

Constitution, Europe, External Affairs and Culture Committee
Thursday 12 September 2024
19th Meeting, 2024 (Session 6)

Pre-Budget Scrutiny 2025-26

1. The Committee agreed to take a cumulative approach to budget scrutiny over Session 6, focusing on the culture spending portfolio. This inquiry follows on from the Committee's previous pre-budget scrutiny in advance of Budget [2022-23](#), [2023-24](#) and [2024-25](#).
2. The [call for views](#) on the inquiry was issued on 17 June 2024 and closed on 9 August 2024. It received [55 submissions](#).
3. At this meeting, the Committee will take evidence from—
 - Lucy Casot, Chief Executive, Museums Galleries Scotland
 - Susan Deighan, Chief Executive, Glasgow Life
 - Leonie Bell, Director, V&A Dundee
 - Anne Lyden, Director General, National Galleries of Scotland
4. The following papers are attached—
 - Annexe A: SPICe briefing
 - Annexe B: SPICE summary of written submissions
 - Annexe C: Written submissions to the call for views from this week's witnesses

Clerks to the Committee
September 2024

Annexe A: SPICe briefing



Introduction

The focus of the Committee's prebudget scrutiny will again be on the culture aspect of the Committee's remit. This follows on from the work the Committee has undertaken on previous budgets and the [resource spending review](#) published on 31 May 2022.

This paper is to brief the Committee for the pre-budget sessions of the Committee's work on the 2025-26 budget. Over the coming weeks, the Committee will be taking evidence from a number of stakeholders from across the culture sectors, including evidence from Creative Scotland on 19 September, as well as the Cabinet Secretary on 3 October.

There have been a number of recurring themes in the Committee's budget scrutiny this session. The Committee's intention is that this scrutiny is cumulative and the Committee will be well-placed to see the progress the Government is making over a number of years and to the end of the session.

With this in mind, this paper will first discuss several areas of background information in order to set the scene for the evidence sessions. A recap of the Committee's work on this area so far this session will then follow. An overview of the 2024-25 budget in the culture portfolio area is provided as Annexe A.

The [Committee's Call for Views](#) for the current pre-budget scrutiny is summarised in a separate paper.

The intention is that this paper, along with the summary of submissions will serve as Members' briefings for the panels on 12 and 19 September. Further briefings will be prepared in advance of the session with the Cabinet Secretary.

Background information

Programme for Government

On 4 September 2024 the First Minister announced [Programme for Government 2024-25: Serving Scotland](#). The Programme included a number of commitments relating to the culture sector. These were:

- “Review the way the culture sector is supported, including a review of Creative Scotland as part of our commitment to ensuring excellence in Scotland’s public services. This will also help to ensure the distribution of additional funding in the most effective way possible.
- Invite Scotland’s culture sector to join a partnership on Scottish festivals to focus on how best to support Scotland’s festivals and uphold their vital role within the sector.
- Maintain our commitment to increase funding for culture and the arts so that it is at least £100 million more a year by 2028-29.
- Work alongside key partners in all sectors to ensure all our upcoming events, such as the Orkney 2025 Island Games, deliver economic and social benefit to communities across Scotland.
- Support Screen Scotland to deliver on its Strategy to 2030, ensuring the screen sector can reach our goal of £1 billion Gross Value Added to the Scottish economy by 2030.
- Press the public service broadcasters to increase production from Scotland.
- Support local authorities to implement the Visitor Levy – helping enhance the tourist experience and benefit local communities and their economies.”

In [his statement](#), the First Minister also stated that:

“I am pleased to confirm to Parliament that the resources required to enable Creative Scotland to continue the work of the Open Fund are now available for them to distribute.”

More information regarding this issue can be found later in the briefing.

Scottish Government funding commitment

During the [statement introducing the 2024-25 Scottish Budget](#) on December 19 2023, the Cabinet Secretary for Finance Shona Robison confirmed the Scottish Government commitment of “investing at least £100 million more in the arts and culture by 2028-29.”

This followed an initial announcement of additional funding made at the [SNP party conference in October](#), and a number of references to this additional funding by the Cabinet Secretary for Constitution, External Affairs and Culture, Angus Robertson in the Chamber, the earliest of which took place in [an answer to a portfolio question on 25 October 2023](#).

The commitment to invest ‘at least £100 million’ was discussed by Angus Robertson in the [December 2023](#) letter to the Committee in response to their pre-budget scrutiny. He stated that:

“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... 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.”

In response to this, the Committee requested in their [January 2024](#) letter that the Cabinet Secretary “keep us informed of the further details of the increased culture funding by £100m.”

The Cabinet Secretary, in his response to the Committee’s letter in [February 2024](#), agreed to keep the Committee updated. He wrote that:

“I share your and the sector’s desire for long term clarity and confidence in relation to funding. As I said in my opening remarks the additional £15.8m in 2024/2025 will not rectify the years of standstill funding. However, this commitment to additional funding despite the challenging budget situation signals our confidence in the Scottish culture sector.

The £15.8m is intended to be followed by a further £25m in 2025/2026, with culture budgets £40.8m higher than now. The budget will increase cumulatively until it is £100m per annum higher by 2028/9.

This additional resource allows us to move beyond simply sustaining the sector, to developing it in innovative ways to support Scotland’s creative sector and its contribution to our own well-being economy and international reputation. My officials are undertaking initial work to identify priority areas and activities for future investment. I will keep you and the CEEAC updated on this work.”

Culture Strategy and Action Plan

The 2020 [Culture Strategy for Scotland](#) is organised around three “ambitions”. The ambition of *Strengthening Culture* is largely concerned with how policy can support the creation of culture through funding or in-kind support to the sector. The ambition of *Transforming through culture* is concerned largely with recognising the value culture can have to supporting outcomes in other policy areas – for example in supporting health, education, and tourism. The ambition of *Empowering Through Culture* addresses participation and supporting culture at community levels.

On 19 December 2023, the same day as the budget, the Scottish Government published a [refreshed action plan](#) for the culture strategy.

The refreshed Action Plan had been announced in May 2022 in answer to [PQ S6W-08257](#). In the intervening 18 months, the Scottish Government undertook: “roundtables on resilience”, “convened working groups”, workshopped a set of draft actions, and “met with Creative Scotland and their Sector Leads group in autumn 2023 to finalise the actions and ensure they were representative of what the sector needed”.

The action plan builds [on the actions in the 2020 strategy](#). It also reflects some of the [recommendations of the National Partnership for Culture](#) – a body that was set up to provide advice to Ministers on implementing the strategy.

The action plan is organised under four chapters and three of the chapters relate directly to the three ‘ambitions’ in the 2020 strategy: Strengthening Culture; Transforming through Culture; and Empowering through Culture. The Action plan also includes a chapter on ‘Resilience’ and a summary of actions. The actions are reproduced in Annexe B to this paper.

There are few firm timescales against any of these actions. The actions tend to point to more policy-making work being done, rather than outputs of this work. An example is that the Scottish Government has committed to “scope the creation of another Youth Arts Strategy”.

The Action Plan seldom sets out how the Government sees this work contributing to the culture strategy outcomes. Nor is there an evaluation set out along with the Action Plan; there is a reference to “broader reporting mechanisms on this Action Plan” but the Action Plan is silent on what these are.

On 20 June 2024 the Cabinet Secretary provided [an update on the action plan in a letter to the Committee](#). The letter sets out the work that the Scottish Government has undertaken to date under the four chapter headings. While most of the listed actions are described as the focus of ongoing discussions, engagement and preliminary work, the letter includes the following outputs:

- “A Culture Sector Fair Work Task Force has been established to provide recommendations on priority actions that Scottish Government and partners can take to further Fair Work across the culture sector.”
- Historic Environment Scotland has published the historic environment sector’s [refreshed Skills Investment Plan](#) (SIP).
- “The Scottish Government accepted the recommendations of the [Empire, Slavery and Scotland's Museums group](#) in early 2024. We are continuing work by supporting the original project group to establish an experience-led organisation to lead on this work going forward.”
- The Scottish Government published [Inspiring Connections: Scotland's International Culture Strategy 2024-30](#).
- The Scottish Government established a Culture and Health Working Group and Culture and Creativity in Learning Group.
- The Culture Value Summit, titled Connections and Partnerships: The Value of Culture in Communities, was run in partnership with the Convention Of Scottish Local Authorities (COSLA) and held at Verity House on 20 May 2024.
- The Scottish Library and Information Council have delivered the second round of the 2023/24 Scottish Government-funded Public Library Improvement Fund projects and are finalising arrangements for the 2024-25 PLIF programme.

- Creative Scotland, sportscotland and Community Leisure UK, working alongside research consultancy EKOS, have carried out research on local government delivery of and support for culture and leisure services in Scotland.

The Cabinet Secretary summarised the work undertaken on the Action plan thus far by stating that:

“The Scottish Government has achieved a significant amount in the first six months since publication of the refreshed Action Plan. Discussions with partners about where our collective priorities lie and how resources should be targeted across the sector in the next five years are underway and will undoubtedly result in the acceleration of some planned actions and, consequently, the deceleration of others to match available resource. The Scottish Government will provide a further high level progress report to the Committee at the end of the 2024-25 reporting year.”

Fair Work First

In December 2022 the Scottish Government published an updated [Fair Work action plan: becoming a leading Fair Work nation by 2025](#). Following this, in March 2023 they published [Fair Work First guidance](#). This guidance “is intended for those who are involved in awarding public sector grants, other funding and public contracts as well as those who receive funding through public sector grants, sponsorship arrangements with the Scottish Government and/or are involved in the delivery of contracts.”

Organisations such as Creative Scotland must follow Fair Work First when distributing Scottish Government funding to the culture sector. It is designed to encourage and support employers to adopt fair work practices within their organisation. The [criteria](#) includes:

- Payment of at least the real Living Wage
- Appropriate channels for effective workers' voice, such as trade union recognition
- Investment in workforce development
- No inappropriate use of zero-hours contracts
- Action to tackle the gender pay gap and create a more diverse and inclusive workplace
- Offer flexible and family friendly working practices for all workers from day one of employment
- Oppose the use of fire and rehire practice.

Creative Scotland published their [fair work funding criteria](#) setting out how those applying for their funds need to evidence their fair work practices as part of the application process.

Creative Scotland commissioned research on Fair Work in the creative and cultural sectors in Scotland and [a report was published in 2022](#). This found that around 70% of employers “showed a reasonable level of awareness of Fair Work within the sector”. Awareness among freelancers was lower. The report also said—

“On the whole, it was difficult to separate questions around implementation of Fair Work from funding. Employers in the sector have already been facing financial squeeze and instability over many years, and many wonder how they might be expected to fund and resource Fair Work on top of this. Several mentioned that implementing Fair Work must involve “doing less” or employing fewer people.”

Visitor Levy

In previous years the Committee has heard evidence from stakeholders hoping that the proposed visitor levy would enable cultural organisations to access an additional strand of funding.

The [Visitor Levy \(Scotland\) Act](#) was passed by the Scottish Parliament on 28 May 2024 and received Royal Assent on 5 July 2024. The Act gives local authorities the power to set up a visitor levy to be charged on overnight stays in some types of accommodation such as hotels, bed and breakfasts or holiday cottages. Each local authority can decide if it wants to introduce such a charge and what the level of the charge should be.

It is also up to local authorities to engage with local stakeholders before deciding how to spend any additional revenue generated by the levy.

The Act sets out an 18-month mandatory implementation period before a local authority can start charging the levy. There is a requirement for public consultation on the levy, including how the revenue is to be spent. As a result, it will be mid-2026 at the earliest before any visitor levies in Scotland come into effect.

