall of 7.8% in the overall Constitution, External Affairs and Culture Portfolio budget between 2022-23 and 2026-27. The funding for Culture and Major Events would fall in real terms by an estimated 4.7%. The fall in spending on HES is significant; however, this is likely to be substantially due to modelling of increased income of HES as visitor numbers increase as we emerge from the pandemic.

While the RSR does not provide detail below level 2 budget figures. The programme for government 2021-22 stated—

“We will also invest in much-needed stability for the cultural organisations that we provide regular funding for, by agreeing **3-year funding settlements**, to allow them to plan for a sustainable recovery.”

[Creative Scotland published an update in October 2021](#) on its future approach to funding. Its new approach is intended to be fully implemented in April 2023. Among other things it is expected that there will be a “new simplified, streamlined and proportionate approach to

<sup>1</sup> Using the OBR projections quoted in HMT Deflators, March 2022.



multi-year funding for organisations, recognising that many more organisations than the current 121 RFOs seek access to stable, multi-year funding.”

Given the role of local authorities in supporting creative industries and the arts in their local areas, members may wish to note the indicative funding for local government set out in the RSR.

Extract from Table 3: Social Justice, Housing and Local Government  
Portfolio Spending Plans

Level 2*	2022-23	2023-24	2024-25	2025-26	2026-27
	£m	£m	£m	£m	£m
Local Government	10,616	10,616	10,616	10,616	10,716

The level 2 ‘Local Government’ budget line includes the General Revenue Grant and Specific Resource Grants (including the Attainment Scotland Fund and Early Learning and Childcare expansion grant). In real terms this would constitute an estimated real terms fall of around 7.0%.

As noted in the section above, the Health and Social Care Portfolio Spending Plans are increasing in both cash and estimated real terms.

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and Ross Burnside, Senior Researcher, Financial Scrutiny Unit, SPICe**

**1 June 2022**

Note: Committee briefing papers are provided by SPICe for the use of Scottish Parliament committees and clerking staff. They provide focused information or respond to specific questions or areas of interest to committees and are not intended to offer comprehensive coverage of a subject area.

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## Resource Spending Review Framework

### Introduction

1. The Constitution, Europe, External Affairs and Culture Committee (“the Committee”) welcomes the Scottish Government’s public consultation on its resource spending review framework (RSRF).
2. We note that this approach was a recommendation of the Session 5 Finance and Constitution Committee’s Budget Process Review Group. The Group recommended that the Scottish Government publish “a framework document setting out the economic and political context, the criteria which will govern the assessment of budgets and the process and timetable for the review.”<sup>2</sup>
3. At our meeting on 3 February the Committee agreed to carry out a short inquiry focusing on the opportunity within the RSRF to mainstream culture spend across government particularly but not exclusively in support of health and wellbeing. We agreed to take evidence from witnesses who either contributed to our pre-budget scrutiny or who have experience of the mainstreaming of culture.
4. Given the focus on culture, health and wellbeing we also held a joint evidence session with the Cabinet Secretary for Health and Social Care and the Cabinet Secretary for the Constitution, External Affairs and Culture (“the Cabinet Secretary”).
5. This report provides our submission to the consultation. It is intended to supplement the findings of our pre-budget inquiry.
6. The Committee thanks all those who provided written and oral submissions. All the evidence we received is available on the inquiry webpages.<sup>3</sup>

### Background: changing demographics, increased demands on our public services and the Christie principles

7. The RSRF identifies four primary drivers of public spending over the period of the spending review including changing demographics and the demands on the health service. The RSRF states that the population aged over 65 is expected to grow by 119,000 over the next five years while the working age population aged 16 to 64 is expected to decline by 60,000 over the next 6 years.
8. The Scottish Government also published its latest medium-term financial strategy<sup>4</sup> (MTFS) alongside its Budget 2022-23 in December 2021. The purpose of the

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<sup>2</sup> [BPRG - Final Report 30.06.17.pdf \(parliament.scot\)](#)

<sup>3</sup> [Scottish Government Resource Spending Review | Scottish Parliament Website](#)

<sup>4</sup> [Scotland’s Fiscal Outlook: The Scottish Government’s Medium-Term Financial Strategy \(www.gov.scot\)](#)

MTFS “is to examine the medium-term sustainability of Scotland’s public finances, with a focus on the management of fiscal risk within existing constitutional and fiscal constraints.”<sup>5</sup>

9. The MTFS notes that the Scottish population is ageing and that “by mid-2043, it is projected that 22.9% of the population will be of pensionable age, compared to 19.0% in mid-2018.” Given at the same time, the proportion of working-age population decreases, “this means that public services and social security payments for all need to be funded on a smaller active economy.”<sup>6</sup>
10. The Committee notes that while people living longer is clearly very welcome it does increase pressure on public expenditure. As highlighted in the MTFS this is especially apparent in the health and social care system. The Scottish Government states that managing this demand “through public health improvement and prevention is a key element not only in improving people’s health for better outcomes but also in managing the financial risks.”
11. **The Committee welcomes the Scottish Government’s commitment to “taking an active approach to protect the long-term fiscal sustainability of public finances through diligent management of fiscal risk.” It is within this context that we focus on the contribution which culture can make to health and wellbeing as part of the management of that risk.**
12. **At the same time we also note, as discussed below, the views of the Scottish Government’s independent Advisory Group on Economic Recovery who, in the wake of COVID-19, recommended that Ministers should in relation to the creative sector seek “ways to increase public and private investment across the sector to allow it to recover and compete.”<sup>7</sup>**

## Christie Principles

13. The RSRF identifies “efficiency, effectiveness and value for money” as being “crucial to how we review spending across the Scottish Government, and central to the robust challenge process we will undertake.” The RSRF also states that this approach is “heavily informed by the principles of the Christie commission’s report on the future of public services which was published in 2011” –

- Empower individuals and communities
- Integrate service provision
- Prevent negative outcomes from arising
- Become more efficient by reducing duplication and sharing services.

