

CONSTITUTION, EUROPE, EXTERNAL AFFAIRS AND CULTURE COMMITTEE

2nd Meeting, 2024, Session 6

18 January 2024

Budget Scrutiny 2024-25

1. The Committee published its [pre-budget scrutiny report](#), focused on funding for culture, on 7 November 2023. It received responses to the report from [Creative Scotland](#), and then, after the Scottish Budget for 2024-25 was published on 19 December 2023, from the [Scottish Government](#). The [Culture Strategy Action Plan](#) was also published on the same day as the Budget.
2. The Committee agreed to continue its scrutiny of culture funding after the publication of the Budget, including consideration of any further detail on the commitment to increase the Scottish Government's investment in arts and culture by £100 million by 2028-29.
3. At its last meeting, the Committee took evidence from a roundtable of culture sector stakeholders, and then from Creative Scotland. At this meeting, the Committee will take evidence from—
 - Angus Robertson MSP, Cabinet Secretary for the Constitution, External Affairs and Culture
 - Lisa Baird, Deputy Director Cultural Access and Organisations
 - Penelope Cooper, Director of Culture and Major Events
4. A SPICe briefing is attached at **Annexe A**.

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January 2024

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Constitution, Europe, External Affairs and Culture Committee

18 January 2024

Budget scrutiny 2024-25

Introduction

As with previous years, the Committee has focused its work on the budget on culture and the historic environment.

The Committee published its report on its pre-budget scrutiny on 7 November 2023. The themes the Committee has explored in the pre-budget been similar to the work of the Committee on funding of culture since the start of the session. In some ways the pressures have changed – recovery from the pandemic was more pressing in 2021 and high inflation has been a significant issue in the past 18 months or so.

The Scottish Budget was published on 19 December 2023. In addition, the latest results from the results of the 2022 Scottish Household Survey (“SHS”) was published on 12 December 2023 and this includes some key indicators for the culture and heritage sectors.

Last week, the Committee undertook a round table session with stakeholders and then heard from Creative Scotland. The first half of this paper sets out details from the budget. The second half focuses on the Committee’s prebudget report, the government’s response and discussions from last week’s meeting.

There are two annexes to this paper. Annexe A explores data from the Scottish Household Survey around engagement with culture. Annexe B sets out the budget for External Affairs.

This paper uses HMT GDP deflators to calculate real terms.

Budget 2024-25

The Scottish Government Published its Budget on 19 December 2023. The tables and charts below set out the settlement compared to the budget last year. Longer term trends can be found in a [SPICe blog published in June 2023](#).

Members will be aware that the Scottish Budget is presented in 'levels'. Level 1 is the Cabinet Secretaries' portfolios – Level 4 is the lowest level of detail presented by the Scottish Government.

This paper will look at two areas of Level 2 Spend – Historic Environment Scotland and Culture. National Records of Scotland and some aspects of Culture are not covered here. The External Affairs budget is explored in Annexe B of this paper. In 2024-25, Major Events has been removed from this Cabinet Secretary's portfolio.

Historic Environment Scotland

The budget for Historic Environment Scotland ("HES") is presented with revenue and capital spend and an estimate of the income HES is expected to generate.

Historic Environment Scotland

	£m		
	2022-23	2023-24	2024-25
<i>HES-Running Costs</i>	93.9	110.5	124.7
<i>Less Income</i>	(33.3)	(50.8)	(63.5)
Historic Environment Scotland (Resource Grant)	60.6	59.7	61.2
HES Direct Capital	6.5	9.0	8.0

The planned resource grant for HES is increasing by around £1.5m year on year. At the same time the expected income has increased which would increase HES' available resource compared to 2023-24 by around 13% in cash terms and 11% in real terms. The expected income in 2024-25 is similar to the modelled income in the budget for 2020-21. That is, it is expected to return to pre-pandemic levels.

Within the increased running costs identified in the budget the Government says a "5% efficiency saving has been applied, the impact of this should be mitigated through flexibilities provided inline with Public Service Reform." The Government has not yet published its public sector pay policy and how this will interact with the expected savings is unclear.

During the Committee's recent short inquiry on HES. the committee heard that it is looking for some flexibility in its operating model. The Committee's letter to the Scottish Government following that inquiry noted—

"HES told the Committee that if it was to "push the boat out on commercial activities", it would "want to be able to retain that income and reinvest it in the historic environment". However, the Minister explained that "the way in which HES is set up creates some challenges", given that "if it raises additional revenue, that has an impact on the grant that it gets from Government." She updated that HES would have "some flexibility" in its operating model from 2024-25."

Culture

The Culture level 2 line includes a range of areas of spend. The focus in this section is on: Creative Scotland and Other Arts; Cultural Collections; Culture and Major Events - Advice and Policy; and National Performing Companies. Not included here are the level 3 areas of: Royal and Ceremonial; and Architecture and Place.

Creative Scotland and Other Arts

Creative Scotland and Other Arts (Excluding Depreciation)

	£m		
	2022-23	2023-24	2024-25
Creative Scotland	32.1	32.3	32.0
Other Arts	36.5	31.3	43.0

The “Creative Scotland” line is described as “core funding for Creative Scotland which covers its operational costs and Regularly Funded Organisations.” Funding under this line has fallen by £300K. This reduction is explained as “a 5% efficiency saving on core staff costs for Creative Scotland has been taken as part of Public Sector Reform.” It is not clear what this saving will mean in terms of staffing. Iain Munro has reported that Creative Scotland was seeing an increase in demand and that the number of applications to funding that Creative Scotland is handling has grown by 50%.

Other Arts is generally for ring-fenced funding distributed through or used by Creative Scotland, but it also includes the monies intended to make up for “National Lottery Shortfall”. In addition Other Arts includes direct funding to organisations such as V&A Dundee that does not go through Creative Scotland. The Other Arts line has increased by £11.7m in cash terms. Members will note that the comparison here is budget to budget, so this does not include the £6.6m which interested the Committee during its the prebudget work.

The budget document stated that this budget will—

“increase funding for culture and heritage this year by £15.8 million, the first step on the route to investing at least £100 million more in arts and culture by 2028-29 – restoring £6.6m to Creative Scotland for their utilisation of reserves and providing a further £6.6 million to offset their shortfall in National Lottery funding. In addition, we are delivering a 3 per cent inflationary increase for our National Performing Companies and £0.8 million to sustain the V&A Dundee.” (p11)

Of these we would expect to see the offset of National Lottery funding and V&A funding to sit in Other Arts.

$$£6.6m + £6.6m + £0.8m = £14.0m$$

It is not clear how to square the narrative which states that there is a £14.0m increase with the published numbers which comes to a £11.7m increase in cash terms.

The £6.6m

In the 2018-19 budget 'Other arts' was increased substantially. In part this included £6.6m "to enable Creative Scotland to maintain its support for the Regular Funded programme in the light of significantly decreasing lottery income."¹

In the budget process last year, the Government initially indicated that it would remove this funding from Creative Scotland. SPICe sought clarification from the Scottish Government at the time and officials told SPICe—

"The lottery shortfall funding provided an additional £6.6m to Creative Scotland from the Other Arts budget each year for the past 5 years, in response to declining lottery income. The original commitment was for 3 years, so the commitment has been exceeded. We have provided Creative Scotland with over £33 million over 5 years to compensate for generally reduced lottery funding."

Lottery funding to Creative Scotland fell in 2016-17 and this did not increase again until 2019-20. Lottery funding has not returned to the levels of funding in 2014-15. In cash terms, the expected lottery income in the current financial year² is over £2m less than in 2014-15, but around £3.8m more than in 2018-19. Iain Munro explained to the Committee last week that while there is uncertainty in-year on the level of lottery funding, the working assumption of Creative Scotland is that the funding will be the same in 2024-25 as in 2023-24, ie around £32m.

During the final passage of the Budget Bill for 2023-24 earlier this year, the then Deputy First Minister announced that a planned reduction of £6.6 million in the funding of Creative Scotland would be reversed, leaving Creative Scotland with the same Scottish Government funding in 2023-24 as it had received in 2022-23. This was to be transferred in-year and therefore does not show up in the budget figures for 2023-24.