The City of Edinburgh Council Policy and Sustainability Committee [debated a draft of their proposed Visitor Levy \(VL\) on 22 August 2024](#). (Page. 455) Their proposal is a 5% city charge on the cost of overnight accommodation up to a maximum stay of seven nights. It is suggested that the funds collected are distributed in the following manner:

“It is recommended that, following deduction of administration and contingency costs, a fixed annual amount is assigned to:

4.26.1 Housing and tourism mitigation (£5m annual capital debt repayment, providing approximately £70m of investment); and

4.26.2 Participatory budgeting (2% of total available funds).

4.27 The remaining funds will then be invested in three themes, aligned to the objectives of the scheme, and in reflection of stakeholders' priorities whilst ensuring that each theme receives an allocation large enough to make a significant impact:

4.27.1 City Operations and Infrastructure (50%);

4.27.2 Culture, Heritage and Events (35%); and

4.27.3 Destination and Visitor Management (15%).”

The suggested culture, heritage and events projects that may get funds through the scheme can be found from page 492 of the agenda.

The proposals [passed the Committee stage](#) and additional public consultation on the proposals is planned to start in the Autumn.

Creative Scotland's new funding model

In July 2023 Creative Scotland [opened registration for organisations](#) to note their 'Intention to Apply' for multi-year funding. They [announced on 17 August 2023](#) that more than 500 organisations had registered their Intention to Apply, with an indicative annual request in excess of £113m.

When Stage 1 of the application process closed in October 2023, 361 applications were received with a total ask of £96m per year. Once those applications were assessed, [285 organisations progressed to Stage 2 of the process](#), representing an annual ask of £87.4m. The Creative Scotland announcement indicates that:

“This remains a live and extremely competitive process, and not every Stage Two application is likely to be successful.”

The deadline for Stage 2 applications was Wednesday 24 April 2024. The final outcome from the application process [will be announced by the end of October 2024](#), with funding in place for successful organisations from Monday 1 April 2025.

The Creative Scotland website noted that:

“The Multi-Year Funding Programme offers funding for creative and cultural organisations - supporting core costs and their programmes of work for the initial period April 2025 - March 2028.

This fund replaces the Regular Funding for Organisations (RFO) funding programme. It will also replace elements of regular support provided through a number of other routes such as Open Funds and Targeted Funds at levels of £50k a year and higher.”

In the statement on the Programme for Government the First Minister announced that:

“A review of Creative Scotland will be undertaken to ensure the appropriate approach is in place to meet the needs of the sector.”

The document published at the same time as the statement provides a little more context, noting that the intention is to:

“Review the way the culture sector is supported, including a review of Creative Scotland as part of our commitment to ensuring excellence in Scotland’s public services. This will also help to ensure the distribution of additional funding in the most effective way possible.”

In a [letter sent to the Committee on 4 September](#), the Cabinet Secretary for Constitution, External Affairs and Culture provided the following information on the proposed review:

“The announcement to review CS is related to the need to ensure that the remit and functions of CS remain relevant given the body was established in 2010 and the ever changing cultural landscape. I believe that it is important to undertake a review of CS now as part of a review of how the culture sector is supported more broadly. Given the Scottish Government’s commitment to increasing culture funding by £100m by 2028/2029 the Scottish Government wants to ensure that the additional funding can be used to best support the culture sector.”

Closure of the Open Fund for Individuals

On 22 August 2024 Creative Scotland announced [the closure of the Open Fund for Individuals](#). The statement released by the organisation states:

“Creative Scotland has taken the difficult decision to close the Open Fund for Individuals to new applications due to the Scottish Government being unable to confirm release of £6.6m in Grant-in-Aid budget in the current financial year, 2024-25.

“The Fund will close to new applications from 2pm on Friday 30th August 2024.

“Creative Scotland planned to apply £3m of the £6.6m budget to support the Open Fund for Individuals in 2024-25, alongside £3m of National Lottery income.

“Without confirmation of release of this budget, Creative Scotland does not have enough funds available to support all the funding routes that we currently provide, as set out in our Annual Plan for 2024-25.

“If and when budget clarity becomes available from the Scottish Government, we will aim to reinstate direct funding support to individuals as soon as is possible.”

The Open Fund for Individuals is one of Creative Scotland’s key funding programmes, supporting a wide range of activity initiated by artists, writers, producers and other creative practitioners in Scotland. The £6m fund is designed to support creative activity such as specific projects, productions or periods of research

and development for up to 24 months. Full details about the Open Fund for Individuals and our other funds are available on [Creative Scotland's website](#).

It has been reported that the context of these in year cuts is the expected wider constraints being faced by the Scottish Government. [The Scottish Fiscal Commission](#) described the Government as putting in place “emergency spending controls” in August and the [BBC reported](#)—

“Ministers have been ordered to constrain all but essential spending to help pay for public sector pay deals and the government confirmed it would no longer be providing winter fuel payments to all pensioners, in line with the UK government.

“Finance Secretary Shona Robison said “difficult” choices would have to be made after Chancellor Rachel Reeves signalled cuts in the next UK budget.”

In response to the announcement, [the Scottish Artists Union released their own statement](#). They suggested that:

“Scotland will not have an arts and culture sector without the individual practices of artists, who make the artworks. This decision to stop support for freelance artists particularly affects artists from low income, marginalized and underrepresented backgrounds. It means that the only people who will be able to afford to develop the direction of their practices are those from privileged or wealthy backgrounds.”

The statement concludes by stating that the Scottish Artists Union and the STUC Creative Industries Trade Unions Group, were due to meet with a representative from Creative Scotland and Scottish Government officials on Thursday 22nd August to discuss the announcement.

An [open letter to John Swinney, Kate Forbes and Angus Robertson](#) has also been published listing the concerns of the sector regarding the closure of the Open Fund. It states that:

“The closure of this vital fund is nothing short of a crisis for the Scottish arts community and directly contravenes the government’s own Action Plan 2023, which states: “it is vital that all eligible organisations and practitioners have the opportunity to apply for support”.”

It had been signed by individuals from almost 100 cultural organisations.

In the Programme for Government the First Minister announced that resources to reopen the fund had been provided to Creative Scotland. He said that:

“I am pleased to confirm to Parliament that the resources required to enable Creative Scotland to continue the work of the Open Fund are now available for them to distribute.”

In a [news release](#) following the statement, the Scottish Government provided more detail. It confirmed, “following a period of necessary due diligence,” the release of

£1.8 million to Creative Scotland for youth music, and another £6.6 million, which includes £3 million towards its Open Fund and £1 million for Screen Scotland.

Creative Scotland [welcomed this funding](#). Iain Munro, CEO, Creative Scotland said:

“Creative Scotland notes the intention to [review the way the sector is supported](#), as announced by the First Minister in the [Programme for Government](#), and we look forward to hearing more details.

We welcome the continued commitment to provide an additional £100m in funding for Culture...

We also welcome today’s confirmation of £6.6m, originally committed to Creative Scotland by the Scottish Government at the start of this financial year, reinstating budget removed in the previous year... With the budget now confirmed, we will work to re-open this fund.”

High-level outcomes

The Scottish Government states that the [National Performance Framework](#) (NPF):

“describes our ambitions, providing a vision for national wellbeing across a range of economic, social and environmental factors”.

It sets out the “strategic outcomes which collectively describe the kind of Scotland in which people would like to live and guides the decisions and actions of national and local government”. There are currently 11 national outcomes, which are measured for progress against 81 national indicators, although [changes to this have been proposed](#).

One of the current national outcomes covers Culture. This says:

“We are creative and our vibrant and diverse cultures are expressed and enjoyed widely.”

There are [four indicators under this outcome](#). These 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.

The Culture outcome has not been revised as part of the current on-going review of National Outcomes. Evidence from the consultation process has, however, been reflected in the long description of the outcome.

Work is ongoing on a revised set of National Indicators. It is being led by Scotland’s Chief Statistician, and will be completed once a revised set of National Outcomes has been agreed with Parliament.

Other strategy documents

Across the culture sector there have been a number of strategic documents published that provide additional background information.

[Inspiring Connections: Scotland's International Culture Strategy](#) was published in March 2024. It aims to:

“support Scotland's culture and creative sector to be globally connected with the means and opportunities to achieve its international ambitions and potential, and contribute to Scotland’s cultural, social, economic and environmental wellbeing through its international work.”

It sets out the following outcomes for the period 2024-2030:

- An innovative, more sustainable and economically stronger culture and creative sector
- An internationally connected and diverse culture and creative sector that contributes positively to people and communities
- An enhanced international reputation for culture and creativity including Scotland’s response to global challenges

The strategy also sets out how the international strategy links to the National Performance Framework indicators.

[Screen Scotland's Strategy to 2030/31](#) was also published in March 2024. It commits to “backing emerging talent, production skills, film education, and the development of new audiences.” Key areas of focus include:

- Increasing the scale and ambition of film and tv content from Scotland
- Creating a sustainable centre of gravity for production from and in Scotland, with Scotland as a centre of global production
- Exciting and inspiring Scottish audiences of the future
- Every child in Scotland having the opportunity to learn about film and tv making.

[Scotland's Museums and Galleries Strategy 2023-2030](#) is the second strategy for Scotland’s museums and galleries. It sets out a vision that:

“Scotland’s museums and galleries are thriving, connected, and resilient organisations which are agile in embracing change. Trusted and valued by the widest diversity of Scotland’s people, our collections, and the shared stories we tell, are accessible and inclusive to all.”

It links to the Culture Strategy and to the National Outcomes and has themes that also link to the Strategy for Scotland's Historic Environment. The three challenges

that the strategy aims to address are the need to become more inclusive, the 'climate emergency' and the 'ongoing financial crises.' The strategy has three strands: connection, resilience, and workforce.

[Our Past, Our Future: The Strategy for Scotland's Historic Environment](#) is Scotland's national strategy for the historic environment for the period 2023-2028. This strategy adopts a 'mission-oriented approach'. It sets out three priorities before detailing the strands of work expected to take place to meet these challenges. The three priorities are: net zero, communities and places, and wellbeing economy. Some of the outcomes detailed under these priorities include:

- The historic environment is more climate resilient
- The historic environment is more diverse and inclusive
- The historic environment provides fair work

[Forward: Scotland's Public Library Strategy](#) covers the period 2021-2025. The strategy aligns with the Scottish Government's National Performance Framework and is underpinned by the three key themes of people, place, and partnership. The forward describes the strategy as:

“a bold new vision for libraries in Scotland. It builds on strong foundations and demonstrates that public libraries are the cornerstone of communities. The impact which public libraries will make as a result of this strategy will support community cohesion over the coming years, build capacity and promote wellbeing.”

Summary of work to date

Budget scrutiny

During Session 6, the Committee has already taken evidence on the [2022-23](#), [2023-24](#) and [2024-25](#) budgets. As decided by the Committee, these pieces of work have taken a cumulative approach to budget scrutiny over the Session, focusing primarily on the culture spending portfolio. Evidence was also taken on the [Scottish Government Resource Spending Review](#).

Budget Scrutiny 2022-23

The Committee's report on [Budget Scrutiny 2022-23: Funding for Culture](#) was published in November 2021 and it focussed on a number of topics, including:

- immediate funding priorities to ensure continued recovery from the impacts of Covid-19
- the need for multi-year funding
- a strategic approach to funding, including in relation to the National Outcomes

- mainstreaming culture across Scottish Government portfolios, especially in regard to health and wellbeing
- reforming funding mechanisms to ensure financial support to grassroots organisations.

In the [response to the report by the Scottish Government](#), the Cabinet Secretary, discussed a number of commitments that related to the findings of the Committee. These included the future of 3-year funding settlements to be made to organisations through Creative Scotland, funding for cultural recovery following the impacts of Covid-19, and a series of discussions within the Scottish Government related to mainstreaming culture and a cross-cutting approach to health and wellbeing.

Scottish Government Resource Spending Review

The Scottish Government's draft [Resource Spending Review Framework \(RSRF\)](#) was published in December 2021 and the Committee took evidence on it in early 2022. The Committee invited evidence from a selection of witnesses who either contributed to the pre-budget scrutiny or who might have experience of the mainstreaming of culture.

The Committee [submitted its report as a response](#) to the Scottish Government's public consultation on the RSRF in March 2022. The response focused on the idea of embedding culture across Scottish Government portfolios, and noted that:

“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.”

The Committee made recommendations for the way forward for embedding culture across government portfolios. These included:

- providing an indicator in the National Performance Framework recognising the positive impact of access to culture
- 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.”
- and that “consideration of a more systemic approach to multi-year funding of scalable culture projects supporting health and wellbeing” was needed.