14. The Auditor General for Scotland (AGS) in a blog, *Christie 10-years on*, wrote that the Christie report “was an ambitious, visionary document. Over the last decade,

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<sup>5</sup> [Scotland’s Fiscal Outlook: The Scottish Government’s Medium-Term Financial Strategy \(www.gov.scot\)](http://www.gov.scot) page 6

<sup>6</sup> [Scotland’s Fiscal Outlook: The Scottish Government’s Medium-Term Financial Strategy \(www.gov.scot\)](http://www.gov.scot) paragraph 3.3.5

<sup>7</sup> [Towards a robust, resilient wellbeing economy for Scotland \(www.gov.scot\)](http://www.gov.scot) paragraph 5.14

we have striven to live up to that ambition but have fallen short. His clarion call cannot wait another 10 years.” He states that “audit work consistently shows a major implementation gap between policy ambitions and delivery on the ground.”

15. The AGS cites a number of areas which need to change including –

- to rethink radically how we measure success and hold organisations to account for their performance;
- address the mismatch between the Scottish Government’s vision and how we assess public sector performance;
- too many public sector leaders still don’t feel truly empowered or sufficiently emboldened to make the changes they think are needed to deliver Christie;
- our collective appetite for risk-taking and innovation, and how we hold public sector leaders to account, also needs to shift.<sup>8</sup>

16. The AGS’s view is that we “all now need to work collectively to address the barriers that have hindered progress and make changes to improve outcomes.”<sup>9</sup>

17. The interim Chair of the Accounts Commission in a blog, *Christie – it really is now or never*, writes that Commission’s Best Value reports on councils have reported lots of progress over the past decade. In her view the “shortcomings highlighted in 2011 in how public services were delivered are still all too real in 2021.”<sup>10</sup> Those shortcomings include –

- There is still much fragmentation and complexity in how public services are organised, resulting in duplication and confusion;
- Public services need to be delivered to fit local needs, but good practice from elsewhere is not embraced and adopted enough;
- Public services are still often delivered ‘top down’, with organisational interests coming before those of the people who receive those services;
- The focus on putting the person at the centre of public service delivery is still not the norm and it is disempowering;
- The focus on public service performance is still often on inputs rather than a clear understanding of the quality of the service and what matters to people.

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<sup>8</sup> [Blog: Christie 10-years on | Audit Scotland \(audit-scotland.gov.uk\)](#)

<sup>9</sup> [Blog: Christie 10-years on | Audit Scotland \(audit-scotland.gov.uk\)](#)

<sup>10</sup> [Blog: Christie - it really is now or never | Audit Scotland \(audit-scotland.gov.uk\)](#)

18. The interim Chair states that now, “more than ever, we must prioritise prevention.” All of this will require –

- strong and collaborative leadership;
- our politicians to be bold and put our citizens, particularly our most vulnerable citizens, right at the centre of decisions;
- our public service executives to be clear and precise about what is required, based on evidence and experience of those living in our communities;
- all of us to play our part in making change happen. To encourage innovation, to manage risk, to forgive mistakes and then to learn from those mistakes and quickly adapt.

19. In her view we “cannot contemplate thinking that in 10 years' time we have still not addressed Christie's recommendations. It really is now or never.”<sup>11</sup>

20. Community Leisure Scotland (CLS) state that “the key principles of public sector reform identified in the Christie Commission Report from 2011 are as relevant today as they were eleven years ago.”

21. We asked both Cabinet Secretaries for their views on the progress in delivering the recommendations of the Christie Commission especially in relation to a preventative approach. The Cabinet Secretary for Health and Social Care responded that “we have made significant progress” and “our funding is geared towards the preventative.” He added that given “the scale of the challenge that we are now facing for our recovery, we have to invest in the preventative.”<sup>12</sup>

22. The Cabinet Secretary for the Constitution, External Affairs and Culture provided a number of examples of projects at a local level influenced by the Christie principles and suggested that a key challenge is “how we make them scalable.”<sup>13</sup>

23. The RSRF, in line with the Christie principles, has identified a number of ways in which the Scottish Government will be exploring how to get best value out of Scotland’s public spending, including improving cross-government collaboration and prevention and invest to save initiatives.

**24. The Committee welcomes the emphasis within the RSRF on delivering the Christie principles. We believe that the spending review provides an excellent opportunity to make the necessary but challenging spending decisions to support transformational change in how public services are delivered.**

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<sup>11</sup> [Blog: Christie - it really is now or never | Audit Scotland \(audit-scotland.gov.uk\)](#)

<sup>12</sup> [Official Report \(parliament.scot\)](#) Col.26

<sup>13</sup> [Official Report \(parliament.scot\)](#) Col.26

25. In doing so there is clearly a need as identified by the AGS and interim chair of the Accounts Commission to address why there continues to be “a major implementation gap between policy ambitions and delivery on the ground.”
26. Witnesses to our pre-budget inquiry and the RSRF inquiry raised concerns regarding the delivery of the Christie principles to those identified by the AGS and the interim Chair and we discuss these in more detail below.
27. At the same time the Committee recognises the ongoing severity of the impact of COVID on our public services and the need to prioritise the recovery. At the same time there are clearly positive lessons we can learn from the heroic response of our public services and key workers in delivering transformational change rapidly in response to the pandemic.
28. As we discuss those lessons should be harnessed alongside the RSRF in providing a benchmark for what is possible in delivering the preventative model over the period of the Spending Review.