Members will be aware that the Government decided that it could not provide this funding to Creative Scotland due to wider financial pressures and in September, the board of Creative Scotland agreed to utilise £6.6m from its Lottery reserves to cover any shortfall.

The [Cabinet Secretary told the Committee](#) that "the commitment has been given with regard to the £6.6 million from this year, and it will be paid during the next financial year."

As noted above, this year's budget documents indicate that essentially two tranches of £6.6m will be provided to Creative Scotland in 2024-25. However, this money will

¹ Level 4 spreadsheet for the 2018-19 budget.

² Not including "project income" or "other income" which are estimated to be £300,000 each in the current year.

not be returned to Creative Scotland’s reserves. Iain Munro explained last week that Creative Scotland is not able to carry forward Grant in Aid funding across financial years. This reflects the position set out in [the framework document](#) which sets out the responsibilities of Creative Scotland and underpins the relationship between it and the Scottish Government. The substantial reserve that Creative Scotland has built up in recent years has been built using Lottery income.

Rules around public bodies’ reserves are complex and can be dependent on the nature or classification of the public body. For example, some issues may arise if the public body’s reserve is considered to be part of the Scottish Consolidated Fund and future funding from those reserves can impact on the Scottish Government spending limits³. Members will be aware that HES is exploring different operating models and one reason for that is to have greater freedom to carry reserves; this complexity may be relevant in considering any future model for HES.

Last week Iain Munro said that he expected to have discussions with the Government on how the second tranche of £6.6m would be used in 2024-25. He suggested that there are a range of options that this could potentially be used for—

- Alleviate pressures on organisations
- Support Individuals
- Developmental funding to support innovations
- Support other policy priorities, e.g. inclusion or child poverty

Mr Munro suggested that in future the £6.6m should be baselined into Creative Scotland’s core budgets.

Cultural Collections

Cultural Collections (Excluding depreciation)

	£m		
	2022-23	2023-24	2024-25
National Museums of Scotland (Resource)	23.8	26.1	27.0
NMS Capital	3.8	1.2	2.7
National Galleries of Scotland (Resource)	16.5	18.1	19.5
NGS Capital	5.6	2.8	4.2
National Library of Scotland (Resource)	15.4	16.1	16.8

³ See, for example, the [Explanatory Notes accompanying in the Public Services Reform \(Registers of Scotland\) Order 2020](#), para 18.

NLS Capital	2.3	2.8	5.4
Non National Museums (Resource)	3.4	3.6	3.6
Non National Museums (Capital)	0.3	1.0	0.3
Non National Libraries	0.7	0.7	0.7
Other Cultural Capital	9.1	5.4	1.1
Total of the lines above	80.7	77.7	81.2

The 2023-24 resource allocation for all the national collections is increasing in cash terms year-on-year. NMS increased by 3.4%, NGS increased by 7.6%, and NLS by 4.2%.

These increases are to support the public sector pay policy next year, albeit the pay policy has not been published. Again for each of these, the Government also says “a 5% efficiency saving that has been taken across all public bodies as part of Public Sector Reform.”

Culture and Major Events - Advice and Policy

Culture and Major Events - Advice and Policy

	£m		
	2022-23	2023-24	2024-25
Culture and Major Events - Advice and Policy	3.5	3.5	3.6

This line is described as being to “support operational delivery for Culture and Major Events teams.”

National Performing Companies

The five National Performing Companies are: Scottish Ballet, Scottish Opera, Royal Scottish National Orchestra, Scottish Chamber Orchestra and the National Theatre of Scotland.

The NPC budget line included national funding for these five companies and the International Touring Fund.

National Performing Companies

	£m		
	2022-23	2023-24	2024-25
National Performing Companies – Current	22.9	22.9	23.6

The 2024-25 budget represents an increase of 2.9% year on year in cash terms.

Outcomes

The National Performance Framework’s culture outcome is:

We are creative and our vibrant and diverse cultures are expressed and enjoyed widely

There are currently four national indicators under this outcome. These are:

- Attendance at cultural events or places of culture
- Participation in a cultural activity
- Growth in the Arts, Culture and Creative Economy
- People Working in Arts, Culture and Creative Industries

Scottish Household Survey

The first and second of those indicators are based on data collected in the Scottish Household Survey.

The key findings of the 2022 [SHS were published on 12 December 2023](#). The SHS stated—

“2022 data shows that 88% of adults had been culturally engaged in the last year, either by attending a cultural event or place of culture or participating in a cultural activity. This figure has decreased from 90% in 2019. ...

“In 2022, 74% of adults had attended a cultural event or place of culture (a decrease from 81% in 2019). When excluding cinema, the most common cultural event to attend, 65% of adults had attended a cultural event or place of culture in the last year. This has decreased from 74% in 2019.”

More details on the findings from the recent SHS are set out in Annexe A to this paper. Among other things, this sets out data on who attends cultural events and participates in culture. A key finding is that there is a relationship between deprivation and attendance and participation – on average people who are less deprived are more likely to be engaged in culture.

Economy and the workforce

The NPF reports that the economic contribution of the Arts, Culture and Creative sector was estimated at £4,445 million in 2020, which was a decrease of £79 million (-1.8%) in real terms compared to 2019. The NPF states—

“Over the longer term, approximate GVA in the Arts, Culture and Creative sector has increased by £1,049m (31%) in real terms since 2010. The increase since 2010 has primarily been driven by the Digital Industries sub-sector.”

In 2022, employment in Scotland’s arts, culture and creative industries sector was around 155,000, which had reduced by 10,000 (5.9%) compared to 2021. The NPF explained—

“The decrease over the latest year was driven by a fall in jobs in the Heritage and Digital Industries sub-sectors.”

Committee report and the Government’s response

The Committee’s pre budget report was published on [7 November 2023](#).

This report was in three substantive sections. These were:

- The current operating environment
- Progress on innovative funding solutions; and
- The future of the culture sector.

The Government’s response to the Committee was [issued on 19 December](#). The same day, the Scottish Government published a [refreshed action plan](#) to deliver the ambitions of the Culture Strategy.

This section will highlight the findings and recommendations of the Committee under these headings along with the Government’s response.

The current operating environment

Committee Report

The Committee noted that the culture and creative sectors continue to be under financial strain. The Committee also noted that the Scottish Government faces a challenging financial position.

The Committee stated—

“It is clear from our cumulative scrutiny that the risks facing the sector have increased in severity in recent years, while the confidence of the sector has become negatively impacted as it becomes increasingly fragile. We acknowledge the warnings of Creative Scotland that, even with standstill funding, “we will see the decline of the sector in the months and years ahead unless the resourcing equation changes”.”

The Committee’s report explored some the impacts that are being felt by the sector, including reduced service levels and organisations’ reserves being drawn down. The Committee also noted that cultural organisations are continuing to achieve success despite these challenges.

The Committee discussed the reversal of a promised re-instatement of a £6.6m cut set out in the 2023-24 budget and the Committee noted that the First Minister announced an increase in funding for culture at the SNP conference.

Government Response

The Cabinet Secretary’s letter stated-

“Specifically on the budget, which I know has been the focus of the Committee, the Scottish Government will increase funding for Scotland’s culture sector by £15.8m in 2024-2025, as a first step on the path to increasing the funding for the sector by £100m in 5 years. This includes a 3% inflationary increase for our National Performing Companies and an additional £800,000 to sustain the V&A Dundee. In light of a very tough financial settlement, supporting and protecting the Scottish culture sector in this way shows the Government’s confidence in it.”

He also said that “in 2024-2025 the Scottish Government will reimburse Creative Scotland this £6.6m and go further by providing an additional £6.6m”.

Evidence from last week

The panel last week welcomed the increase in culture funding in 2024-25 and the prospect of further increases in subsequent years.

Nonetheless the panel said that the financial pressures are still present and are challenging. Sam Dunkley from the Musicians Union said that the budget settlement “not as bad as it could have been, but not as good as we hoped” in the context of a longer-term squeeze in public subsidy. Some panel members said that their organisations were scaling back output which reflected the evidence the committee heard in its pre-budget work.