The Scottish Government [responded in June 2022](#) and reiterated the Government's commitment to a preventative and outcomes-focused approach to fiscal policy. It stated that:

“We recognise the important role that the culture sector can play in health and wellbeing and will continue to provide funding to support these key areas.”

Budget Scrutiny 2023-24

The [Budget Scrutiny 2023-24: Funding for Culture](#) Committee report, published in October 2022, returned to very similar themes. It started by highlighting the concern that the sector was facing a “perfect storm” of long-term budget pressures, increased operating costs, reduced income generation and workforce issues following the experience of the COVID-19 pandemic and the subsequent cost of living concerns.

The report recommended that innovative solutions to the budgetary pressures faced by the sector are needed, before going into further detail about a series of potential solutions that the Committee had received evidence on. The solutions included in the report were:

- a percentage for the arts scheme, whereby a percentage of the overall cost of a construction project for new public buildings, places or spaces is spent on public art
- the Transient Visitor Levy
- continued funding for Culture and Business Fund Scotland

The report also made recommendations on the topics of mainstreaming culture across all policy areas and the need for multi-year funding in order to support this.

The Cabinet Secretary [responded to the report](#), providing an updated timeline for the publication of the Culture Strategy Action Plan refresh, as well as updates on the other recommendations made by the Committee in their report.

The Committee followed up the Cabinet Secretary’s response with [a letter in February 2023](#), raising additional areas of concern that had subsequently been highlighted to the Committee. This included the funding provided through Creative Scotland to regularly funded organisations (RFOs), the use of organisational reserves to support the day-to-day running of organisations and the difficulties faced by grassroots music venues.

The [response from the Cabinet Secretary received in March](#) discussed the concerns raised by the Committee and assured the Convener that:

“As I said during my evidence to your Committee I recognise that this is an incredibly worrying time for the culture sector. I am keen to continue to work with the sector to identify barriers to immediate and long-term recovery, and will continue to do everything within our powers and resources to help those most affected by current economic challenges.”

Budget Scrutiny 2024-25

The [Budget Scrutiny 2024-25: Funding for Culture](#) Committee report was published in November 2023. It again picked up on the themes of:

- the current operating environment;
- progress on innovative funding solutions; and

- the future of the sector.

There was also discussion of the changes to Creative Scotland's grant-in aid funding for 2023-24 and the impact of this on the organisation's reserves. The report stated that:

“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 report also discussed the progress that had been made on innovative funding solutions. This included a focus on multi-year funding, cross-portfolio funding through the mainstreaming of culture, and ideas for additional public and private investment. A percentage for the arts scheme, the Transient Visitor Levy and avenues for private investment were all considered. It concluded that:

“it has been clear that very limited progress has been made by the Scottish Government in recent years on implementing models such as cross-portfolio funding and multi-year funding. In our view, there is a need for much greater urgency and a clear pathway to make tangible progress on these innovative funding solutions.”

The final section of the report was focussed on the future of the culture sector. The Committee noted that:

“the Culture Strategy Action Plan should provide “a clear and strategic sense of how the Scottish Government is working to ensure a more sustainable future for the sector”. The Committee acknowledges 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.”

In his [response to the report sent in December 2023](#), the Cabinet Secretary picked up on these themes. He stated that:

“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.”

On the topic of multi-year funding, that has been discussed in each of the Committee's budget reports this session, he noted that:

“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.”

The Cabinet Secretary also highlighted another long-running theme of the Committees’ budget work when he asserted that: “I have been actively engaging across government to mainstream culture in policy making, prioritising health and education in the first instance.”

He also noted that a refreshed action plan for the culture strategy had been published, “setting out how we will respond to these challenges in the short, medium and long term.” Further details of the action plan are discussed later in this paper.

Culture in Communities inquiry

Last year the Committee heard evidence from a range of stakeholders as part of the [culture in communities inquiry](#). In this inquiry, the Committee did not set out to specifically explore funding. However, as funding is central to the work of many who work in the sector it was a theme of discussions in most of the sessions the Committee undertook.

The Committee heard about the difficulties organisations had in securing sufficient core funding, the need for creative work to be considered and funded separately from professional arts, and the fact that a small amount of money or access to a community venue could make a significant difference to many community and volunteer-led groups. The Committee were also told about the difficulties many groups faced when applying for funding streams, and how competitive many of these were.

The inquiry also heard evidence regarding the role of local authorities in funding community spaces and local cultural groups.

The Committee published its report on the [Challenges and Opportunities In Delivering A Place-Based Approach](#) on 14 September 2023.

Historic Environment Scotland

In December 2023 the Committee took evidence on the Historic Environment Scotland strategy: [Our Past, Our Future](#). Following the evidence sessions, the Committee [wrote to the Scottish Government](#) to share their findings. Mainstreaming was again a theme heard by the Committee, with the letter noting:

“that there was a need to ‘mainstream’ the strategy beyond the historic environment sector, and that the priorities reflected how the sector is delivering against wider government outcomes.”

The need to make difficult decisions given limited financial resources was also discussed in the letter, along with concerns raised by stakeholders that it wasn’t yet clear how HES intended to make these decisions in relation to its historic assets. Income generation was also a topic in the evidence, with the letter stating:

“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.”

In the response written by the [Scottish Government in February 2024](#), the new Minister, Kaukab Stewart, agreed that:

“The rich and informative evidence you have gathered aligns well with the discussions my predecessor was having with sector representatives and will inform my future meetings with stakeholders and help shape our thinking going forward. There are undoubtedly challenges to the delivery of the strategy but there are clear opportunities as well.”

The letter details several ways that income generation activities are being identified by HES, “with the ultimate goal of preserving cultural heritage while generating sustainable revenue.”

**Laura Haley, Researcher, & Ned Sharratt, Senior Researcher, SPICe
5 September 2024**

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: Budget

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. 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

* 'Historic Environment Scotland (Resource Grant)' is the sum of 'HES Running Costs' – 'Less Income'. It represents the expected resource grant to HES from the Scottish Government that year.

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.

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 Capital and 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 last year.

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

CEEAC/S6/24/19/1

National Library of Scotland (Resource)	15.4	16.1	16.8
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, albeit the pay policy had not been published at the time of the budget. 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.”

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.

Local government spending

Local authorities make a significant contribution to the cultural offer and scene in their local areas. Local authorities' funding for culture and heritage comes from its core funding.

In June 2024 the Scottish Government published [Local Government 2023-24 Provisional Outturn and 2024-25 Budget Estimates](#). The publication provides the following figures net of earned income or ring-fenced grants:

	2020-21	2021-22	2022-23	2023-24 Provisional Outturn	2024-25 Budget Estimate
Culture and Heritage					
Museums and Galleries	42,259	42,212	48,416	50,176	46,085
Other Cultural and Heritage	51,210	56,061	63,329	65,380	60,128
Total Culture and Heritage	93,469	98,273	111,745	115,556	106,213
Library Services	91,288	94,918	104,353	109,854	104,531

Annexe B– Summary of Actions in the refreshed Action plan

Chapter 1 – overview actions: Resilience

R1: Ensure effective ongoing engagement with the sector and maximise impact of existing public sector support.

R2: Seek ways to review pressure on outgoings and activities.

R3: Explore and develop alternative and additional income streams.

R4: Collaboration for effectiveness and impact.

R5: Advocacy effort within national and local government to ensure the value of culture is understood and maximised.

Chapter 2 – Strengthening Culture

S1: Continue to make the Culture and Heritage Sectors part of Scotland as a Leading Fair Work Nation by 2025.

S2: Develop and implement a long-term strategic approach to making improvements to the data landscape for culture, working closely with expert partners.

S3: Work in partnership to increase diversity in the sector, sharing new approaches and codes of practice that ensure skills development and board membership have diversity at their core, including helping recruitment diversity by introducing appropriate remuneration for board members of national culture and heritage public bodies.

S4: Develop and implement a long-term strategic approach to skills development in the Culture Sector and creative industries.

S5: Work to tackle modern-day racism by reinterpreting aspects of our hidden or contested heritage.

S6: Publish our International Culture Strategy.

S7: Champion the economic impact of culture, in particular within the context of community wealth building and creative placemaking.

Chapter 3 – Transforming through Culture

T1: Collaborate to realise the transformational power of culture in achieving a broad range of policy outcomes by developing cross-Government policy compacts, embedding culture at the centre of policy-making.

T2: Harness the transformational power of culture to deliver on climate change priorities.

T3: Scope the creation of another Youth Arts Strategy

T4: Foster greater collaboration between the Culture and Education Sectors.

T5: Strengthen cross-Scottish Government joint working on culture and health and wellbeing policy development and delivery.

Chapter 4 – Empowering through Culture

E1: Support libraries to deliver free of charge services in the heart of communities across Scotland.

E2: Bring together local authorities, national and cultural organisations, via a Local and National Delivery Group, to identify, and commit to working together towards shared culture outcomes across Scotland, in line with the aims from the Ministerial meetings with Culture Conveners and the Culture Partners group.

E3: Understand local authority support for culture, in the context of the impact of, and recovery from, the Covid pandemic, to identify more effective models of collaboration, and delivery utilising data and knowledge from successful programmes.

E4: Amplify the important role community-based cultural assets such as libraries, museums and galleries can play in strengthening and empowering communities, in line with the themes of existing and upcoming strategies.

E5: Continue the series of the joint meeting of the Culture Conveners and Scottish Government.

E6: Develop a joint working agreement for Culture between the Convention Of Scottish Local Authorities and the Scottish Government.

Annexe B: SPICe summary of written submissions

SPICe

The Information Centre
An t-Ionad Fiosrachaidh

Constitution, Europe, External Affairs and Culture Committee Budget Scrutiny 2025-26: Prebudget Scrutiny Submissions from the Call for Views

BACKGROUND

Over the summer, the Committee undertook a call for views on its pre-budget scrutiny work.

The [call for views opened on 17 June and closed on 9 August](#). The Committee's work on the budget has consistently looked at the cultural sectors and this year's pre-budget inquiry can be considered as a continuation of the Committee's previous work in this area. The Committee sought responses under the following five questions:

1. How should planned budget increases for the culture portfolio in Budget 2025-26 be prioritised to support improved cultural outcomes?
2. To what extent does the Culture Strategy Action Plan deliver the Committee's recommendation that it should "provide a clear and strategic sense of how the Scottish Government is working to ensure a more sustainable future for the sector"? How should the Culture Strategy Action Plan inform the budgetary decisions of the Scottish Government, and the priorities and spending decisions of other partners in the culture sector?
3. What progress has been made in the last 12 months on taking forward innovative funding solutions?
4. How successful has the process of implementing Creative Scotland's Multi-Year Funding Programme been thus far in delivering longer-term clarity and confidence for the culture sector?
5. What progress has been made in delivering fair work across the culture sector and what should be the priorities for further progress?

55 responses to the call for views are [published on the Scottish Parliament website](#).

The intention of this paper is not to be exhaustive, rather it is to provide Members with an outline of the issues raised in the submissions.

This paper is in five further sections which reflect the questions the Committee asked: planned budget increases; Culture Strategy Action Plan; progress on innovative funding solutions; Creative Scotland's Multi-Year Funding Programme and fair work.

PLANNED BUDGET INCREASES

When asked how planned budget increases for the culture portfolio should be prioritised to support improved cultural outcomes, respondents shared a range of opinions. These generally followed themes that have become familiar to the Committee over the course of its work this session. There was a general consensus found in the opinions that spending needs to be done strategically. V&A Dundee, for example suggested that:

“The indicative £25 million increase in the culture portfolio for 2025-26 should be prioritised according to a plan that considers the relationship between funding, strategy and outcomes.”

There were also many submissions who felt that the planned increases to the culture portfolio budget needed to be ‘front-loaded,’ with additional money being added to the budget faster than the current Scottish Government suggested schedule. The Art Fund stated that:

“To support improved cultural outcomes the sector needs clarity on how the planned budget increases will be spent. We urge Scottish Government to make as much of the funding available now, when it is most urgently needed.”