## **Embedding Culture and Health and Wellbeing Across Government**

29. In our pre-budget report the Committee noted that the positive impact of culture on health and wellbeing is now well recognised. We received further evidence as part of our consideration of the RSRF which supports this view.
30. For example, Arts Culture Health and Wellbeing Scotland (ACHWS) cite a 2019 scoping review by the World Health Organisation which suggests that results from over 3000 studies “identified a major role for the arts in the prevention of ill health, promotion of health, and management and treatment of illness across the lifespan.”<sup>14</sup>
31. They also cite a report by University College London (UCL) for the Department for Digital, Culture, Media and Sport on the role of arts in improving health and wellbeing. The research by the UCL found “strong ‘grade A’ evidence for the following outcomes, suggesting that this evidence can be trusted to guide policy:
- The use of music to support infant social development
  - The use of book reading to support child social development
  - The use of music or reading for speech and language development amongst infants and children
  - The use of the arts to support aspects of social cohesion
  - The use of the arts to improve wellbeing (i.e. positive psychological factors) in adults
  - The use of the arts to reduce physical decline in older age.”<sup>15</sup>

<sup>14</sup> [WHO/Europe | Publications - What is the evidence on the role of the arts in improving health and wellbeing? A scoping review \(2019\)](#)

<sup>15</sup> [DCMS report April 2020 finalx\\_1 .pdf \(publishing.service.gov.uk\)](#)

32. ACHWS state that building “on extensive evidence and research, we advocate that culture and the arts can provide enormous benefit to our health and wellbeing, both for specific patient populations in healthcare settings and through integrating culture into our everyday lives.”
33. COSLA’s view is that “cultural and leisure services are also important to the wellbeing of individuals and communities and have huge physical and mental health benefits.” They state that these services “play a significant role in preventing poor health outcomes and reducing demand on health services, as well as helping to enhance recovery and improve the quality of life for people with long term conditions.”
34. The RSE told us that “a huge amount of mental health issues can be avoided and wellbeing can be encouraged by people joining local arts groups and being part of voluntary arts organisations and so on.”<sup>16</sup>

## Current Practice

35. Creative Scotland recently commissioned a study “to understand the scale and scope of the current involvement of professional artists in the area of health and wellbeing.” The study also aimed to explore the role that Creative Scotland “can play in supporting this activity and helping the artists who wish to develop their skills in this area.”<sup>17</sup> While the study was limited in that it looked only at organisations in receipt of funding from Creative Scotland, its findings are relevant to the public sector funding for the creative industries more widely.
36. As part of the study, conducted by *Rocket Science*, organisations and artists were asked to share key challenges and barriers to practicing in the area of arts and health and wellbeing. Some of the key challenges identified were –
- Funding;
  - A need for increased understanding of the role arts can play in tackling health inequalities and improving health, social and cultural outcomes;
  - Finding and keeping practitioners with the required skillsets and confidence to deliver the arts and health/wellbeing agenda;
  - Integration of arts into healthcare and for the arts not to be seen as an ‘extra’;
  - Reaching disengaged people who could most benefit from services, particularly those with multiple and complex needs;
  - Building partnerships between arts organisations and health care providers;

<sup>16</sup> [Official Report \(parliament.scot\)](#) Col.26

<sup>17</sup> [Creative-Scotland-Arts-and-Health-Mapping-Report.pdf \(creativescotland.com\)](#)

- The reporting and evaluation process.<sup>18</sup>

37. Organisations and artists were asked about their ambitions for delivering the health and wellbeing agenda. The main ambitions referenced in the study included –

- Further integration of arts into healthcare;
- Building new partnerships and networks, to strengthen the impact of existing projects;
- Fostering a better understanding of the value of work in arts and health, including its benefits, cost effectiveness and areas for improvement;
- Improving inclusion of people with a wider range of health-related challenges.<sup>19</sup>

38. Some of the main ways organisations and artists would like Creative Scotland to support them are –

- Provide long term, flexible funding, which focuses on “tried and tested” work in addition to newer initiatives;
- Improve advocacy for the importance of the arts and health/wellbeing sector, including advocacy to Government;
- Support the creation of a strategy for arts and health/wellbeing across Scotland;
- Championing and resourcing social prescribing around arts based activity;
- Improve inclusivity for artists with health conditions and disabilities.<sup>20</sup>

**39. Despite an increasing recognition of the established health and wellbeing benefits of culture, the Committee heard during both this inquiry and our pre-budget inquiry that this had not led to transformational change in terms of both a cross-cutting approach within Government and increased budgetary support for culture across a number of spending areas.**

**40. In the next section of our submission we therefore focus on the way forward and examine a number of ways in which we can embed culture across government portfolios.**

## **The Way Forward: Towards a Whole System Approach**

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<sup>18</sup> [Creative-Scotland-Arts-and-Health-Mapping-Report.pdf \(creativescotland.com\)](#) page 3

<sup>19</sup> [Creative-Scotland-Arts-and-Health-Mapping-Report.pdf \(creativescotland.com\)](#) page 4

<sup>20</sup> [Creative-Scotland-Arts-and-Health-Mapping-Report.pdf \(creativescotland.com\)](#) page 4



41. We welcome the approach set out in the RSRF as providing an opportunity to make progress in delivering the necessary transformational change to deliver the Christie principles. Within the context of the Committee's remit the RSRF provides the basis to make progress in embedding culture and health and wellbeing across government. In particular, through developing the following approaches highlighted within the RSRF –

- Outcomes-focused;
- Collaborative;
- Preventative;
- Mainstreaming funding across government portfolios.