Iain Munro said that Creative Scotland has observed the loss of the sector’s earned income, philanthropic giving, and local government funding. This, he said, has led to greater demand for Creative Scotland funding to try to make up for these losses. Mr Munro described the sector as fragile.

The panel last week asked for clarity on how the proposed £100m increase in future years will be profiled. Anne Lyden from NGS said that there should be work undertaken now on how that can be shared across the sector for best effect.

Iain Munro said that Creative Scotland does not yet know how the expected additional £25m of funding in 2025-26 will be distributed. He said that the earlier those details are available the better Creative Scotland would be able to use any additional resource in, for example, the regularly funded organisations.

There was some confusion around the expected level of future funding. Panel members thought this was a total of £100m over several years, but Iain Munro's understanding is that the total annual budget will increase up to £100m above current levels by the end of the period.

Progress on innovative funding solutions

The Committee explored three areas. These were—

- Multi-year funding;
- Cross-portfolio funding; and
- Additional public and private investment

Multi-year funding

Committee Report

The Committee said that multi-year funding is a “crucial component in providing the culture sector with a longer-term view of how it will be supported, and therefore greater confidence for the future of the sector”.

The Committee expressed concern that “there has been limited progress to date on the Scottish Government’s 2021 Programme for Government commitment to “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””.

The Committee noted that the [Medium Term Financial Strategy](#) published in May 2023 referenced multiyear funding. The MTFS said—

“Adopting a multi-year outlook is key to achieving fiscal sustainability. We will publish refreshed multi-year spending envelopes for both resource and capital alongside the 2024-25 Budget, and extend the Capital Spending Review and Infrastructure Investment Plan period by one year, taking these to 2026-27. This will ensure spending is aligned to the three missions for this Parliament and that it takes account of the fiscal and economic reality at the time.” (p7)

The Committee that these “refreshed multi-year spending envelopes” should be set out at greater detail than the 2022 Resource Spending Review. The Committee implied that doing so would provide cultural organisations funded directly by the

Scottish Government with greater certainty for future planning. However, the Government has not published updates to the spending reviews alongside the budget.

Government Response

The Cabinet Secretary's response to the Committee stated—

“I continue to recognise the need for organisations to have some sense of the planning horizon. The outlook, following the recent Autumn Statement by the UK Government, is even more challenging for the later years of the Resource Spending Review period. Nevertheless, I know that multiyear figures would help the sector to plan ahead.”

Evidence from last week

Members of the panel reiterated the sector's desire that progress on multi-year funding should be made. Simon Hunt from Scottish Opera explained that late budget allocations had led to fewer touring performances in smaller venues in communities across Scotland than would have been possible had the budget been known earlier.

Cross-portfolio funding

Committee Report

The Committee commented that it “has heard some individual examples of where budgets outwith the culture portfolio are supporting cultural activities, however respondents were also clear that overall progress towards implementing a whole-system approach with cross-portfolio funding for culture has been limited.”

The Committee expressed concern at an apparent lack of progress in “mainstreaming culture across portfolios and developing cross-portfolio funding for culture.” The Committee said—

“There is a need for much greater urgency from the Scottish Government to make substantive progress towards cross-portfolio funding for culture. We agree with stakeholders who suggested that we need to see an “active pathway” towards this, and we strongly urge the Scottish Government to set out detailed plans for the steps it will take to achieve tangible year-on-year progress on cross-portfolio funding models when it publishes its refreshed Culture Strategy Action Plan later this year.”

The Committee's reports this session have referenced the 2011 Christie Report. One of [the principles of the Christie report](#) was—

“Public service providers must be required to work much more closely in partnership, to **integrate service provision** and thus improve the outcomes they achieve.”

The Christie Commission stated—

“A key objective of public service reform should be to ensure that public services are enabled and incentivised to work together effectively to achieve outcomes. Specifically, they should deliver integrated services helping to secure improvements in the quality of life, and the social and economic wellbeing, of Scotland's people and communities.”

Government Response

The Cabinet Secretary's letter stated—

“I have been actively engaging across government to mainstream culture in policy making, prioritising health and education in the first instance. The positive impacts that Culture has on the nation's health and wellbeing cannot be overstated. By recognising the transformational power of culture and the value of the contribution it makes to achieving key policy outcomes the Scottish Government will deliver significant benefits for the people of Scotland.”

More details on the Government's plans in this respect are set out in the refreshed Culture Strategy Action Plan.

A key action was to, jointly with COSLA, arrange a “Cultural Value Summit, which we expect to take place in 2024 [which] will explore ways of mainstreaming culture alongside fostering creative thinking, closer collaboration and problem solving in line with the sector's priorities, while still considering the challenging financial landscape.” Following the “summit”, the Government will publish a “Culture Partnership Agreement, which will align with the Verity House Agreement principles and will seek to further set out ways of working together around our joint ambition to highlight the intrinsic value of culture and its ability to deliver beneficial outcomes across Scotland's communities.”

The chapter of the action plan titled *Transforming through Culture* is focused on the instrumental value of culture – how culture can contribute to other outcomes aside from the intrinsic value of culture. This included a commitment to “engage across government to mainstream culture in policy making, prioritising health and education in the first instance”. The action plan said the Government will “formalise cross-government connections between Culture and Health officials via our recently established Scottish Government Culture and Health working group.” It also said that the Government has established a new Culture and Creativity in Learning Group which “aims to co-ordinate the Scottish Government's links between education, culture and relevant stakeholders, involving the voices of both young people and practitioners.”

Additional public and private investment

Committee Report

The Committee noted that the Programme for Government 2021-22 stated that the Scottish Government would “begin work on establishing a ‘Percentage for the Arts’ scheme to require that a small percentage of spending on all new public buildings and spaces is channelled into support for culture and community art commissions.”

The Committee expressed concern that “there has been no indication of progress made by the Scottish Government” on the Percentage for the Arts scheme. The Committee called for “the Scottish Government to provide a substantive update on its progress towards developing the scheme, with a clear indication of timescales for development and implementation within this parliamentary session.”

The Visitor Levy (Scotland) Bill is currently being considered by Parliament. The Committee commented that it will be important that local cultural bodies are represented when decisions on how any revenue for a visitor levy is to be used.

The Committee also explored the levels of private investment. It said that there is an important role for “private investment in providing additional resource for the culture sector, however we also note the views of witnesses that public funding supported by a long-term strategic approach is an important underpinning to be able to leverage this investment from donors and sponsors”.

The Committee looked specifically at the Culture and Business Scotland Fund. It said that this fund “which utilises public funding to leverage private investment in culture, has an important role to play in the Scottish Government’s response to the challenges facing the culture sector, by maximising the impact of limited resources.”

Government Response

In terms of the Percentage of the Arts scheme, the Cabinet Secretary said the Government would “prioritise scoping potential delivery options, in 2024-2025 taking account of analytical, regulatory and legislative considerations”.

In relation to any future visitor levy, the Cabinet Secretary said that it would be up to local authorities to engage with local stakeholders before deciding how to spend any additional revenue.

The Cabinet Secretary said that the Culture and Business Scotland Fund would be increased to £200,000 in 2024-25. This is up from £150,000 in 2023-24 and returns the funding to the 2022-23 funding level.

The first action in the refreshed action plan is to “ensure effective ongoing engagement with the sector and maximise impact of existing public sector support.” It explained further—

“To maximise benefits for the sector and ensure that we are aware of, and can respond to, current and emerging issues for the sector, we are reviewing our strategic engagement with the sector going forward in a way that is agile and ensures the many voices working across the sector are heard and understood.”

The action plan said that the Scottish Government would continue to lobby the UK Government to maintain certain tax reliefs.

Evidence from last week

The panel argued that core public subsidy allowed organisations to leverage additional funding streams. Leonie Bell from the V&A set out how her organisation has had to be entrepreneurial and has built connections locally.

The panel argues that leaders of organisations require some security to allow space and time to be innovative and create greater value. The panel said their time was taken up by the significant financial pressures.

Simon Hunt from Scottish Opera highlighted the importance of the UK Government's tax reliefs. Francesca Hegyi from the EIF said that this funding is "keeping the sector afloat".