Infrastructure

One theme that emerged strongly from the submissions was a desire for more of the budget spend to be aimed at infrastructure projects. There was particular support for investment in maintaining cultural infrastructure from those in the music sector. The Music Venue Trust was concerned that:

“securing a sustainable future for cultural infrastructure - such as grassroots music venues - is not part of the planned budget increases for the culture portfolio. Music is not mentioned in the Culture Strategy Action Plan and we do not want this to set a precedent in the approach to the Budget that music can be neglected...Business rates is a devolved administration decision, and the Scottish Government's current position, outlined in 2023, not to pass on the full rates relief is extremely concerning. It places the long-term resilience of Scottish Grassroots Music Venues at a severe competitive disadvantage when compared to their cultural counterparts in England.”

The Musicians' Union highlighted the problems its members experience in finding venues due to the:

“urgent need for infrastructure within the music industry in Scotland as well as the wider culture sector, as our members are precluded from expanding their portfolio of work as opportunities and support are continually eroded in the current landscape”

A similar issue was raised by the Scottish Artists Union that suggested that the issue was wider than just music venues. It said that: “In order to prevent cultural brain drain of artists out of the sector, and out of Scotland, artists need affordable studios and workshop space.”

This was also an issue picked up by submissions from other sectors within the culture portfolio area. Glasgow Life suggested that:

“the Culture Strategy and Action Plan and Scottish Government’s Culture Budget have little to say about capital expenditure available to support the maintenance and development of cultural infrastructure.”

Capital infrastructure investment was also identified as a priority by those working in museums and galleries. The Museums Association said that while project funding was welcomed by the sector, it was increasingly difficult for many organisations to cover their core costs and to keep museums open. They were also concerned about the future sustainability of many buildings:

“We are aware that some museums have had to stop applying for project funding as they do not have the capacity or resources to deliver projects on top of the day-to-day running of the museum. Many museums are housed in old and leaky historic buildings which are expensive to run. The historic environment – including historic buildings and infrastructure – has an important wider role to play in the transition to Net Zero. Museums need dedicated funding to ensure that their buildings and collections are sustainable.”

A similar concern was raised in the submission from trade union Prospect which suggest that:

“The capital funding predicament has led to a lack of investment in properties compromising, if not postponing indefinitely, regular, and routine maintenance programmes... Dedicated budget allocation and the continuation of tax relief to the sector are required to ensure historic properties remain wind and watertight, while buildings holding archives and collections are fit for purpose and future-proofed so that all can be enjoyed by generations to come.”

Spending choices - local v national

The submissions received by the Committee were divided on whether additional budget should be focussed on local cultural outputs, or provided to national institutions. For Rafford Village Hall, for example, local communities should be the priority for any additional budget. In its submission the Committee was told that:

“There is a critical poverty of opportunity in rural communities and they deserve more focus when spending opportunities arise... We absolutely do not wish to see the funds spent on endless consultations.”

Creative Stirling suggested that funding for culture in Scotland needs to be reconsidered, and new ways of supporting local creatives should be sought. In its submission it was suggested that current funding priorities support existing

institutions, rather than focussing on new, grassroots, projects “that support creativity and innovation in context of place” and are able to work in “local cross sector contexts.”

The National Library of Scotland suggested in its submission that:

“We recognise the ambitions in the Culture Strategy Action Plan but note that in order for culture to thrive, the network of interconnected local and national organisations that support its delivery must be adequately funded and core physical and digital infrastructure...must be invested in and developed.”

National Museums Scotland expressed a similar viewpoint about the importance of funding national collections:

“it is vital that any additional investment in culture ensures adequate funding for those national institutions directly funded by Scottish Government to carry out their statutory duties to care for, preserve and share Scotland’s National Collections, before funding is allocated more widely...We acknowledge the incredibly difficult financial circumstances being experienced by local authority and independent museums, and we wish to be clear that this is the experience of museums in all parts of the sector – nationals included.”

Multi-year funding

The topic of multi-year funding was raised by a number of submissions, especially in regard to planning in the sector and ongoing resilience. The National Lottery Heritage Fund reflected these views in its submission, stating:

“The Scottish Government has an opportunity to help with these challenges through multi-year funding commitments, to enable longer-term planning in the sector and support and nurture ambition. Heritage 2033 has a ten-year time frame in order to address the long term needs of the heritage, and we would encourage government and others to take a longer-term view of the heritage and culture sector, and address maintenance needs, skills, and net zero requirements. We would particularly support the continuation of Historic Environment Scotland’s Skills Investment Plan for Scotland’s historic environment, and the resource needed to implement its recommendations.”

The need to mitigate uncertainty underpinned the call for multi-year funding fun in other responses. Creative Scotland cautioned that:

“continuing uncertainty about in-year and future year budgets is increasingly challenging to manage. Clarity is urgently needed regarding how the Scottish Government intends to apply the additional £100m it has committed to providing. Scotland’s culture sector has been operating on a one-year budget horizon for too long, which severely constrains its ability to plan for the long term, and impacts job security, sector confidence, and creative output.”

Resilience

Creating resilience in the sector was prioritised in some of the suggestions for spending additional budget resources. The Edinburgh Festival Fringe Society stated that:

“Planned budget increases for 2025-26 should focus on providing investment that supports the long term resilience and recovery of the sector and should ensure it extends beyond the remit of Creative Scotland to include Creative Industries, Heritage, Film, etc.”

The National Galleries Scotland submission agreed with the viewpoint that investment should prioritise initiatives that focussed on the resilience of institutions, suggesting that:

“Planned budget increases should be prioritised towards anchor funding for core services and/or ‘spend to save’ initiatives in order to improve the financial sustainability and resilience of organisations funded through the culture portfolio and therefore leading to improved cultural outcomes.”

For Culture & Business Scotland, ensuring the resilience of the sector requires changing how the budget is spent and targeted:

“Whilst an additional £25m of investment into the culture sector is welcome, this level will not be sufficient to realise the ambition for cultural delivery, nor provide enough resource to help create financial security organisations. It is therefore essential that the Scottish Government reconsiders the existing funding model for culture and that part of this additional investment should be used to enable culture organisations to develop new business models so that they can become more entrepreneurial and resilient.”

Skills

There were also submissions that suggested that the additional funding should be focused on the workforce for the culture sector, specially in regard to skills. Bectu was one of these organisations, stating that:

“budget increases must support skills development in the workforce. A skilled workforce is what ultimately sustains all of Scotland's cultural outputs, so developing skills, both entry level and mid-career, is essential. As Screenskills research from 2022 has shown, this is especially important for those in rural areas, where skills gaps are widely evident across roles and departments.”

The Dundee Rep and Scottish Dance Theatre submission also highlighted the need for an investment in a skilled workforce. It suggested:

“There is a worrying exodus of skills and experience from the sector...since April 2022 and March 2023, there were a further 35,000 job losses in the sector with numbers of performing arts workers down from 311,000 to 276,000, (figures from DCMS.) This exodus of skills and experience is deeply concerning and is likely to continue with the cost of living/mortgage crises,

lack of funding and a reduction in opportunities with the potential permanent closure of venues. We need therefore to direct increased investment in infrastructure, capacity building and training to support our highly-skilled workforce of staff and freelancers.”

Cross-portfolio working

Another theme found across the submissions was continued calls for greater emphasis on cross-portfolio working. For Artlink Edinburgh and the Lothians, cross-portfolio working should be used to extend the reach of culture by using additional funding to:

“incentivise cross discipline working to support a broader cultural reach, extending the contexts in which creative work is produced... We recognise that the cross disciplinary work we suggest needs a deeper understanding of how culture intersects with other disciplines in practical and tangible way - we need to have a better shared understanding of the impact this has and the benefits it achieves.”

Other organisations wanted to ensure that any additional budget for the culture portfolio could also be used in areas traditionally supported through other budgetary lines. University Museums in Scotland, for example, wanted to ensure that the needs of cultural organisations traditionally funded through education spending could also benefit from spending in the culture portfolio:

“university museums are primarily supported by a grant through the Scottish Funding Council which sits within the Education and Skills portfolio. Budget increases within the culture portfolio, if and when they impact on non-National institutions, will therefore not equate to increases for funding in university museums that truly work cross-portfolio between education and culture - a direct aspiration of the Culture Strategy Action Plan.”

Fèisean nan Gàidheal were also interested in the potential for greater cross-portfolio working between the culture and education portfolios to support its areas of interest:

“Although normally funded from Gaelic funds in the Education portfolio, we believe additional cultural funds should be available to Bòrd na Gàidhlig and MG ALBA to support Gaelic culture and that funds will need to be allocated to support Scots culture on the back of the Scottish Languages Bill.”

There were also submissions who felt that additional culture spend should be made available through local authorities, such as the Scottish Artists Union who notes that “Local Authorities also need a better funding settlement, in order to maintain their vital parts of the Arts and Culture ecosystems.” COSLA expressed a similar view, stating that:

“The Scottish Budget must therefore also recognise the vital role of Local Government in the culture and leisure sector and ensure Councils are adequately funded to deliver. This, however, has not been the case in recent years. Although the culture portfolio budget has increased, the Local

Government Settlement has seen real terms reductions for a number of years.”

CULTURE STRATEGY ACTION PLAN

The call for views asks respondents two questions relating to the Culture Strategy Action Plan:

- To what extent does the Culture Strategy Action Plan deliver the Committee’s recommendation that it should “provide a clear and strategic sense of how the Scottish Government is working to ensure a more sustainable future for the sector”?
- How should the Culture Strategy Action Plan inform the budgetary decisions of the Scottish Government, and the priorities and spending decisions of other partners in the culture sector?

Delivery of the Plan

There were a few submissions that agreed that the Culture Strategy Action Plan did provide a strategic direction for the sector. The National Lottery Heritage Fund said that:

“Aligning ambitions within the action plan with resource will provide a clear platform for the sector to plan ahead to deliver both essential activities and future priorities.”

A similar statement was made by the Royal Scottish National Orchestra:

“The RSNO believes that the Culture Strategy Action Plan is specific in the actions that should be taken to strengthen, transform and empower through culture.”

There was also some support expressed for the inclusion of the resilience strand in the Action Plan, with the V&A Dundee noting:

“The addition of the theme of Resilience is particularly important, on top of the three pre-existing ambitions from the 2020 Culture Strategy. The budgetary decisions of the Scottish Government should consider Resilience as a core, fundamental driver that needs to be met to allow the other three ambitions to continue to be meaningfully delivered and further developed.”

There were, however, more organisations that used their responses to share their reservations regarding the Culture Strategy Action Plan. Many of these expressed the concern that the Plan was lacking in important details regarding its delivery. The National Theatre of Scotland:

“welcomed the publication of the Culture Strategy Plan last December and was heartened to see commitments from the Scottish Government in this vital area. However, it would be hugely helpful to now see how the actions within

that document will be budgeted for, what the timescale around achieving these is and how success and progress against these will be tracked.”

The submission from Historic Houses Scotland also highlighted areas where it felt that the Action Plan was short on detail. The organisation suggested that:

“it seems to lack the actual details of meaningful actions that the Scottish Government plans to take, nor seems to have a vision as to what a meaningful outcome (or indeed a metric of success) would look like for each of the key themes. There is no approximate financial figure attached to each thread of the plan, and no real sense of which parts of the plan require joined-up thinking, collaboration and conversation, and which simply requires funding.”

There were also responses that argued that the Plan was too theoretical, and that more focus should be given in the document to measurable actions. The Edinburgh Festival Fringe Society noted:

“The plan promises to scope, explore, review, develop but direct and measurable action is lacking – and there is no clear sense of cost, time and affordability to assess if the proposed plans will provide a more sustainable future.”

University Museums in Scotland expressed a similar view:

“While UMIS appreciates that the Scottish Government has articulated its goals and aspirations for the sector within the Action Plan, these seem to remain largely theoretical. We have seen little substantial progress or meaningful support... UMIS urges that the Scottish Government to move beyond strategic planning and to take decisive action.”