42. While we recognise that none of this is novel and to a large extent reiterates the findings of the Christie Commission we nevertheless welcome the opportunity that the RSRF provides to make transformational progress. We discuss this in more detail below.

### **Outcomes-Focused**

43. In our pre-budget report<sup>21</sup> we recommended that the resource spending review should be an outcome-based process. We therefore welcome the emphasis in the resource spending review on an outcomes-focused approach and that in examining “the effectiveness of spend across portfolios” the Scottish Government “will maintain a longer-term outcomes focus to inform decisions.”<sup>22</sup>

44. The national outcome for culture within the National Performance Framework is that we “are creative and our vibrant and diverse cultures are expressed and enjoyed widely.” The national indicators for this outcome are –

- Attendance at cultural events or places of culture;
- Participation in a cultural activity;
- Growth in the cultural economy;
- People working in arts and culture.

45. The latest available data for participation in a cultural activity shows that –

“overall participation in cultural activities was higher among women, those with degrees or professional qualifications, those with no long-term physical or mental health conditions (when comparing those with no reported long-term physical or mental health conditions and those with any reported long-term physical or mental health conditions), those living in less deprived areas, and those with a higher household income.”<sup>23</sup>

46. As we noted in our pre-budget report, the Scottish Government published *A Culture Strategy for Scotland* in February 2020 detailing their vision, ambitions, and guiding

<sup>21</sup> [pre-budget-scrutiny-report.pdf \(parliament.scot\)](#)

<sup>22</sup> [Investing in Scotland's Future: Resource Spending Review Framework \(www.gov.scot\)](#) page 25

<sup>23</sup> [National Indicator Performance | National Performance Framework](#)



principles for the culture sector. The strategy refers to the National Outcome, alongside specific outcomes identified in the strategy.

47. COSLA's view is that the "health and wellbeing benefits of cultural participation could be further recognised and enabled through the National Performance Framework."
48. CLS state that the Culture Strategy needs "to have a clear connect to the National Performance Framework, with clarity for organisations in the culture sector on the outcomes they should be reporting against, and how these interrelate." In their view, this "will make it easier to fund work and organisations in the culture sector, with evidence of outcomes against both the NPF and the Culture Strategy."
49. Community Leisure UK told us that we "must take a long-term view of culture and outcomes, and consider where we want to get to and a bit of a road map of how to get there; otherwise, we are at risk of losing assets and services, as well as skills and expertise."<sup>24</sup>
50. In their view there "are perhaps opportunities for closer alignments, particularly in how the culture strategy at a national level is adopted and embedded at local authority level and in how local authority approaches to provision feed into a national strategy."<sup>25</sup>
51. The Committee discussed with some of our witnesses whether a national strategy for the arts and health and wellbeing should be considered by the Scottish Government. ACHWS responded that we "need to find a balance where health boards want to do it because they can see the benefits to their communities." In their view it is "about designing a strategy over a three to five-year period and trying to engage with all the health boards across Scotland so that they buy into the strategy and agree to look at how their cultural strategies can be implemented."<sup>26</sup>
52. Both ACHWS and the RSE emphasised that it is important that we are not too prescriptive. The RSE pointed out that "there is a lot out there already that just needs to be harnessed in the right direction" while ACHWS suggest if "you were to map the cultural organisations and activity in each health board, you would find a lot of resources that the health board could draw on." In their view if "there was a way that we could work with health boards to design a strategy that draws on that resource, that would be really positive."<sup>27</sup> The Committee notes that the Culture Strategy committed the Government to "work with Creative Scotland to map local authority support for culture and to explore future models of collaboration between national and local bodies."<sup>28</sup>

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<sup>24</sup> [Official Report \(parliament.scot\)](#) Col.8

<sup>25</sup> [Official Report \(parliament.scot\)](#) Col.4

<sup>26</sup> [Official Report \(parliament.scot\)](#) col.35

<sup>27</sup> [Official Report \(parliament.scot\)](#) col.35

<sup>28</sup> [A Culture Strategy for Scotland - gov.scot \(www.gov.scot\)](#) page 43

53. ACHWS told us it would be positive “to have a national strategy to get health and culture working together” based on the work that is happening on the ground.<sup>29</sup> In their view there is a “huge spectrum of creative collaboration across Scotland, but what is missing is some strategic business plan or action plan to identify a vision and aims and objectives.”<sup>30</sup>
54. The Cabinet Secretary told us that the RSRF “gives us the opportunity to be discussing joint approaches at a strategic level, given the positive potential of culture to contribute to health and wellbeing outcomes.”<sup>31</sup>
- 55. The Committee recommends that the NPF and the Scottish Government’s culture strategy should more explicitly recognise the positive impact which access to cultural activities can have on health and wellbeing. This could include, for example, the inclusion of data related to cultural prescribing within the national indicator which measures participation in cultural activity.**
- 56. The Committee also recommends that the Spending Review sets out how spending decisions have been informed by the available data for participation in cultural activity within the National Performance Framework. In particular, the lower participation levels among those with reported long-term physical or mental health problems, those living in more deprived areas, and those with a lower household income.**
- 57. The Committee also recommends that consideration should be given to how Creative Scotland could work with NHS Boards, COSLA and the third sector in developing a national strategy for culture and health and wellbeing.**
- 58. The Committee would welcome an update on how work is progressing on mapping local authority support for culture and supporting better collaboration between national and local agencies. The Committee recommends that the Scottish Government consider how the roles of NHS Boards could be captured in this work.**