Last week, the Committee's briefing noted a [2022 report by the OECD, The Culture Fix, on the Cultural and creative sectors and industries](#). The OECD noted that public funding (as a percentage of total spend) across the OECD was on an upward trend up to the 2008 financial crash but has decreased since then. It continued—

"The role of public finance is shifting from direct support to intermediation and strategically channelling private investment. Public support to CCS [the creative and cultural sectors] could be in the form of direct support through grants, indirect funding through tax reliefs, leveraging private finance, for instance through public loan guarantees, or matching funds to leverage private investments. Governments are gradually transforming their participation in the financial ecosystem of CCS from direct supporters to intermediaries, leveraging private investment and promoting transversal resources for companies in particular stages.

"Partnerships and alliances are at the core of the emergence of new financial ecosystems for culture. Public-private, public-public and public-civic partnerships are increasingly found in many cultural interventions. Since creative and cultural ecosystems include a multiplicity of stakeholders, partnerships between local governments, creatives, and other major contributors are key to enabling a thriving cultural and creative ecosystem, aligning mutual interests and priorities."

The future of the culture sector

Committee Report

The Committee acknowledged "the views of stakeholders in their evidence to the Committee that there is a misalignment between the Scottish Government's ambitions for the sector set out in its culture strategy and the funding it provides to support the sector, and that there has not been a clear sense of how the culture strategy informs budgetary decisions."

The Committee said that the Culture Strategy Action Plan should include a "clear and strategic sense of how the Scottish Government is working to ensure a more sustainable future for the sector".

Government Response

The Cabinet Secretary's letter stated—

"The committee is absolutely correct to highlight that new thinking is required about funding of culture and the arts. The Scottish Government is looking with

great seriousness at the potential for additional and parallel funding streams, including examining approaches of comparable countries.”

The Cabinet Secretary noted the refreshed culture strategy action plan and said that this has set out “how we will respond to [the challenges facing the culture sectors] in the short, medium and long term.”

Evidence from last week

Francesca Hegyi from the EIF said that the Action Plan does not yet set out a clear route to meet the ambitions of the sector and the Government for the sector. She argued that the Government’s strategy should explain what should be done given the limited resource available and if there is contraction, what this should be. Leonie Bell from the bV&A said that the focus of the strategy should be around how future expected increased funding will contribute to the desired outcomes.

Leonie Bell also suggested that the outputs of the sector should be more focused to the desires of the audiences, rather than necessarily doing more.

Ned Sharratt, Senior Researcher (Education and Culture) SPICe

December 2023

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.

The Scottish Parliament, Edinburgh, EH99 1SP www.parliament.scot

Annexe A – Scottish Household Survey

The key findings of the [SHS were published on 12 December 2023](#).

Attendance at cultural events or places of culture

The SHS found a reduction in the attendance at cultural events or places of culture between 2022 and prior to the pandemic in 2019. It found—

“In 2022, 74% of adults had attended a cultural event or place of culture (a decrease from 81% in 2019). When excluding cinema, the most common cultural event to attend, 65% of adults had attended a cultural event or place of culture in the last year. This has decreased from 74% in 2019.

The table below shows the percentage of adults that attended certain types of cultural venue or event in 2022.

Attendance at cultural events and visiting places of culture in the last 12 months (percentage of adults)

	2022
Cinema	49%
Library (including mobile and online)	17%
Live music event - e.g. traditional music, rock concert	32%
Theatre - e.g. pantomime / musical / play	24%
Dance show / event - e.g. ballet	6%
Historic place - e.g. castle, stately home etc.	29%
Museum	26%
Art gallery	18%
Exhibition	12%
Street arts	10%
Culturally specific festival (e.g. Mela /Feis/ local Gala days)	5%
Book festival	3%
Archive or records office	1%
Streaming of a live performance	8%
Classical music performance	5%
Opera	2%
Classical music performance or opera	0%
Comedy performance	10%
None	27%

Participation in cultural activities

In 2022, 75% of adults said that they had participated in a cultural activity, including reading, in the past 12 months. Excluding reading, 51% of adults had participated in a cultural activity. These figures are similar to the results in 2019.

The table below shows the percentage of adults that take part in different types of activities.

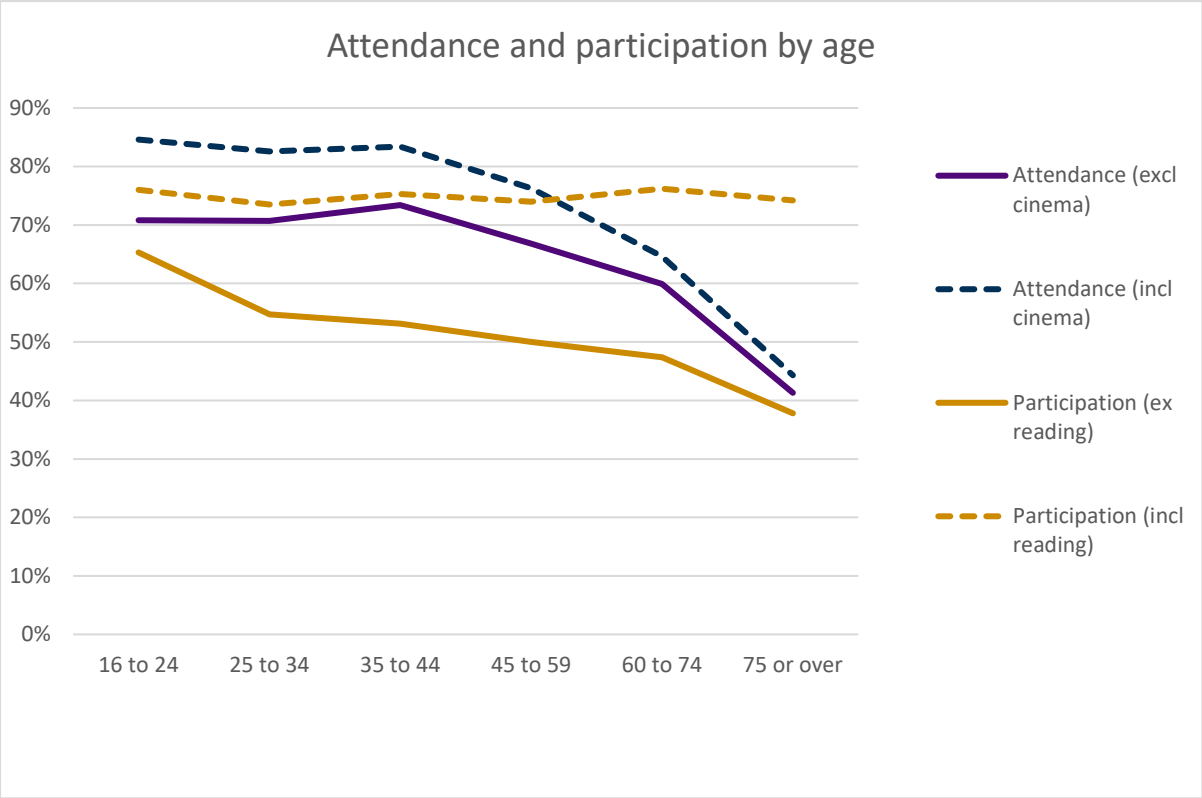
Participation in cultural activities in the last 12 months

Answer	2022
Read books, poetry or graphic novels / comics for pleasure	64%
Dance, either for fitness or not for fitness	12%
Played a musical instrument or written music	12%
Taken part in a theatrical performance such as a play, musical, comedy or variety performance	1%
Sang in a singing group or choir	3%
Painting, drawing, printmaking or sculpture	12%
Photography as an artistic activity	7%
Film/video-making as an artistic activity	2%
Used a computer to produce artwork or animation	6%
Crafts such as knitting, jewellery making, pottery, etc.	18%
Creative writing - stories, books, comics, plays or poetry	4%
Viewed performances (e.g. music or dance) online on a smartphone, computer, smart tv etc	20%
Viewed cultural content online (e.g. museum or heritage collections or artist's work)	8%
Shared art or creative content online that you have created yourself	3%
Other cultural activity	2%
None	25%
Any excluding reading	51%
Any including reading	75%