Connection to grassroots culture

Other organisations expressed concerns regarding how the Action Plan related to grassroots culture in Scotland. They suggested that the Plan did not connect with the experiences of communities. Artlink Edinburgh and the Lothians stated:

“We are aware that high level cross discipline conversations are taking place, but that these are mostly internal to Scottish Government. There is a real and urgent need to connect individual and collective experiences in communities, and current & emerging creative practice, with broader policy intentions and action plans.”

The response from Culture Counts noted that:

“We fear it will be a plan that will struggle to be delivered without a collective approach and doesn't effectively utilise the input of the many stakeholders who could be involved.”

For another group, Rafford Village Hall, the Action Plan “is so detached from the everyday working of small, charitable groups,” that they “gave up” on reading it.

Making Music highlighted its concerns that the Action Plan did not contain any work relating to some of the findings from the Committee's report on Culture in Communities. The submission noted that in this report:

“there was a clear acknowledgement of the vital part that community level activity plays in the cultural ecology. The report showed a good understanding of the vital part that local level infrastructure plays in enabling this activity. E.g. on church halls the Cabinet Secretary said that many churches and church halls no longer being available “underlines the importance of local government making facilities available to cultural and arts organisations”. Where those facilities are not available, he suggested that “thought must be given at the local level to what alternatives might exist”.

Making Music suggested that the Action Plan did not take into account the need for solutions to ensure that this community level activity could continue.

Missing themes

Some of the organisations that responded to the Call for Views were worried that the Action Plan was missing components of the culture sector. The Music Venue Trust stated that:

“We are appalled that the Culture Strategy Action plan fails to mention music once. This is a huge oversight by the Scottish Government who ought to be seeking to protect and enhance live music in Scotland, especially the Grassroots Music Venues who provide safe, diverse spaces for new talent to develop and grow and for communities to access local culture... We do not believe the Culture Strategy Action Plan can accurately inform any budgetary decisions of the Scottish Government, or the priorities and spending decisions of other partners in the culture sector, when it leaves out a major element of that very sector: music.”

Architecture and Design were also areas of the sector that other respondents suggested were missing from the Action Plan. The Royal Incorporation of Architects in Scotland (RIAS) noted in its submission that:

“It can be concluded that the Action Plan contains no references to the potential or value of the architectural sector or tangible actions for design-led industries. The absence of reference points helps to explain why funding for architecture-based activities via bodies such as Creative Scotland is sporadic and ad hoc.”

Glasgow Life suggested that the Action Plan needed more information regarding the role and importance of local authorities, stating that:

“The Strategy and Action Plan lack a clear narrative and recognition of the role of Local Government with regard to funding local cultural provision, but also its role in facilitating the development of a supportive “eco-system” via other relevant strategies such as economic development, just transition, community renewal and area planning.”

Budgetary decisions

The respondents had mixed opinions on whether or not the Culture Action Plan should inform the budgetary decisions of the Scottish Government. For some organisations, it was a natural step to align the plan with spending priorities. The Scottish Library and Information Council said:

“The Culture Strategy recognises and builds on the existing cultural infrastructure in Scotland. Its actions are clear and easy to engage with. It makes perfect sense for budgetary decisions to be informed by the Culture Strategy Action plan. Opting to do something else undermines the Culture Strategy Action plan when what is needed is progress to the ambition it promotes.”

Others agreed that it should inform spending decisions, despite their reservations about the Plan itself. For example, the Musicians' Union noted that:

“The action plan does not provide detail on exactly how the Culture Strategy will be delivered and it seems that there is somewhat of a disconnect between what is set out in the proposal and what resources are available in order to deliver these proposals...The plan should inform budgetary decisions by giving genuine consideration to the economic impacts of a strong culture sector and not simply lip service to this fact.”

However, there were also organisations that were concerned that the Action Plan was not the appropriate document to be basing budget planning on currently. The Dundee Rep and Scottish Dance Theatre stated:

“We are not convinced that the Culture Strategy Action Plan should inform budgetary decisions given the ambiguity and lack of clarity noted above. It does however need dedicated budget to enable the delivery of its ambitions.”

The Edinburgh Festival Fringe Society expressed a similar view, suggesting that:

“Given the lack of detailed information and direct delivery defined in the Action Plan we don't believe the plan should inform the budgetary decisions until further work is progressed – but the implementation and delivery of the additional investment cannot wait, which means the decisions need to be informed by the sector itself”

INNOVATIVE FUNDING SOLUTIONS

The Call for Views asked respondents what progress had been made by the Scottish Government over the last 12 months on innovative funding solutions for the sector. The consensus across the responses was that there had been little visible progress. University Museums in Scotland reflected the views of many of the submissions when it stated there had been:

“no indication of progress in mainstreaming culture across portfolios and developing cross-portfolio funding for culture, or in rolling out multi-year settlements for cultural organisations (beyond Creative Scotland) ...it remains

the case that none of the suggestions made by the Scottish Government on 'innovative funding' address the immediate challenges faced by the sector."

One comment from Bectu noted that:

"Over the last 12 months, Bectu has seen no substantive progress on finding funding solutions. We are concerned that ambitions for innovative solutions may be more of a soundbite opportunity than a coherent strategy initiative. Creative Scotland has recently paused the open fund awards, indicating that finding funding solutions just isn't a priority for industry."

In its submission, Festivals Edinburgh compared progress on cultural funding with that provided to one-off international sporting events:

"It is frustrating to see a lack of progress on innovative funding solutions for perennial cultural assets while Scottish Government has continued to invest substantial sums in one-off sporting events for benefits that cannot be sustained. Festivals Edinburgh has previously highlighted that the real terms GVA impact of Edinburgh's Festivals in 2022 was nearly 10 times stronger than the return on revenue funding for the 2014 Commonwealth Games, and a similar picture emerged when the evaluation of the UCI World Cycling Championships was published last year."

A couple of the organisations suggested in their responses that progress is being made, but that it is not visible to the many in the sector. Creative Carbon Scotland stated that:

"it is important the Scottish Government makes its work much more transparent. Through our own working relationships with officers in the Culture and the Energy & Climate Change teams we are aware that they are actively pursuing cross-portfolio working but without these relationships we would not see any indication of progress."

The National Library of Scotland also suggested that some progress had occurred, but not specifically on innovative solutions:

"There have been discussions around Public Sector Reform and a 'culture cluster' group has been established to identify joint working and opportunities for collaboration, but so far, no tangible progress has been made regarding innovative funding solutions. The focus of these discussions has been around creating efficiencies rather than improvements. There have been some discussions about increasing financial flexibilities which allow for more opportunities to generate income."

Culture Counts expressed the view that the sector:

"is inherently innovative and creative across all that it does including in diversifying its income, which is why it has survived on standstill funding for over 15 years. It has, however exhausted cost cutting initiatives and innovative schemes for diversifying income at an organisational level...Whilst

further change and adaptation is of course possible, additional budgets and interventions are urgently needed at a government level.”

Most of the submissions suggested ways in which work on innovative funding solutions should be progressed moving forwards. For some, the need for strategy was cited. Historic Houses Scotland expressed the opinion that: “there is a need for a clear pathway to make tangible progress which doesn’t currently exist.” Museums and Heritage Highland stated that:

“In order to stop just surviving and focusing on income development, investment from the Scottish Government needs to grow to help our museums and heritage organisations focus on using culture as a way to bring our communities together and strengthen them economically, culturally and their health and well-being as a whole. Support and leadership on innovative funding solutions is desperately needed to secure the future of our sector.”

Other organisations made suggestions for specific solutions, many of which have been raised by the Committee previously. Traditional Arts and Culture Scotland’s submission reflected these when it said:

“We would like to see more progress on both the ‘percentage for the arts’ initiative proposed in the SNP’s 2021 manifesto, and the move to culture spending as 1% of the overall Scottish budget.”

The Music Venue Trust suggested that existing mechanisms could be better utilised:

“We support in the Culture Strategy Action Plan the focus on Community Wealth Building, particularly how it provides communities with a greater stake in the economy and supports economic resilience. Our experience, however, is that many opportunities to advance this - such as through the Community Ownership Fund (COF) - haven’t been approved or supported by many local authorities. As a result, there are fewer successful COF bids from Scotland.”

Changing how current funding is utilised was also brought up in the Fèisean nan Gàidheal submission. The organisation:

“would welcome an appraisal of funds expended on the national companies and realignment, if necessary, to enable a levelling of the playing field in cultural funding across Scotland.”

The National Lottery Heritage Fund discussed the example of a green financing initiative that they felt could be a model that would also work for the culture sector:

“Along with the Scottish Government and NatureScot, we are delivering Financing Investment Ready Nature (FIRNS) projects... This funding is helping organisations across Scotland, urban and rural, to develop innovative natural capital models to drive responsible green finance investment... Similar models could be looked at for wider culture and heritage funding, such as the use of culture credits or the testing of approaches to leverage private investment. We are always open to engaging in discussions with potential

partners around how we can maximise the impact of funding and draw wider sources of funding, public and private, into supporting heritage.”

A number of the responses also brought up the issue of tax reliefs for the sector. Making Music, for example, noted that it has:

“been engaged in campaigning for progress on UK Creative Tax Reliefs, and although this sits within the responsibility of UK Treasury, we would appreciate the acknowledgement and support of Scottish Government as we consider this an effective funding solution.”

CREATIVE SCOTLAND’S MULTI-YEAR FUNDING PROGRAMME

Respondents were asked how successful the process of implementing Creative Scotland’s Multi-Year Funding Programme has been thus far in delivering longer-term clarity and confidence for the culture sector. While a number of submissions did not provide an answer to this question, those who did were generally of the opinion that the process so far had not provided either clarity or confidence.

Traditional Arts and Culture Scotland for example noted that:

“There is widespread nervousness about the outcome of the Multi Year Funding Programme, exacerbated by the high percentage of organisations that made it through to Stage 2 of the process. The lack of clarity over the precise distribution of the additional £100m announced by the previous First Minister hasn’t helped, although the additional funding is of course welcome. The application process itself put enormous demands on small organisations in particular, with stress being felt not only by the requirements of the application but also by the competitiveness of the process. Clarity and confidence are at this moment (July 2024) in short supply.”

Many of the comments noted that because decisions had yet to be made, “the lack of clarity about the funding available has left organisations feeling very vulnerable and unsure how to plan for the future.” (Museums and Heritage Highland) Others felt that because the process has yet to be completed, that it is too early to tell what the long-term outcome will be. Artlink Edinburgh and the Lothians suggested that:

“the signs are not great. Our understanding initially is that the new process sought to address the lack of flexibility that a rigid 3 year cycle of the Regular Funding brought... However the new system and messaging around it seems to be exactly as what we have seen before... the process does not seem to meeting its objective of creating more tailored flexibility to support organisations, nor does it incentivise a more creative way of thinking about cultural development or investment and lacks connection to live experiences.”

Bectu were concerned that when final decisions are made, many organisations will lose out. It stated that:

“There is also widespread concern that Creative Scotland is managing the application process in a way that maximizes pressure on the Government’s budgetary constraints. The maximum number of applicants possible received

Stage 1 approval, thereby creating an overwhelming demand for funding at Stage 2, which is likely to lead to problems further down the line. Thus, the multi-year funding programme has failed to deliver long-term clarity and confidence for the sector.”

Even those organisations who are not able to apply for the multi-year funding, expressed the view that the process has not instilled confidence across the sector as a whole. National Galleries Scotland discussed the knock on impact on its own plans caused by the uncertainty of funding to some of its partners. The submission suggested that the organisation “experience an indirect impact while also fielding the confusion and lack of clarity in the funding programme both at public and sector levels, further confused by different operating models in rest of UK.” In its submission, University Museums in Scotland noted that:

“we have been closely observing its funding situation and allocation as it appears to provide an indication of trends within the sector. The fact that the 10% cut to their budget was reinstated in September last year and that the funding allocation for the multi-year funding stream was only approximately a third of the total ask through applications in round one, has not instilled confidence or clarity for the sector.”

Difficult process

Many of the organisations that responded to this question highlighted the difficulties they had experienced in applying for the multi-year funding. Culture Counts summarised many of these opinions when it stated that:

“The Multi-Year funding programme has been a challenge for the sector. It created one process for all applicants regardless of artform, location, organisational scale, level of investment sought or skills and experience. We understand that the process was taxing for many applicants, particularly those applying for the first time or with unpaid staff and took considerable time and focus away from core activity for key and primarily senior staff members.”