## Collaborative

59. The RSRF identifies a number of ways of getting best value from Scotland’s public spending including through improving cross-government collaboration. The RSRF states that the Scottish Government “will identify where there may be shared interest, duplication or overlap in intended policy outcomes over multiple portfolios” and in those areas “will look to develop a more effective and efficient cross-government solution.”<sup>32</sup>
60. A *Culture Strategy for Scotland* details the Scottish Government’s vision, ambitions, and guiding principles for the culture sector. This included identifying culture as a central consideration across all policy areas including: health and

<sup>29</sup> [Official Report \(parliament.scot\)](#) Col.32

<sup>30</sup> [Official Report \(parliament.scot\)](#) Col.24

<sup>31</sup> [Official Report \(parliament.scot\)](#) Col.22

<sup>3232</sup> [Investing in Scotland’s Future: Resource Spending Review Framework \(www.gov.scot\)](#) page 26

wellbeing, economy, education, reducing inequality and realising a greener and more innovative future.

61. A focus was placed on collaboration to realise the transformational power of culture in achieving a broad range of policy outcomes including the development of cross-government policy compacts embedding culture at the centre of policy-making.
62. ACHWS suggest that it “is important to try to get that collaborative working going across departments to see if there are ways to break down the traditional models of working.” But they also told us that “the wider public also need to get a better understanding of how art, culture and health collaborations have a positive impact on people’s lives, particularly for people in hospital or people with mental health issues.”<sup>33</sup>
63. Social Enterprise Network Scotland (SENS) state in their written evidence that “the opportunity to connect the financial resources of the culture sector and other policy areas, such as health and wellbeing, employability, tourism etc are currently lacking.” In their view a “cross departmental approach to policy development and implementation should be explored to ensure a broader understanding and cross fertilisation of knowledge and best practice.”
64. The Cabinet Secretary stated in his response to our pre-budget report that he is starting a series of conversations with fellow Cabinet Secretaries “so that we can identify areas of joint collaboration and action to inform our portfolios’ part in the multi-year Resource Spending Review.”<sup>34</sup> The Committee asked the Cabinet Secretary at our meeting on 20 January 2022 for an update on those conversations.
65. The Cabinet Secretary responded that all ministerial portfolios have to contribute towards the culture strategy for Scotland. The strategy states that culture “plays a key role in maintaining good mental health and wellbeing and it has been shown to reduce levels of social isolation, strengthen social networks and increase self-confidence and resilience. It can support good health and wellbeing for all ages.”<sup>35</sup>

#### *Collaborative learning from managing the response to COVID*

66. We noted in our pre-budget report that it is essential that the Scottish Government, in developing its cultural recovery plan, works with the culture sector in learning from the innovative response to COVID. We recommended that this should include –
- national and local agencies working with the sector to build upon the more collaborative approach developed in response to the pandemic and with a shared focus on achieving outcomes; and

<sup>33</sup> [Official Report \(parliament.scot\)](#) Col.22

<sup>34</sup> [Response to CEEAC Pre Budget Scrutiny Report | Scottish Parliament Website](#)

<sup>35</sup> [A Culture Strategy for Scotland \(www.gov.scot\)](#) page 35

- working with the sector to build upon the innovative use of digital platforms and how this approach can continue to be developed and supported alongside a return to the reopening of venues.
67. The AGS has noted that the response to COVID has proven that “the public sector can deliver transformational change of the kind that Christie envisaged” and that “we’ve seen public bodies disobeying organisational boundaries and delivering ‘Christie’ at scale and pace.”<sup>36</sup>
68. The interim chair of the Accounts Commission has highlighted that Councils and their local partners in responding to the COVID crisis “have explored innovative ways of working, and dispensed with organisational barriers. They put Christie’s four pillars right at the heart of their pandemic response.”<sup>37</sup>
69. In our pre-budget report we noted how the COVID pandemic saw a shift to more consumption of, and participation in, culture from the home on digital platforms and that this has potentially opened up audiences or participation in terms of geography and cost.
70. The RSE state in their written submission that “supporting the sector develop its digital provision can successfully address well-known problems related to the accessibility of cultural activities for disabled people, people suffering from mental health issues, as well as for people who are economically disadvantaged.”
71. In our pre-budget report the Committee noted that we have been talking about cross-portfolio working for a long time including the Christie Commission report. Despite an increasing recognition of the established health and wellbeing benefits of culture, the Committee heard during our pre-budget inquiry from a number of witnesses that this had not led to transformational change in terms of both a cross-cutting approach within Government and increased budgetary support for culture across a number of spending areas.
- 72. The Committee’s view is that progress in developing cross-government collaboration on culture and health and wellbeing is dependent on the benefits of this approach been more deeply embedded within the NPF and the culture strategy as discussed above.**
- 73. In our view this approach should empower public sector leaders to make the changes needed to deliver a more collaborative approach and rethink how performance is measured in delivering these outcomes.**
- 74. But at the same time we also strongly believe that the collaborative learning from managing the response to COVID should be harnessed and built upon as we emerge from the pandemic. For example, in exploring how innovative ways of working such as the shift to digital platforms can enhance the accessibility of cultural activities while at the same time improving health and wellbeing.**

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<sup>36</sup> [Blog: Christie 10-years on | Audit Scotland \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk/blog/christie-10-years-on/)

<sup>37</sup> [Blog: Christie - it really is now or never | Audit Scotland \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk/blog/christie-it-really-is-now-or-never/)