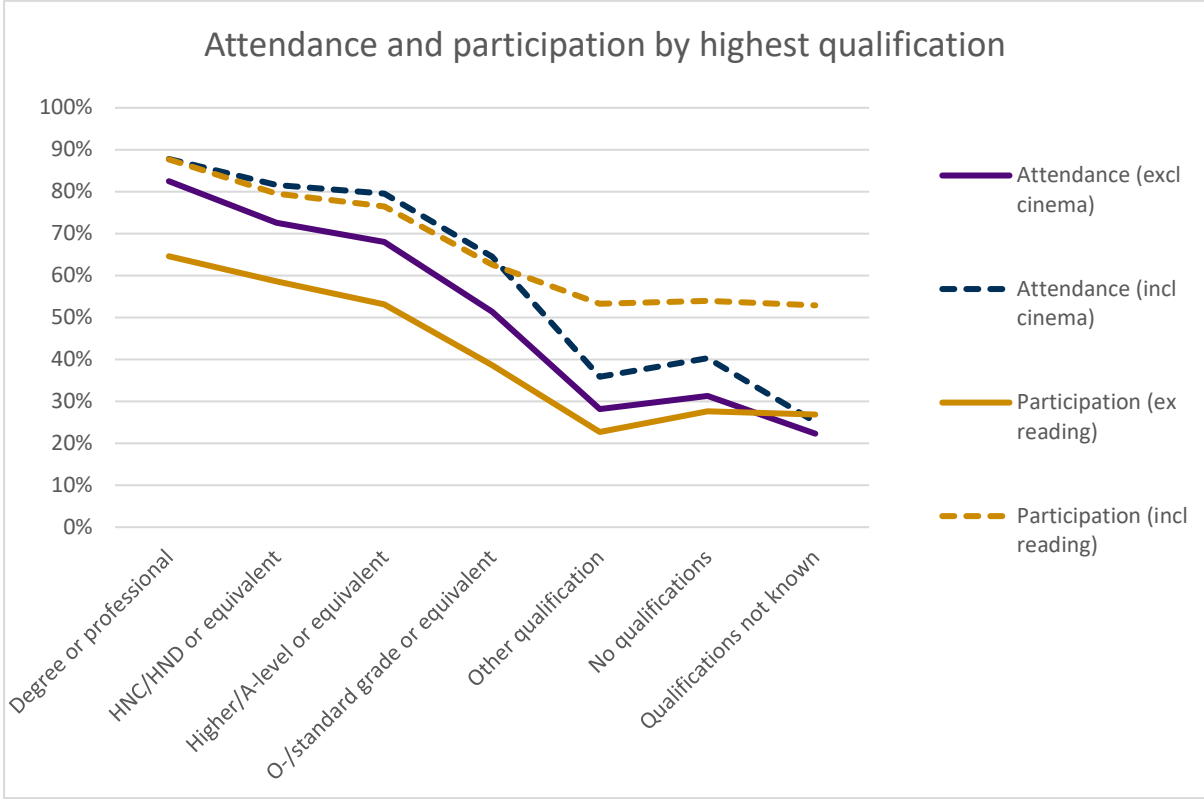
Who attends and participates in culture

The SHS provides detailed data on the percentage of adults who attend places of culture or participate in cultural activities of broken down by a number of characteristics. These include a number of the protected characteristics, level of education, income and SIMD, and location.

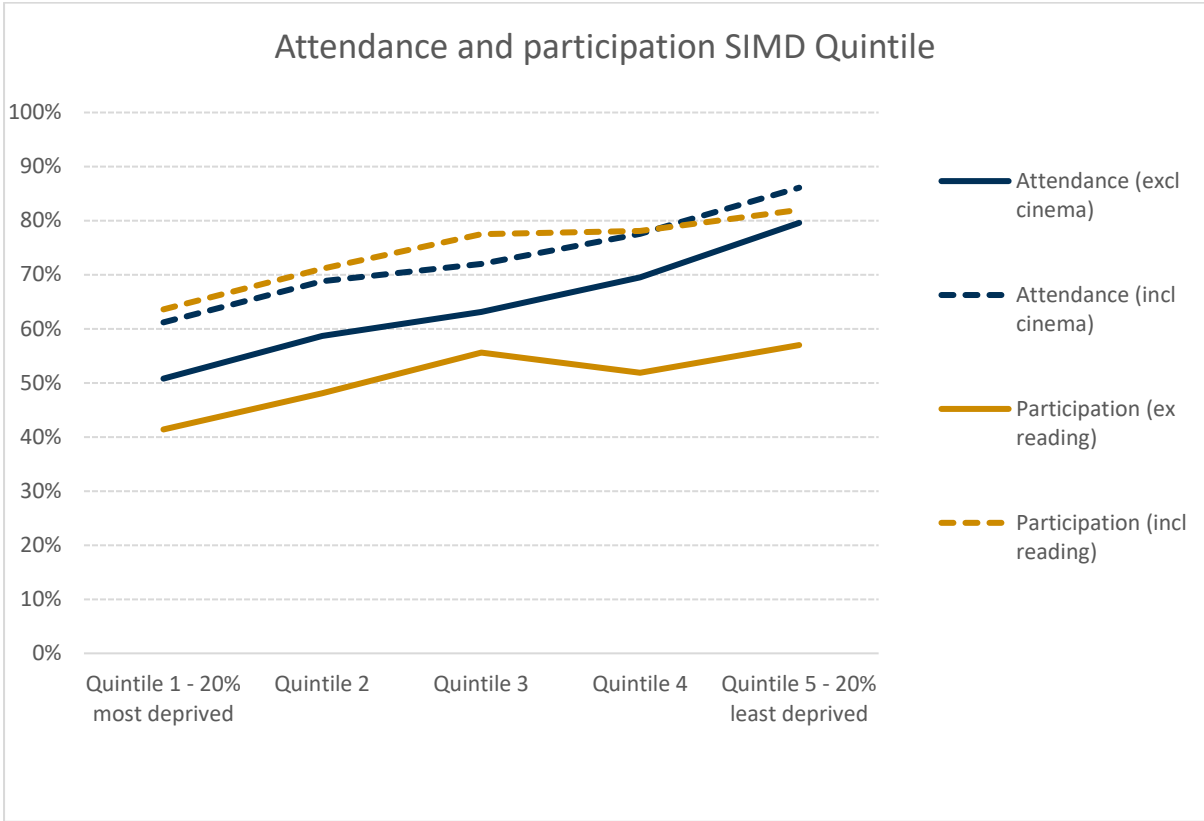
Age appears to be a factor in whether people in Scotland engage with culture. The chart below shows the attendance and participation of adults groups into age ranges. This indicates that from the 45–59 year-old age group onwards, attendance at heritage and cultural places and events reduces. In terms of participation, when you include reading, age does not appear to have an impact, however, excluding reading there is a relationship between how old a person is and how likely they are to participate in culture.