Other organisations also highlighted the complexity of the process. Fèisean nan Gàidheal compared the process to the Covid recovery funds which “were distributed by Creative Scotland on the basis of three questions and a budget. Contrast that with the multi-year funding process, which was challenging even for seasoned applicants.” Culture & Business Scotland provided a similar understanding of the process, noting that it was:

“a significant undertaking for the majority of applicants, due to the scale and complexity of the applications processes. Many of those applicants (with small staff numbers) did not have the inhouse capacity nor expertise to address the wide ranging questions that covered overarching societal issues (EDI/Fair Work /Net Zero), with the sector believing the emphasis was too much on these agendas and not on the delivery of cultural excellence and cultural experiences.”

Some of the submissions focussed on providing the Committee with examples of the impact of the process on their organisation. For Art27 Scotland:

“As a relatively new project funded organisation without core funding, all our staff are involved in project delivery, we had the same requirement/expectations as large cultural institution with dedicated strategic development teams. Even as experienced creative professionals, this placed excessive pressure on Art27 Scotland Directors to work additionally without payment or external support.”

Starcatchers provided a similar narrative of the difficulties that it faced in applying:

“The Multi-Year Funding process is hugely problematic. We are now 12 months on from when the process was announced... Starcatchers estimates that undertaking this process used over 115 days of staff time and cost us in excess of £20,000. This is time and resource that we could have used to ensure cultural outcomes for our audiences. We do not negate the need for funding processes, however, as in the previous rounds of regular or multi-year funding that Creative Scotland have run, the process has been difficult, time consuming and there is great uncertainty as to the outcome and subsequently the fall-out that will ensue. With applications that total twice the available budget and with no sense of any additional money being made available to Creative Scotland there is grave concern that this funding round will further decimate the sector which is already fragile.”

Creative Scotland touched on the details of the process in its submission. The organisation explained that:

“To enable Creative Scotland to make these decisions, applicant organisations are required to provide sufficiently detailed information in their applications on their budgets, their operations, and their future programme and creative plans. We appreciate that there is a lot of work in preparing these applications, and we fully recognise the pressure this can create on applicant organisations and people within them in terms of time and resources. With this in mind, we have listened to the feedback given on previous iterations of this process and endeavoured to make it as simple as possible, while acknowledging that sufficient, detailed information is required for us to make informed decisions given significant amounts of public funding are involved.”

Final outcomes

There were also organisations who said that the final impact to the sector cannot be assessed until the process is completed. Equal Media and Culture Centre for Scotland & Engender suggested that:

“implementing this multi-stage funding could not be deemed successful in delivering long-term clarity and confidence for the culture sector so far. However, once the successful organisations receive their multi-year funds in 2025, we hope that it will deliver some measure of clarity and confidence. We are interested in seeing how effective the EDI criteria in the application for the multi-year fund will be in how the funds are distributed and whether this results in improved equality, diversity and inclusion practices for creative and cultural organisations.”

Creative Scotland suggested that the final impact on the sector of the process will ultimately come down to the financial resources supplied by the Scottish Government. The submission noted that:

“With extremely limited budgets, this remains a highly competitive process where difficult decisions will need to be made. Without access to a significant proportion of the £100m commitment to culture funding by the Scottish Government, we will see many more organisations unsuccessful in their applications than would be the case were sufficient funds available... As noted earlier, key to the success of the Multi-Year Funding programme and all that it can unlock, is the availability of sufficient budget to support the range and breadth of ambition being presented by cultural organisations as part of their future plans. At present, and in the absence of any future budget clarity from the Scottish Government, Creative Scotland is working on the basis of ‘standstill’ funding being available. This means that, if we are to support organisations sustainably and in a way that enables them to operate most effectively and deliver their work, then we will by necessity only be able to support far fewer organisations on a multi-year basis than we do at the moment.”

Many organisations outside of the process were also looking to the future of funding to the sector. The V&A Dundee reflected many of these comments when it noted that:

“Any transition towards multi-year funding settlements is to be welcomed. A key challenge here is how that approach can be applied more widely across the arts and culture sector.”

FAIR WORK

Respondents were finally asked what progress has been made in delivering fair work across the culture sector, as well as what the priorities should be for further progress to be made. There was a general consensus that while the sector is on board with the fair work agenda, many organisations are struggling to meet these expectations. Fèisean nan Gàidheal reflected the views of many of the respondents when it stated:

“Most people working in culture wish to ensure fair pay and are pretty much onside with Fair Work First, but it is going to cost money to implement properly, and additional funding will be needed. Either that, or an acceptance that, in order to pay artists properly, there will be a downturn in the level of activity generated.”

The difficulties some of the sector face in delivering fair work was brought up by the majority of the submissions. the Scottish Artists Union noted that:

“We have seen that there are some arts organisations that are making efforts to embed Fair Work into their working practice. The ones that have been leading in this area appear to have healthier and happier work environments. However, we recognise that some arts organisations may be having difficulty in transitioning fully to adhere to the Fair Work framework because of financial insecurity and lack of assurance of long term funding from Creative Scotland.”

Creative Scotland also discussed the costs and impact that fair work was having on the sector:

“It is important to note that responding to the Fair Work agenda is not cost-free for sector organisations, even if they are already paying the Real Living Wage to all staff. Other dimensions of the agenda, such as investing in workforce development, introducing flexible working practices and addressing gender pay gaps also require capacity and resources. In our 2023 survey of RFOs, over 60% noted concerns about the cost impact of implementing Fair Work.”

The need for financial security to support the fair work agenda was echoed by Industrial Museums Scotland (IMS):

“most IMS members have introduced Fair Working Practice, and we support this going forward. However, there are members who are supportive of the initiative but are currently unable to financially uphold this adjustment or have significant concerns about the longevity of maintaining this financial commitment without facing significant operational risks resulting in organisational collapse.”

Impact on workers

Other organisations suggested that the need to provide fair work initiatives had not resulted in a positive impact on the majority of staff. For the Smith Art Gallery and Museum:

“Our decline in funding has meant we have been unable to backfill vacant posts resulting in increased stress on remaining staff, been unable to realise our potential and invest in our staff. The reality is that working conditions are being eroded for our sector.”

For Bectu, its concerns related to the low rates of pay for those in more senior posts. The submission noted that:

“Adherence to the Real Living Wage is vaunted as a vital bedrock of the policy and while it is a welcome safety net for the lowest paid workers, it does nothing to provide the essential industry rates that are urgently needed to stem the skills drain that the sector continues to suffer from. The creative industries unions and the Scottish Trade Unions Congress have highlighted this flaw to civil servants and government ministers for over two years now and we are concerned that the lack of resolution so far on this issue will condemn the Fair Work policy to failure.”

Creative Stirling raised a similar concern in its submission, stating that:

“increased stress on our staff who are paid living wage or above but all of whom deserve industry standard benchmarked rates of pay that without investment, as an arts charity, we cannot currently afford. We are currently unable to realise our potential while we have no means to invest in our staff. The reality is that working conditions are being eroded for our sector.”

Another theme that was brought up by some of the submissions was the fact that fair work initiatives did not extend to the many freelance workers in the sector. The Musicians' Union said:

“Given where we currently are and that the target was for Scotland to be a Fair Work Nation by 2025 it is clear that there is a significant lag in achievements to this end, thus far. Fair Work First does not adequately cover those who work on a self-employed/freelance basis. The MU alongside other Creative unions have become increasingly concerned at the apparent reluctance to bolster the language around the policy to ensure that it covers freelancers unequivocally.”

There was also a recognition that the process for applying for funding had been complicated by the requirement to provide information on fair work practices. National Museums Scotland wrote that:

“We fully support the aims of Fair Work First... In its practical application, our experience is that, certainly in the first year, it has made it harder and more resource-demanding to distribute the grant funding we are responsible for (the National Fund for Acquisitions and Maths Week Scotland) to the very organisations that need it most.”

Proposed priorities

Some of the submissions made suggestions on the priorities that the organisations felt would progress fair work practices in the sector. For Artlink Edinburgh and the Lothians:

“more involvement from existing organisations/structures such as Scottish Enterprise, Scottish Local Authorities Economic Development Group could transform how fair contracting and more secure employment is supported.”

Planning was the focus of the Scottish Library and Information Council's suggested priority. It noted that:

“While local authorities are signed up to Fair Work First, this has not helped with job security, stability within the workforce or building capacity for the sector. Employees need confidence in the workplace with every budget setting round a reduction to the library offer is on the table and undermines the workforce. There needs to be longer term planning around service redesign which gives both the public and the workforce a sense of planned service development. Any support in bringing this about will improve the work experience and job satisfaction of the workforce.”

Glasgow Life suggested that existing guidance could be expanded to provide more advice for the sector. The organisation said that:

“It would be helpful if acknowledgement could be given to the many ways that employers can demonstrate implementation of FWF principles other than the very specific outcomes required in the guidance. Additional guidance on the intent behind the implementation of the FWF principles and how procurement

operates within a specific framework to implement the same principles would be helpful to aid conversations with trade unions.”

The Culture Sector Fair Work Task Force provided the possibility of positive support to Creative Carbon Scotland, who stated:

“We look forward to the Task Force’s work augmenting the Fair Work resources currently available on Creative Scotland’s website and delivering greater knowledge about sector-specific challenges around Fair Work and information on implementing best practice in tackling those challenges. Recognising that the Task Force is a short-life group, it would be helpful to know the target date for deliverables other than the Sectoral Fair Work Agreement (1 June 2025).”

The connection between financial stability and the ability to support fair work practices was made by a number of organisations. One of these, Culture & Business Scotland suggested:

“The challenge for the sector is resource for HR and the fact that most organisations are operating staffing models that are below capacity to realise aspirations and needs. The Scottish Government should give consideration to ringfencing the potential additional invest into the culture budget to enable organisations to meet these objectives.”

Laura Haley
SPICe Research
3 September 2024

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

Annexe C: Written submissions from this week's witnesses

Museums Galleries Scotland

Planned budget increases

It is vital that the needs of all parts of the culture sector are given full consideration in relation to the planned budget increases.

Museums Galleries Scotland (MGS) is the national development body for Scotland's 452 museums and galleries. Nine of these are national museums and the other 443 are referred to as non-national. This group includes 127 civic (local authority/arm's length organisations), 260 independent and 23 university museums.

In 2024/25 MGS has just £1million in grant funding from the Scottish Government to distribute to non-national museums. This amount is inadequate to meet the urgent needs and ambitions of 98% of the sector and compares poorly with other parts of the culture portfolio.

The media focus has often been on the needs of the arts sector and of national institutions, and we acknowledge these severe pressures, however the same pressures are felt across all of Scotland's cultural provision.

We welcome the Scottish Government commitment to invest at least £100m more annually in the arts and culture by 2028-29 and while we acknowledge that there will be great pressure on how to allocate, we ask that museums are not overlooked as decisions are made.

Many of Scotland's museums and galleries are in crises

The urgency of the need for investment in Scotland's museum and galleries is highlighted by responses to a July 2024 survey. The results show many are in a precarious position.

- 11% of respondents feel their organisation is at risk of closure in the next 12 months
- 14% have less than 1 month of reserves
- 28% have less than 3 months of reserves

Financial challenges dominate with rising costs and public sector funding cuts and the result is a severe hollowing out of services. The increased cost of keeping the doors open and the lights on is seeing the sacrifice of the value-adding, outreach and engagement programmes that deliver benefits across-portfolios including health and wellbeing and education.

The financial cost of sustaining these programmes is relatively small within the wider context of the culture budget, yet the knock-on cost of losing these community benefits is significant and should be factored into decisions.

The fragile situation of Civic Museums – 28% of the sector - has reached tipping point. Museum closures have been already announced or are on the table in a number of local authority consultations.

There are serious concerns over the financial stability of several of our Industrial Museums, sites and collections that tell the story of Scotland's industrial and social development, where the scale of collections and buildings presents a particular challenge of rising costs.