## Preventative

75. The Scottish Government's culture strategy highlights the role of the newly established Public Health Scotland (PHS) as part of the "drive to carry out public health reform with a focus on prevention and early intervention". It states that PHS "will provide strong public health leadership and be Scotland's lead national agency for improving and protecting health and wellbeing" and we will work with them "to create opportunities for realising shared health and wellbeing outcomes through culture."<sup>38</sup>
76. As noted above COSLA's view is that cultural and leisure services "play a significant role in preventing poor health outcomes and reducing demand on health services, as well as helping to enhance recovery and improve the quality of life for people with long term conditions."
77. Community Leisure UK told us that "there must be much more of a shift towards prevention" and we "have the evidence base of the contribution that culture can make" if it "was properly scaled and resourced."<sup>39</sup> However, in their view, "at the moment, there is not the resource or funding to roll it out in a meaningful way."<sup>40</sup>
78. SENScot sought views from their members on progress made in delivering the preventative agenda. They state that whilst "members recognise there are projects that are delivering high quality and essential services, there was an overwhelming negative response to this issue." The responses they received include –
- "Progress towards greater prevention is extremely limited, a patchwork of actions here and there around the country and not driven nationally by a timed framework of designated steps"
  - "There are lots of examples of local developments but the move to have preventative approaches built into how Scotland develops and provides public services has not happened."
  - "In an operational sense, social enterprises continue to do great work in this space. In a strategic sense, there is little evidence of a shift to preventative spending."
  - "Despite after a decade of the Christie Commission, we are not shifting resources upstream, there are token efforts but is it really in statutory services own interests to shift the resources and power to the communities when they have been operating in a controlling manner to date?"
  - "In health, where a preventative approach would have huge benefits for individual people and communities as well as making the health service

<sup>38</sup> [A Culture Strategy for Scotland \(www.gov.scot\)](http://www.gov.scot) page 35

<sup>39</sup> [Official Report \(parliament.scot\)](http://parliament.scot) Col.7-8

<sup>40</sup> [Official Report \(parliament.scot\)](http://parliament.scot) Col.8

more effective and making better use of available resources, the decisions taken by SG and NHS services around implementation are undermining the limited policies that were intended to move towards prevention”

79. SENS Scot’s view is that we “need to start to think, act and spend differently, and see prevention within an ‘investment paradigm’ - invest now and a flow of benefits will be realised over time.” Their members “suggested that systemic change is required if the preventative agenda is to be delivered.”

### *Cultural Prescribing*

80. The Programme for Government 2021-22 states that by 2026 “every GP Practice will have access to a mental health and wellbeing service, funding 1,000 additional dedicated staff who can help grow community mental health resilience and direct social prescribing.”<sup>41</sup> The Cabinet Secretary for Health and Social Care explained that this “will help to grow community mental health resilience and direct social prescribing at a grass-roots level.”<sup>42</sup>
81. He also highlighted the communities mental health and wellbeing fund for adults, which has launched in October 2021 and now been increased to £21 million. He told us that “we certainly expect that grass-roots cultural activities that contribute to community wellbeing will benefit from that fund.”<sup>43</sup>
82. COSLA’s view is that there “needs to be more upstream investment in preventative approaches such as social prescribing and working with physical activity, sport and cultural organisations locally.”
83. CLS state that cultural prescribing “has well-evidenced impact on health and wellbeing, with potential for this to be delivered at a far greater scale than at present, if there was adequate funding and capacity.” In their view, there “also needs to be clear pathways from cultural prescribing to ensure the benefits are embedded in the long-term. All funding needs to be long-term and flexible, to ensure that the culture sector is able to plan and to offer long-term projects.”
84. Glasgow Life’s view is that social prescribing is “expensive, and it is difficult to divert scarce resources to do that while maintaining existing services to other citizens.” While they “believe strongly that the benefits of doing that are enormous” in their view it “has to be prioritised and funded to make it truly effective.”<sup>44</sup>
85. Community Leisure UK told us that a “wealth of work is going on across our members in relation to social prescribing and wellbeing and prevention.” However, in their view there is a “need to scale that up much more across Scotland” and “see it as prevention and put in investment to make sure that people are not prejudiced by where they live in relation to what they can access.”<sup>45</sup>

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<sup>41</sup> [fairer-greener-scotland-programme-government-2021-22 \(3\).pdf](#)