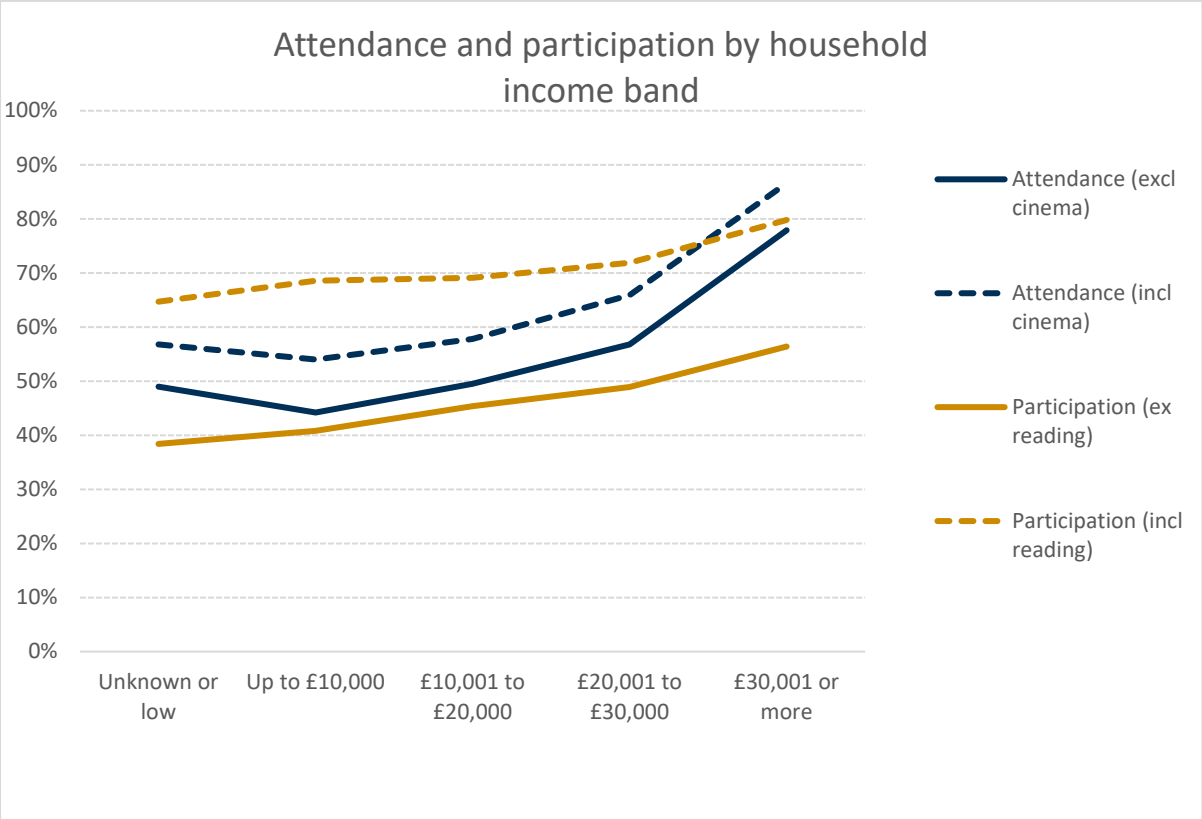


There appears to be a relationship between the highest level of qualification that an individual has and how likely an individual will attend or participate in cultural activities or attend cultural places or events. The chart below shows this, with the highest levels of qualification on the left side of the chart.

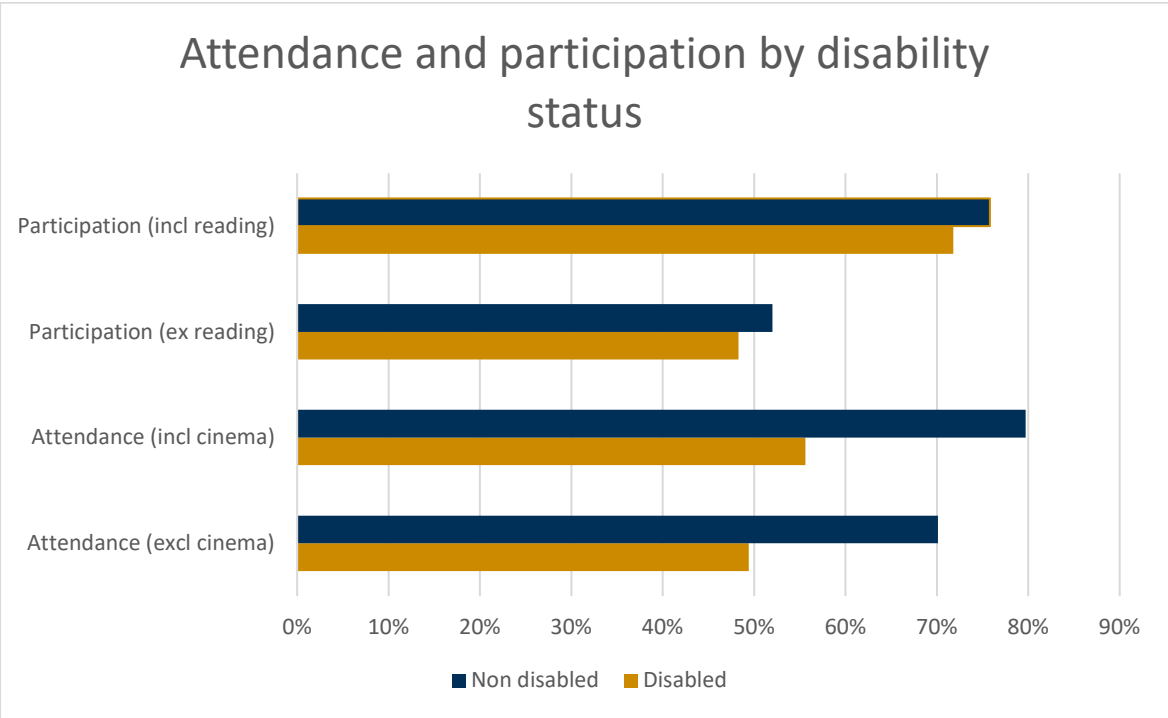


The following two charts set out the data by SIMD quintile and household income bands. The relationship between deprivation/income and cultural attendance/participation is clear.

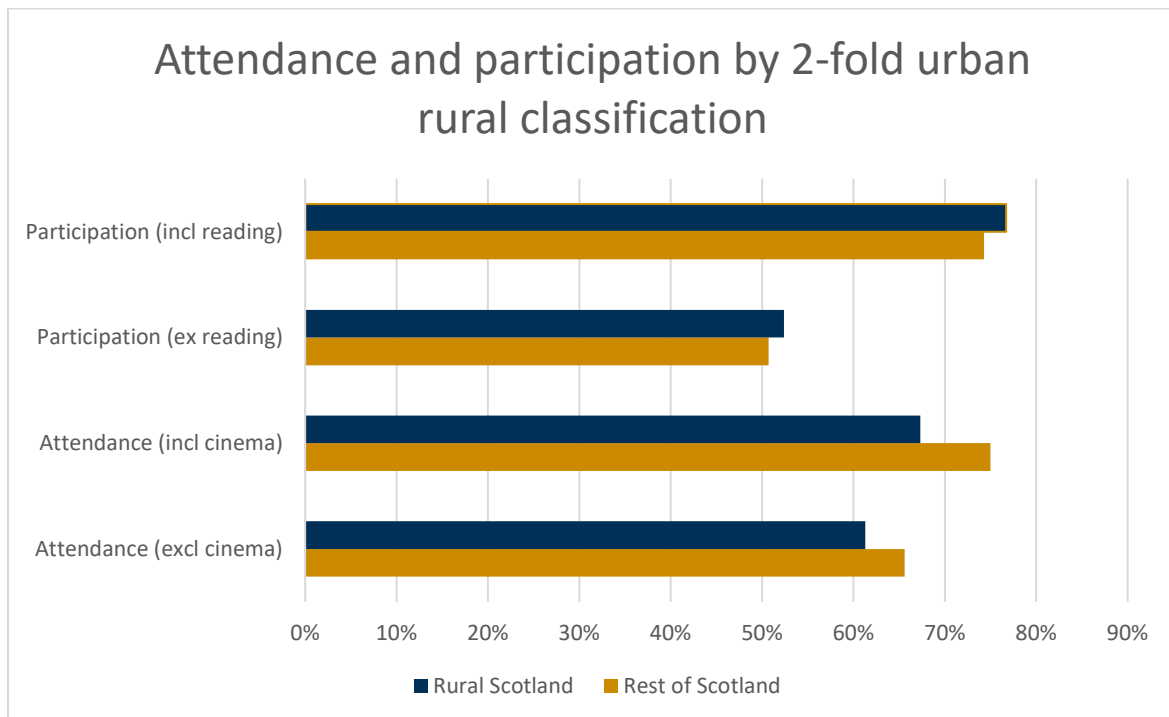




The SHS indicates that people who have a disability are a little less likely to participate in cultural activities than people without a disability. The difference is more marked in relation to attending cultural places or events.



The SHS presents data on a two-fold urban/rural classification, ie rural and not rural. The chart below shows that people in rural areas are a little more likely to participate in cultural activities, but a less likely to attend cultural places or events.