This year the Scottish Funding Council has cut funding to four university museums entirely and cut the budgets of the remaining university museums by 20%.

Funding disadvantages faced by museums in comparison to the rest of Scotland's culture sector, and in relation to museums and galleries in other parts of the UK, are a barrier to recovery. For example:

- Unlike arts organisations, through Creative Scotland, and historic environment organisations, through Historic Environment Scotland, there is no route for museums and galleries in Scotland to apply for core funding to support running costs. In England, DCMS funds a network of regional museum services on a three year funding cycle similar to Creative Scotland's RFO status.
- Again, unlike arts organisations and historic environment organisations, project funding for museums and galleries is restricted to those holding Accreditation status. This leaves 40% of the sector with virtually no access to any public funding. These non-accredited museums provide a vital role at the heart of communities across Scotland's geography and our vital to our cultural and tourism infrastructure.
- Scotland's museums have virtually no access to capital funding – this is an issue for museums as they need to ensure the collections they hold on behalf of Scotland's people are cared for. The poor condition of buildings is putting collections at risk and limits their ability to be used as safe public spaces. MGS has just £200,000 of capital funding to award to the sector in 2024/25. Our museums compare poorly with England's in the absence of an equivalent of their Museum Estate and Development Fund (MEND).

In addition to building maintenance it is important to recognise the particular obligatory financial demands on museums, specifically the cost of conserving and caring for huge collections on behalf of the country, that other cultural organisations do not face.

Reduced workforce and capacity issues resonate throughout the sector

The sector survey highlights a changing workforce with an increasing proportion of posts in front of house roles (42% up from 34% just 3 years ago) while curatorial roles fell to just 6% and collections management roles halved. Education, learning

and participation roles, which deliver vital audience engagement, are down to just 4% of the museum workforce.

The loss of specialist roles and skills is very concerning for the future of our sector. We are losing the ability to care for and share the stories of the collections we hold for the people of Scotland. This expertise takes many years to rebuild if lost.

The depletion of the volunteer workforce is also causing pressures especially for a sector where 96% of organisations rely on volunteers.

Investment in museums and galleries supports improved cultural, social and economic outcomes

Museums and galleries are important sites for community engagement and their Scotland wide locations mean they can often offer the principle access to culture in rural areas. Through the inclusion of Culture and Creativity in National Planning Framework 4 the Scottish Government set an ambition to create locally distinctive places that reflect the diversity of communities, support regeneration and town vibrancy. Museums help to create thriving communities, activity working to ensure they are inclusive spaces and tell the stories of all of Scotland's people. Museums also bring proven benefits for health, wellbeing and education.

Their geographic spread and focus on inclusion mean that investing in Scotland's museums and galleries ensures access for realising the United Nations' human right to participate in the cultural life of the community.

Museums are already working to deliver against Government priorities as set out by the First Minister, John Swinny MSP to grow the economy, tackle the climate emergency and improve public services.

Culture Strategy Action Plan

MGS supports and champions the vision for the Scottish Government's Culture Strategy 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.

However, we are at the stage where investment and coordination of delivery is required to realise that vision. We are aware of some frustration at the lack of visible progress and leadership from Government to realise the action plan will be advantageous going forward.

Scotland has a Culture Strategy that was created through extensive consultation to set out shared priorities. Logically it should inform budget priorities as it can only be delivered with appropriate resources.

Investment in organisations who are demonstrably and effectively delivering the Culture Strategy would ensure progress in achieving the objectives.

The Strategy for Scotland's Museums and Galleries (2023-2030) sets out clear actions that are supporting our museums to connect with their communities and bring social impact for all. As the museums strategy was published ahead of the Culture Strategy Action Plan refresh, MGS were able to highlight areas of alignment to the Culture Strategy team. This alignment clearly demonstrates how our sector is already, and with further investment, poised to further deliver the Culture Strategy.

In January the Scottish Government accepted in full the recommendations of the Empire, Slavery and Scotland's Museums project. We welcome the Cabinet Secretary's commitment to carrying forward this work and the initial investment in supporting the next steps. Significant additional investment will be required to deliver the recommendations and support the new organisation leading this work.

Progress on innovative funding solutions

MGS shares the Committee's sense of urgency to see mainstreaming of culture across portfolios and developing cross-portfolio funding for culture. We welcome the Culture Strategy Action Plan's clear understanding and endorsement of the transformational power of culture in achieving a broad range of policy outcomes. Increasing access to cross-portfolio funding would enable the continuation of the important programming by museums and galleries in areas such as climate, health and wellbeing and education.

Figures from the Local Government Benchmarking Framework show that the cost per visit to civic museums has reduced by -15.9% since the pre-Covid period. The sector has innovated in income generation and maximised its potential for efficiency savings. After decades of real-terms reductions in funding a reduction in service is the inevitable result if no additional resource is made available to meet rising costs.

Due to the acute financial pressures on museums across Scotland we believe that a review of funding models for museums in Scotland is needed. This review should examine the operating context and delivery models for museums at all scales across Scotland and explore how investment could be used to support a sustainable museum sector.

It is important to note that it is extremely difficult to innovate within one year funding settlements so this would be a key benefit of multi-year funding.

The Committee has previously stated its support for a 'percentage for the arts' scheme. We firmly believe this should be a percentage for culture as a whole and call on the Committee to support setting a target of at least 1% of overall Scottish Government investment in culture.

Creative Scotland's Multi-Year Funding Programme

Museums in Scotland have no access to multi-year funding and neither does MGS as the national development body. This places a serious barrier to forward planning

and does not create the conditions for innovation, as well as contributing to a lack of confidence and impacting on workforce wellbeing.

Fair Work

MGS champions Fair Work and actively supports progress in this area by the museums and galleries sector. Fair Work is a priority area in the Strategy for Scotland's Museums and Galleries. Our ambition is that Scotland's museums and galleries will be places where Fair Work drives success, wellbeing, and prosperity for individuals, organisations, and society as a whole.

MGS updated our grants outcomes and expectations in line with Fair Work commitments. Applicants are required to confirm that they pay all direct employees the real Living Wage and that they provide appropriate channels for effective voice.

The Fair Work conditionality for grants has helped to drive forward the implementation of the real living wage in the sector. However, it has caused some museums to be locked out of applying for grants because they are unable to afford to pay the real living wage. In other cases, some museums are paying the real living wage to the lowest paid staff but they cannot afford to implement pay increases across the rest of the pay scale.

The museums and galleries sector supports that Fair Work and payment of the Real Leaving Wage is the right thing to do, particularly as we need to address historic low pay in the sector, however implementing it does pose financial challenges when core budgets are restricted.

Budget forecasting is also a challenge as the Real Living Wage has increased at 10% in each of the last two years, creating a real issue for pay awards for staff just above the Real Living Wage.

So far 45 organisations operating 139 of Scotland's 452 museums are Real Living Wage accredited. A priority to further progress should be to address and support the financial challenges of implementing.

MGS has developed a suite of resources to support the sector to implement Fair Work. The following article illustrates how museums are putting Fair Work into practice.

<https://www.museumsgalleriesscotland.org.uk/blog-article/focus-on-fair-work-in-action>

Glasgow Life

Planned budget increases

Glasgow Life's mission is "to inspire every citizen and visitor to become engaged and active in a city globally renowned for culture and sport. The organisation's purpose is to improve the mental and physical wellbeing of Glaswegians and visitors through culture and sport; support the city's visitor economy and enhance the city's reputation as a great place to live, work, learn and visit through the delivery of local and international events and the management of worldclass collections; and to generate funds (through culture and sport programmes) in order to re-invest in the charitable activities which support our vision. Glasgow Life leads on a number of city strategies these are: Glasgow's Tourism and Visitor Plan, UNESCO City of Music, Glasgow's Events Strategy, Sport and Physical Activity Strategy, Glasgow's Cultural Strategy, Vision for Glasgow Libraries and Glasgow's Community Learning and Development Plan.

The Scottish Government's Culture Budget, the Culture Strategy and Action Plan, the strategic priorities of Creative Scotland and local culture strategies and action plans are not as effectively aligned as they could be given the scale of the challenges facing the cultural sector. This creates an unhelpful level of dissonance and a lack of coherence at strategic policy level which undermines efforts to improve the capacity and sustainability of the cultural sector. This lack of full integration makes it difficult to align national expenditure with outputs specified in the Action Plan. The Action Plan would benefit from developing clear Specific, Measurable, Realistic and Timebound objectives. At the moment objectives lack timelines and specificity. This means it will be difficult to measure outcomes, hold multiple stakeholders to account and drive the transformational change required to sustain a rich and vibrant sector. Influencing how mainstream health, education and social care budgets, for example, can be used to support culture is likely to remain extremely unlikely without this strategic coherence and specific commitments.

In addition the Scottish Government should accelerate progress implementing commitments outlined in previous manifesto and policy statements, such as Multi-year funding and % for arts funding schemes. Without direct Scottish Government action these initiatives will not proceed.

More specifically integration between the Strategy and Action Plan and Budget would enable the development of the Glasgow, Edinburgh and Dundee as three distinct and distinctive regional cultural hubs, multiplying outcomes locally, regionally and nationally. This approach would allow each area to develop complementarity rather than competition enhancing Scotland's distinct and distinctive national cultural brand.

We strongly believe that a more equitable funding relationship would help

complement national funding directed to Edinburgh and Dundee.

Glasgow - given the scale of its support and development of nationally and internationally significant cultural infrastructure, programming and content - would welcome direct investment for this portfolio around key areas. These are Museums, Events and Festivals. Each of these features deliver at scale against the Scottish Government's National Performance Framework, the National Culture Strategy and wider social and economic outcomes.

For example, Glasgow Life Museums continues to deliver significantly more for significantly less direct support from Scottish government cultural funding, offering a high level of efficiency, reach and outcome at a considerably lower per-unit cost , with no direct financial support from Scottish government cultural funding. Similarly, Glasgow's programme of national and international events and festivals complements Edinburgh-based festivals which are in receipt of Scottish Government Platform for Cultural Excellence partnership funding . However Glasgow's national and international events and festivals receive no funding from this Scottish Government programme.

Finally, the Culture Strategy and Action Plan and Scottish Government's Culture Budget have little to say about capital expenditure available to support the maintenance and development of cultural infrastructure. Organisations often have limited flexibility regarding capital expenditure, in terms of funding sources available, but also because of the pressure placed by revenue costs

Culture Strategy Action Plan

The Culture Strategy Action Plan provides some welcome additional clarity around how the Scottish Government will ensure it "operationalises" its vision for culture in Scotland. Additional resources are also extremely welcome.

However, as previously highlighted, Scottish Government Culture funding does not align coherently with and enable the delivery of local Culture Strategies, particularly with regard to the development of distinct and distinctive local provision and priorities. The Strategy and Action Plan lack a clear narrative and recognition of the role of Local Government with regard to funding local cultural provision, but also its role in facilitating the development of a supportive "eco-system" via other relevant strategies such as economic development, just transition, community renewal and area planning. The Scottish Government Culture Budget should be open to organisations working within local Culture Strategies and Action Plan priorities which align with the National Culture Strategy and Action Plan.

The Action Plan would benefit from the development of specific, measurable, realistic and achievable (SMART) objectives which would improve focus and accountability as well as evidence progress.

As previously stated the Scottish Government Culture Budget, the Scottish Government Culture Strategy and Action Plan, Creative Scotland strategic outcomes and local Culture Strategies and Action Plans need to much more closely and coherently aligned. This alignment also needs to be built around specific and measurable objectives with timescales, a focus on outcomes and monitoring which enables accountability .

The most significant 'other funding partner' of the culture sector in Scotland is Local Government. In light of the sustained fiscal pressures and the requirement to make substantial savings, local authorities are facing increasingly difficult decisions in relation to their spending priorities. This means there is a significant risk that councils will not prioritise spend on culture, but will prioritise other more 'essential' services further reducing the spend on culture nationally. Being clearer about the outcomes and impacts of the Culture Strategy Action Plan and how they contribute to wider issues facing local authorities would go some way to supporting the culture sector to make the case for local authority funding.