<sup>42</sup> [Official Report \(parliament.scot\)](#) Col.21

<sup>43</sup> [Official Report \(parliament.scot\)](#) Col.21

<sup>44</sup> [Official Report \(parliament.scot\)](#) Col.9

<sup>45</sup> [Official Report \(parliament.scot\)](#) Col.16



86. ACHWS told us that social prescribing is such a new area and they “do not think that there is a wider public understanding about the role of culture and creative collaborations and how they can be very beneficial for mental health.” ACHWS suggest that “although sport referral is quite established in general practitioner practices and healthcare settings, cultural referral still has a long way to go to reach that stage.”<sup>46</sup>
87. ACHWS point out that a lot of “social prescribing work is happening in Scotland with the development of the new community link workers” who are “looking at the cultural activity that is happening in the local community and trying to get people who are hard to reach, housebound or not really engaging in their wider community to access that cultural activity.”<sup>47</sup>
88. ACHWS told us that “England has built up quite a strong social prescribing model, which has had quite a lot of resources put into it” and “involves referrals from primary healthcare to cultural activity of people who come to the surgery or see a healthcare professional.” In their view we need to address “how we integrate social prescribing more strategically into healthcare in Scotland.”<sup>48</sup>
89. The Committee asked the Cabinet Secretary for Health and Social Care for his views on whether there is a need for a paradigm shift with regards to social prescribing. He responded that he agrees and that the paradigm shift “will come from the community link workers plus the additional mental health and wellbeing workers whom we have committed to providing.”<sup>49</sup>
90. The Cabinet Secretary for Health and Social Care told us that his approach to “using culture and the arts as a very important social prescribing tool has been largely through grant funding local initiatives, and it is working very well.” He recognises though is that part of the learning “is how we do it in a more systemic way.”<sup>50</sup>
- 91. The Committee welcomes the investment in the community link workers who will provide connections to various community initiatives, cultural programmes, art programmes and art therapies. However, while this will be invaluable on the demand side there is also a question with regards the supply side. Specifically, the level of availability of initiatives, programme and therapies to meet the increased demand.**
- 92. The Committee therefore also welcomes the aim within the RSRF to redirect funding towards demonstrable preventative approaches. The Committee believes that this should include consideration of a more systemic approach to multi-year funding of scalable culture projects supporting health and wellbeing.**

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<sup>46</sup> [Official Report \(parliament.scot\)](#) Col.27

<sup>47</sup> [Official Report \(parliament.scot\)](#) Col.26

<sup>48</sup> [Official Report \(parliament.scot\)](#) Col.27

<sup>49</sup> [Official Report \(parliament.scot\)](#) Col.25

<sup>50</sup> [Official Report \(parliament.scot\)](#) Col.28

93. The Committee would also welcome an indication of Scottish Government's intended timescales for delivering the required upscaling of culture projects supporting health and wellbeing and the redirection of funding towards demonstrable preventative approaches.

94. The Committee considers that better understanding of what works well, for whom and when would be a key driver for supporting greater use of cultural services in supporting health outcomes. The Committee recommends that the Scottish Government provides an update on its research in this area including how relevant findings are used locally and nationally to inform service design.

### Mainstreaming funding across government portfolios

95. The Scottish Government intends to publish multi-year spending plans from 2023-24 to 2026-27 in May 2022. The aim is to provide "delivery partners and businesses, communities and individuals across Scotland with some certainty on which to base their own forward planning."<sup>51</sup>

96. The RSE recommend in their written submission that there are "several potential avenues that Scottish Government could consider to reinforce" the mainstreaming of culture funding including –

- encouraging third sector and public sector organisations to include a culture/creative industries professional on their boards;
- create a dedicated incentive fund to support collaboration that enable organisations to provide shared services and address common problems.

97. ACHWS suggest that "related to the ambition for an outcomes-focused approach to public spending, there are opportunities to take a cross-portfolio approach to funding cultural services with investment linked to health and wellbeing outcomes." Given the outcomes-focused approach options they propose include –

- Providing some level of core funding to cultural organisations from budgets outside of the culture portfolio;
- A project funding approach could allow organisations to build capacity to support cultural prescribing or other wellbeing approaches, including expanding projects already proven to deliver strong health and wellbeing outcomes.

98. ACHWS told us that the "more radical intervention is to look at funding: not just Creative Scotland having resources to fund organisations, but funding from broader portfolios, including the health portfolio, to support organisations."<sup>52</sup> A

<sup>51</sup> [Investing in Scotland's Future: Resource Spending Review Framework \(www.gov.scot\)](https://www.gov.scot) page 5

<sup>52</sup> [Official Report \(parliament.scot\)](https://parliament.scot) col. 25



further option they suggest is “an additional fund that looks at social prescribing across Scotland and funds organisations to deliver social prescribing.”<sup>53</sup>

99. ACHWS told us that “the radical idea is that the contribution that culture makes to the outcomes of the national performance framework could be recognised by providing fixed-term funding to organisations that work across the health and cultural fields.”<sup>54</sup>
100. The Committee asked some of our witnesses whether there was an issue in relation to funding for cultural services given that it is not statutory. Audit Scotland point out that from local government benchmarking framework data over the past 10 years “the only services that have had a net increase in budget expenditure are social care and education.” They told us that “of the other services, culture and leisure services have taken the biggest cut” of almost 30 per cent over the past 10 years.”<sup>55</sup>
101. They highlighted their recent local government financial overview which states that “although there has been a 7 per cent real terms increase in funding over the past seven years, if we take out the one-off Covid funding,<sup>56</sup> there has been a 4.2 per cent decrease in funding for councils overall.”
102. Audit Scotland suggest that there is a need “for different thinking about what we consider to be health funding, because health is much broader than the national health service.” They point out that investment “in many council services that are about wellbeing and community connectedness, including community and culture services, can reduce demand on other core health services.”<sup>57</sup>
103. Glasgow Life told us that the real terms reduction in budgets over the past ten years “has happened alongside a substantial growth in the use of our services.”<sup>58</sup> They added that “we are now at a stage at which we seriously risk the loss of professional skills and infrastructure capacity to sustain services in the longer term” and this is “particularly problematic given the substantial impact that services have on health and wellbeing.”<sup>59</sup> They also told us that after “10 years of steady reductions in funding, services are now hanging on by their fingernails and not in a position to be able to respond effectively to the demands that might be placed on them.”<sup>60</sup>
104. CLS state that their members recognise that they can make “a meaningful contribution to supporting health outcomes, such as improving mental and social health and wellbeing, and reducing social isolation and loneliness.” But in their view “there needs to be long-term and consistent investment to enable this work to

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<sup>53</sup> [Official Report \(parliament.scot\)](#) col.25

<sup>54</sup> [Official Report \(parliament.scot\)](#) col.37

<sup>55</sup> [Official Report \(parliament.scot\)](#) col.5

<sup>56</sup> [Official Report \(parliament.scot\)](#) Col.5

<sup>57</sup> [Official Report \(parliament.scot\)](#) Col.6

<sup>58</sup> [Official Report \(parliament.scot\)](#) Col.8

<sup>59</sup> [Official Report \(parliament.scot\)](#) Col.8

<sup>60</sup> [Official Report \(parliament.scot\)](#) Col.9

grow with time to embed outcomes, which will not necessarily be achieved in the short-term.”