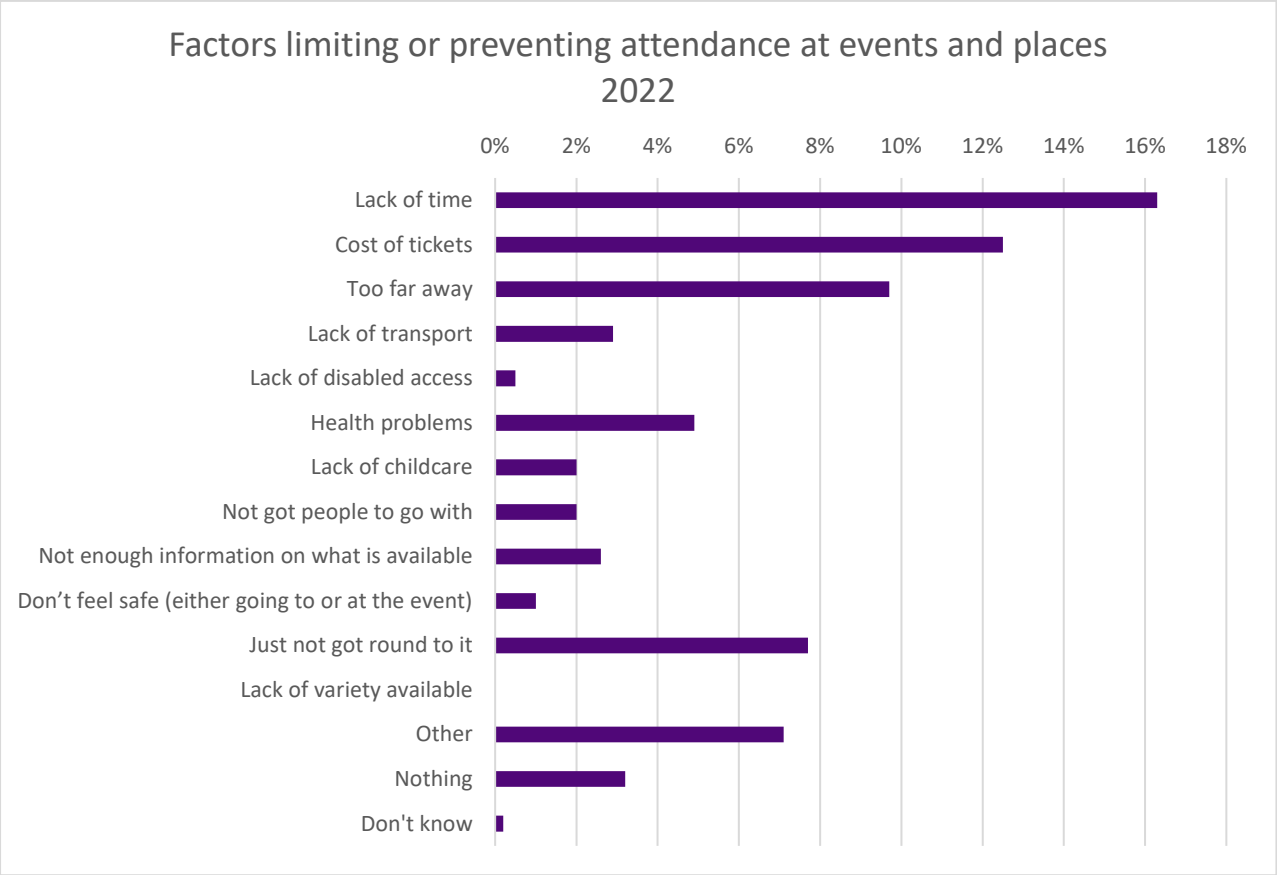
Demand

The SHS asks whether people would like to visit or participate more than they do currently in future.

52% of adults who attended one or more cultural event or place would like to do so more in the future. 22% said that they would like to attend live music events (e.g. traditional music, rock concert) more (or at all); 18% said that they would want to visit the cinema more (or at all); and 16% said that they would wish to visit the theatre (e.g. pantomime / musical / play) more (or at all). No other category of cultural events or places scored over 10%.

35% of those who had not attended cultural events in the past year would like to do so in the future. 16% said that would like to go to the cinema, 12% would like to go to a live music event (e.g. traditional music, rock concert) and 11% would like to go to the theatre (e.g. pantomime / musical / play).

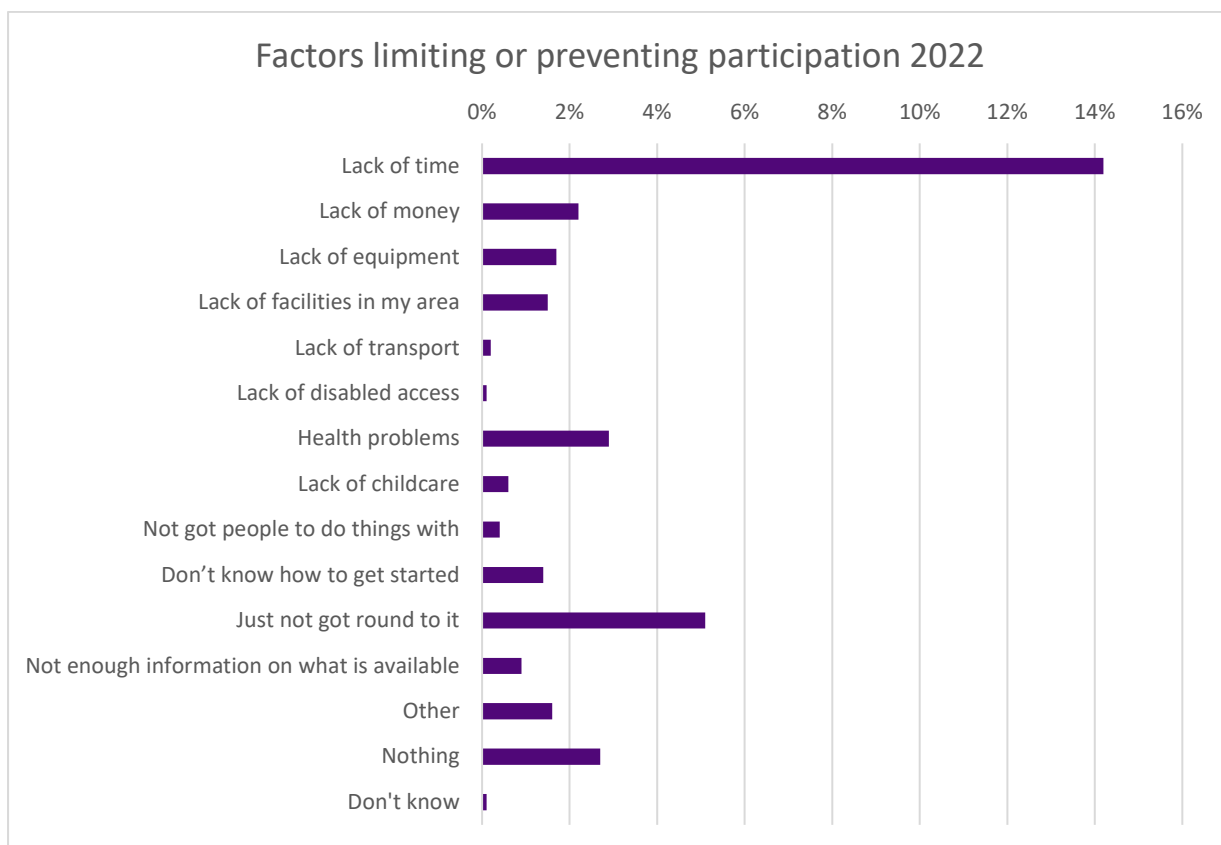
The chart below shows the factors which people identified as being barriers to attending cultural events or places. The percentages represent the proportion of respondents who identified those barriers to attendance.



Turning to participation, 31% of people who took part in some cultural activity said they would like to one or more activity in the future more often or at all. 11% of these people said that they would like to read more and 8% said they would like to craft more.

10% of people who said that they did not participate in a cultural activity said they would like to do so in the future.

The chart below shows the factors which people identified as being barriers to participating in cultural practices.



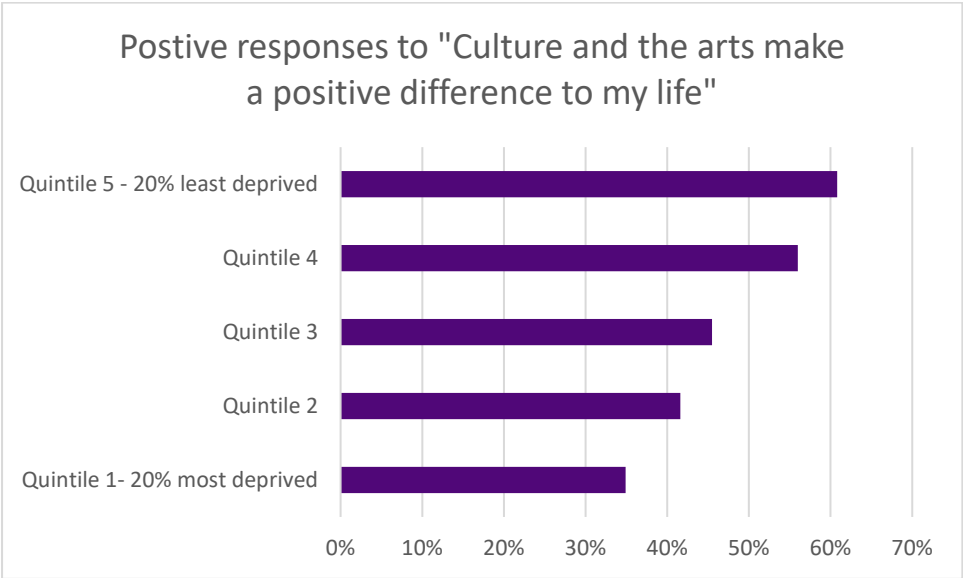
Views on Heritage and Culture and the Arts

SHS asks for views on how people value Heritage and Culture and the Arts. The table below sets out the responses.

Answer	Strongly agree	Tend to agree	Neither agree nor disagree	Tend to disagree	Strongly disagree	No opinion
Culture and the arts make a positive difference to my life	23%	25%	26%	14%	8%	4%
Culture and the arts are not really for me	10%	20%	20%	21%	26%	3%
Culture and the arts make a positive difference to my local community	20%	33%	26%	7%	3%	11%
There are enough opportunities to get involved in culture and the arts if I want to in my local area	14%	31%	25%	13%	5%	12%
It is important that Scotland's heritage is well looked after	58%	28%	9%	1%	0%	4%

The heritage of my local area is well looked after	35%	37%	15%	4%	2%	7%
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SHS data on the first question broken down by a range of personal characteristics. Generally, these data follow similar patterns to those explored in the section above, "Who attends and participates in culture". For example, the chart below shows the percentage of people how answered either "Strongly agree" or "Tend to agree" to the statement "Culture and the arts make a positive difference to my life" by SIMD quintile.



Annexe B – External Affairs

The 2023-24 Budget allocated £27.2 million for the External Affairs budget line. The draft budget for 2024-25 is £26.4 million. According to the Scottish Government's budget document, the External Affairs budget will support the following priorities:

- Delivery of the Scottish Government's global affairs network
- Ensure the Scottish Government's international work supports delivery of domestic policy and continues to project the values Scotland aims to espouse on the global stage.

Specifically, the [Scottish Government sets out how the external affairs budget](#) will support pursuit of its international policies:

“We remain committed to being a good global citizen and to playing our part in tackling global challenges, including climate change, poverty, injustice and inequality. Through our international work we support the National Strategy for Economic Transformation and the transition to Net Zero, highlighting the opportunities to build a hydrogen economy. Across our international and European relationships, we will continue our commitment to internationalisation, supported by the work of our international network of offices. We will continue to build our relationships, celebrate cultural, educational and ancestral connections, and exchange policy ideas to address shared challenges, ensuring Scotland remains a valued and well-connected nation.”

On the Scottish Government's European policies, the budget states:

“It allows us to provide the people of Scotland with further information on the opportunities of an independent Scotland within the EU in the Building a New Scotland series, and continue to demonstrate our commitment to EU values, and our alignment with EU policy priorities.”

As with the current year, the International and European Relations budget line is allocated all but £100,000 of the External Affairs budget. The British Irish Council Secretariat received the remaining £100,000 funding as it has in previous years.

There are 14 budget lines in the proposed International and European Relations budget. This is a fall of three from last year with the Migration Strategy line (worth just over £4 million in last year's draft budget) now moved to the Social Justice budget. The budget lines for International Development Administration (worth £0.2 million in 2023-24) and Humanitarian Aid (worth £1 million in 2023-24) have both been deleted with the International Development Fund budget line now also covering these aspects of funding. However, the International Development fund budget remains at £11.5 million for 2024-25 despite these new additional responsibilities being included within the budget. [According to the Scottish Government](#), this effective cut in the International Development Fund budget is a:

“temporary reduction to protect Scotland's culture and historic environment in the context of challenging economic conditions”.

The International and European Relations budget also includes budget lines for each of the Scottish Government’s nine international offices.

Details of the International and European Relations budget lines are provided below.

Level 4 Budget Line	2023-24 Budget £million	2024-25 Budget £million	% Change 2024-25 on 2023-24
External Affairs Advice and Policy (Scotland)	5.273	5.267	-0.1%
International Development Administration	0.177	-	-100.0%
Scottish Affairs Office China	0.380	0.383	0.8%
Scottish Affairs Office United States	0.610	0.627	2.8%
Scottish Affairs Office Canada	0.460	0.484	5.2%
International Development Fund	11.500	11.500	0.0%
International Relations	0.676	0.265	-60.8%
Humanitarian Aid	1.000	-	-100.0%
Brand Scotland Policy and Co-ordination	1.176	1.237	5.2%
European Strategy	0.245	0.190	-22.4%
Scottish Government Office Paris	0.515	0.499	-3.1%
Scottish Government Office Copenhagen	0.530	0.547	3.2%

Brussels Office	1.828	1.893	3.6%
Scotland House: London	1.804	2.472	37.0%
Scottish Government Office Dublin	0.422	0.460	9.0%
Scottish Government Office Berlin	0.455	0.459	0.9%
Total - International and European Relations	27.051	26.283	-2.8%

The Committee's engagement with the National Performance Framework

The [National Performance Framework](#) (NPF) is used by the Scottish Government to evaluate the outcomes of its policies. The current NPF has 11 National Outcomes. The most relevant National Outcome for the Europe and External Affairs elements of the committee's remit is:

- **International:** We are open, connected and make a positive contribution Internationally.

Beneath the National Outcomes are a number of [National Indicators](#) which are used to measure performance. In total there are 81 indicators. Under the International National Outcome there are 6 indicators:

- **A positive experience for people coming to live in Scotland** - intended to measure one important dimension of migrants' experiences in Scotland – a strong sense of belonging.
- **Scotland's Reputation** – intended to measure Scotland's reputation against 60 countries across the world on the Anholt-Ipsos Nation Brands IndexSM (NBISM)
- **Scotland's Population** - measures the number of council areas experiencing population decline.
- **Trust in public organisations** – no indicator has been developed
- **International networks** – no indicator has been developed
- **Contribution of development support to other nations** - a composite that measures Scotland's international development activities. It provides a

comprehensive depiction of how Scotland contributes to international development.

Of the 6 indicators, no detailed indicator to measure progress has been developed for two of them.

There is also an indicator related to international trade which is relevant to the Scottish Government's international policies:

- **International exporting** - measures the annual value of international exports (not including the rest of the UK or Oil and Gas exports) as published in Export Statistics Scotland.

The Committee is currently undertaking an inquiry into whether the current National Outcomes and Indicators aligned to the Scottish Government's international work are appropriate. The evidence session with the Cabinet Secretary on the Scottish Government budget may provide an opportunity to discuss how the National Performance Framework informs the decisions about budget allocation across the external affairs portfolio.

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