105. Community Leisure UK told us that we have evidence about some of the pilots that have taken place and the role that culture could have in supporting health and wellbeing “if it was properly scaled and resourced.” However, in their view “there is not the resource or funding to roll it out in a meaningful way. It could do much more to support health and wellbeing in communities, but it is absolutely stretched now.”<sup>61</sup> They added that as “well as looking at innovative funding, we should be mindful of the need to ensure that we do not continue on a trajectory of cuts and reductions.”<sup>62</sup>
106. Glasgow Life told us that the “potential to support health and wellbeing and to work with other services is enormous.” However, in their view “if we continue to attempt to deliver from within cultural funding, which is in essence what we have been doing for a substantial period, progress will be painfully slow.”<sup>63</sup> Given the existing approach will not have a population-level impact they would support a cross-portfolio funding model or a project funding model.
107. COSLA’s view is that “simply putting more resource into health is not the answer. The Spending Review should recognise that health and wellbeing are interrelated and that investment is needed in the ‘whole system’ – that improving these outcomes depend on the building blocks being in place.”
108. COSLA state that there “needs to be fair funding to Local Government to enable ongoing and sustainable investment in culture and leisure services” and this “must be a critical part of ‘whole system’ thinking, and about addressing the social determinants of health.”
109. The RSE told us that “the thing that is holding people back is the funding issue and knowing whether they have consistent funding or not” and that if “you have consistency of funding, you can then draw in other funding sources from trusts, foundations, businesses and so on.”<sup>64</sup>
110. The RSE also pointed out that it is “quite hard to measure the preventative value or outcome—what are you preventing happening?” In their view “if you can put a financial value on the cost savings to the health service” from a preventative approach “it makes sense to the people who make the decisions about where the money goes in the health service and elsewhere.” They suggest that one “of the ways of doing it is to do some impact assessments.”<sup>65</sup>
111. As part of our scrutiny of Budget 2022-23 the Committee asked the Cabinet Secretary whether he has been able to advance the argument with other Ministers that, in the longer term, spending on culture saves in many other areas? He responded that there is agreement among his cabinet secretary colleagues that

<sup>61</sup> [Official Report \(parliament.scot\)](#) Col.8

<sup>62</sup> [Official Report \(parliament.scot\)](#) Col.18

<sup>63</sup> [Official Report \(parliament.scot\)](#) Col.18

<sup>64</sup> [Official Report \(parliament.scot\)](#) col. 23

<sup>65</sup> [Official Report \(parliament.scot\)](#)

“culture, in its broadest sense, can have a transformative impact in different parts of the work of Government.”<sup>66</sup> This includes social prescribing for mental health.

112. The Committee asked the Cabinet Secretary for his views on how to pin down funding for mainstreaming the work that cultural organisations do to support health and wellbeing in long-term core budgets so that it does not necessarily need to come from discretionary spend. He responded that “when people see that such services represent best practice and that they fit within budgets, they will realise the value of them.”<sup>67</sup> He also told us that social prescribing “will involve recommendations for people to take part in services that are provided by voluntary organisations” at a community level.
113. The Cabinet Secretary also stated that he does not know how long adoption of such services as pathways to treatment will take but the government want to be able to give social prescribers “maximum assurance and reassurance that the services that they refer people to will have the beneficial advantages that we think they will have.”<sup>68</sup>
114. The Cabinet Secretary for Health and Social Care told us that he is “keen to explore the benefits of broader health and wellbeing activities, including the role that culture can play, as part of our work on social prescribing.”<sup>69</sup>
- 115. The Scottish Government’s independent Advisory Group on Economic Recovery in the wake of COVID-19 recommended that Ministers should in relation to the creative sector seek “ways to increase public and private investment across the sector to allow it to recover and compete.”<sup>70</sup> The Committee recommends that this should include consideration of investment from budget lines beyond the culture portfolio and in particular from the health budget.**
116. **The Committee recommends that within the spending review there needs to be reappraisal of what is considered as health spending. Specifically, there needs to be consideration of the contribution which preventative spend in areas like the arts and other cultural activities makes towards health and wellbeing.**
117. **The Committee agrees with COSLA that a ‘whole system’ approach is essential to the spending review and that this is consistent with an outcomes-focused and collaborative approach as discussed above. Our view is that it is only through such an approach that the necessary funding can be freed up to ensure that sufficient cultural services are available to meet the increased demand arising from cultural prescribing. In turn this should allow successful projects to be scaled up and we can begin to turn Christie’s vision into reality.**

<sup>66</sup> [Official Report \(parliament.scot\)](#) Col.5

<sup>67</sup> [Official Report \(parliament.scot\)](#) Col.10

<sup>68</sup> [Official Report \(parliament.scot\)](#) Col.9

<sup>69</sup> [Official Report \(parliament.scot\)](#) Col.20

<sup>70</sup> [Towards a robust, resilient wellbeing economy for Scotland \(www.gov.scot\)](#) paragraph 5.14