Regardless of these issues, sustainability requires investment. Given pressure on public sector finance, structural challenges affecting local government and ongoing dependence of local cultural infrastructure, programming and content on local government funding, it seems likely that the cultural sector's future is intimately linked with structural decisions around local government in Scotland.

In addition, collaboration between cultural organisations and other public sector agencies seems unlikely to happen at any meaningful scale without direct Scottish Government policy and funding intervention. There may scope to incentivise partnerships or link funding to collaboration much more explicitly and directly.

However, this may necessitate reductions in budget in other policy areas. Net Zero and Just Transition, Wellbeing Economy and Public Health have already been identified as key policy areas with scope to harness cultural participation to drive change and achieve outcomes. Top-slicing these budgets to create, or add to a national fund with equitable regional pots would move the Culture Strategy beyond rhetoric into tangible action.

Progress on innovative funding solutions

As in previous years, there appears to have been little progress regarding innovative funding solutions. There are limited funding sources available to cultural organisations. Public sector funding streams which support innovative local approaches, such as the Public Library Improvement Fund, are short-term, and small scale. Innovation funding by its nature is primarily time-bound. While this can enable new approaches to be tested it is insufficient to enable sustained and sustainable change. It places the onus on existing mainstream funders to pick-up additional

costs. In practical terms, this means local authorities, given they are the primary funders of local cultural services (namely libraries in this case of this particular fund).

Many independent grant-making trusts, which also fund the cultural sector, also focus on supporting innovation. This means many organisations find themselves in a continuous loop of re-invention of activities, or the development of new programmes, whilst struggling to fund mainstream revenue activities in particular. Although this has been a long-term issue for all community and voluntary organisations, cultural organisations have much more limited scope given there are few grant-making trusts which prioritise culture.

More broadly there is no evidence that supporting cultural provision or cultural activities features at any level in the spending decisions of public agencies or Government Departments. Cultural organisations have very little “real-world” traction with regard to fiscal decisions being made by priority areas such as health, education or social care bodies. This is despite the fact that there is a significant body of evidence regarding the contribution cultural participation and culture more widely can make towards delivering outcomes across these, and other, key policy areas .

Much of this body of evidence details contribution towards preventative approaches, particularly with regard to health. However, application of these approaches remains small-scale given that the delivery of public services continues to be weighted towards large-scale demand-led models. Achieving even relatively small shifts in complex systems of this nature and targeting expenditure towards preventative approaches has not been realised, despite being identified as a priority by the Christie Commission almost 15 years ago.

The Scottish Government needs to consider a much more directive approach to funding culture from other mainstream budgets if there is to be any realistic progress against this stated aim.

The other potential source of funding referenced relates to Visitor Levy income. Legislation enabling this is obviously now in place. However it seems likely that there will be a wide variance across Scotland regarding amounts raised and how it is spent. The amounts collected are also likely to be fairly limited.

“Culture” is often identified as a key feature driving the decisions of tourists to visit specific cities, regions or nations. The relationship between cultural provision and these decisions is highlighted across a number of recent visitor surveys locally, regionally and nationally. In addition destination marketing collateral strongly promotes local cultural provision as a unique selling point. However decisions around how Visitor Levy revenue is actually spent are subject to consultation amongst local tourism and hospitality stakeholders. It seems likely that there will be a wide range of pressures on how any revenue collected should be spent locally.

Specific local support to pass any revenue on to support local cultural provision may well be limited given the scale of demand, particularly around local built environment and physical infrastructure demands. It remains to be seen how much traction culture has in this context.

Finally, the context influencing private sector and philanthropic support of culture has become more complex. The operating environment underpinning commercial sponsorship of the arts, for example, has, in the last year, continued to witness controversy around wider environmental, economic, social and political issues - particularly fossil fuels and allegations around the ethics of investment policies. It seems likely that corporate sponsorship and philanthropic donations to the arts will continue to be subject to a high level of scrutiny given the effectiveness of recent campaigns. Although controversies regarding the origins of private funding of public arts and culture are nothing new, they have scope to become increasingly polarised given the more generally fractious tenor of public debate. This may act as a disincentive for commercial organisations considering sponsorship relationships with cultural bodies.

Creative Scotland's Multi—Year Funding Programme

Creative Scotland's Multi-Year Funding Programme is extremely welcome and enables improved strategic decision making particularly in relation to planning and sustainability. However, the issue remains the scale of demand versus available resource. Sectoral confidence is linked very explicitly to the scale of available resource.

The Scottish Government has also only committed Creative Scotland funding until March 2025. This makes it difficult for organisations applying for Multi-Year Funding to plan. It also makes it challenging for Creative Scotland to make fully strategic decisions regarding funding applications.

For example applications have been submitted to Creative Scotland for 3 year funding and applicants have been advised that decisions will be made in October. This does not align to the Scottish Government's budget process which will not confirm its budget for 2025/26 until December 2024. There is a risk that funding decisions for the next 3 years will be made on the basis of the budget available to Creative Scotland in October which is estimated at £40m (against around £87.5m of bids submitted for Multi-Year Funding).

In addition there could be greater clarity regarding the relationship between Creative Scotland's funding streams, the Scottish Government's Culture and local Cultural Strategies and action plans. Again, there is a lack of coordination between the Scottish Government's Cultural Budget, the Scottish Government's Culture Strategy and Action Plan, local area Culture Strategies and Creative Scotland's operating outcomes. Greater coherence across all of these features would be welcome.

Fair work

The understanding of the guidance being used to assess the implementation of Fair Work First standards within the cultural sector remains challenging as funders look for different examples of evidence to the guidance. Examples of the inconsistencies have been highlighted to funders to try to demonstrate how consistency would support access across the sector, both in terms of applying for funding and releasing funds. Trade unions in different parts of the sector and in different geographies are also sharing their own interpretation of the guidance with those who receive funding. As trade union agreement is needed to publish a joint statement on Fair Work First, one of the evidence criteria, having different interpretations of the guidance is both challenging and not helpful.

It would be helpful if acknowledgement could be given to the many ways that employers can demonstrate implementation of FWF principles other than the very specific outcomes required in the guidance. Additional guidance on the intent behind the implementation of the FWF principles and how procurement operates within a specific framework to implement the same principles would be helpful to aid conversations with trade unions.

Implementation of the Real Living Wage across all staff continues to be challenging, with the focus on payment to modern apprentices. While a temporary exemption was made available for local authorities, this is temporary and does not address the longer term ability to pay a higher rate to training roles without reducing the number of roles or increasing the funding available . ' There is a risk that there will be a reduction on the number of MAs with the unintended consequence in creating inequalities in the sector by removing opportunities to build a more diverse workforce though supported employment opportunities.

V&A Dundee

V&A Dundee is Scotland's design museum.

Planned budget increases

V&A Dundee is Scotland's design museum. Created through an innovative partnership of the V&A, Dundee City Council, the University of Dundee, Abertay University and Scottish Enterprise. V&A Dundee is run by a charitable company that is independent of the wider V&A family. The museum receives core funding directly from Scottish Government and its Founding Partners.

V&A Dundee is an anchor institution that is important in place-making and the regeneration of a city. The cultural investment in Dundee's waterfront and V&A Dundee has transformed perceptions of the city through a collaboration between public and private funding and has created a new platform and resource for design. This has boosted the economy through tourism, is changing the profile of Dundee, supporting the hospitality and cultural ecosystems, as well as making the city a better place to live, work, study and visit.

V&A Dundee delivered an economic impact of £304 million for Scotland up to September 2023, contributed to attracting 500,000 people to Dundee for the first time in those five years, and has now welcomed over 2 million visitors since opening. These are transformative impacts which spill across into other areas of the economy, particularly in regions outside the Central Belt that are working to develop their culture sectors, tourism offer, local industry and reputation. The success of culture projects like V&A Dundee also pave the way for new initiatives such as Eden Project Dundee.

The Scottish Government's commitment to increase investment in arts and culture by £100 million per year by 2028-29 is warmly welcomed.

The financial pressures facing the Scottish Government are extremely challenging and we note that budgets have, wherever possible, been protected at standstill levels.

One of Scotland's defining strengths and greatest resources is its creativity, culture and heritage – known around the world and distinct across Scotland's diverse places and geography. As the Culture Strategy published in February 2020 states:

'Scotland is a place where culture is valued, protected and nurtured. Culture is woven through everyday life, shapes and is shaped by society, and its transformative potential is experienced by everyone. Scotland's rich cultural heritage and creativity of today is inspired by people and place, enlivens every community and is celebrated around the world'

The culture sector is part of, interacts with and contributes positively across society, from the economy and job creation, to education, tourism and regeneration to health, wider creative industries, supporting and creating communities and developing international opportunities.

Over and above this, and as stated in the Culture Strategy:

‘Our culture defines who and what we are: it is the way we talk, the way we think and the way we treat one another. It is everywhere in and around us individual and unique’

This additional support is a first major step towards matching the belief and rhetoric in culture’s value and impact with critical support to individuals and organisations. It is also a move towards increasing the overall percentage of funding the sector receives to begin to align to country peers around Europe and the world.

Funding from the culture budget delivers impact across society, as well as across policies, portfolios and sectors, for people around Scotland and visitors. The budget increases will help the sector to keep delivering on many tangible outcomes ranging from raising aspiration and educational attainment to contributing to sustainable economic growth and improving health and wellbeing. In addition, moving towards a culture budget that correlates to the intrinsic value of supporting creativity, will maintain and develop contemporary cultural activity, spaces and ideas, support the cultural and creative workforce and care for, update and expand access to collections and heritage, as well as bring the world to Scotland and Scotland to the world.

However, the arts and culture sectors are currently vulnerable. Serious pressures are accumulating from years of standstill public funding, short-term funding agreements, pressures on household spending and increasing costs, restricted or no capital funding to maintain, improve or repair buildings, competition for the same limited sources of private and philanthropic income, and apprehension amongst some donors to support culture following recent campaigns.

The increase of £100 million per year in arts and culture spending and the commitment to multi-year funding agreements are both priorities. They need to align to key budget and funding milestones in Scottish Government and Creative Scotland to ensure that skilled artists, designers and culture sector professionals can remain living and working in Scotland, and that organisations do not face permanent closure or irreversible reductions of scale and depth. This is essential to ensure that all of Scotland can access and develop culture. The time from the initial announcement in October 2023 to a plan of where this additional support will go is creating additional risk while the intention is to do the opposite.

The sector, if supported to sustain and even thrive, will move from being a series of risks to continuing to be a dynamic network of catalysing resources that generate sustainable livelihoods, and the range and depth of outcomes created by culture across Scotland. Success breeds success – private sector support, and new models are much more difficult to secure if the perception exists of a sector being in a permanent state of crisis.

The indicative £25 million increase in the culture portfolio for 2025-26 should be prioritised according to a plan that considers the relationship between funding, strategy and outcomes. It should consider the roles of the various major funders of culture including Scottish Government, local authorities and Creative Scotland who together have the fullest view of the sector, its diversity and its aggregated value and impact. Taking care to consider ways to build from and protect decades of investment, enabling the new to also grow, and considering the geographical spread across Scotland and regions.

V&A Dundee benefits from Scottish Government support. It is essential core funding that enables us to raise a further equivalent amount through commercial income, fundraising and commercial partnerships. Core subsidy at the current level (2023/24) creates the opportunity for V&A Dundee to pursue sustainability and enables V&A Dundee to deliver significant impact across multiple local and national outcomes. Even perceived small changes to this support are likely to enact a reductive spiral towards unsustainability.

Public subsidy works in partnership and creates a multiplier effect. From public subsidy organisations can deliver and can often grow more income and support, can innovate their audience offer and business model, create jobs and freelance opportunities and generate wider spend.

Divestment from the sector will lead to impacts and all income reducing. Public subsidy is of irreplaceable financial worth and acts as a statement of value that attracts other support from audience attendance to sponsorship.

Culture Strategy Action Plan

Answer to question 1 ('To what extent...'):

The initial Culture Strategy of February 2020 is a marker for a bold vision of culture and its value. The subsequent Action Plan sets out a series of connecting, advocating and developmental actions to support the impacts of culture.

The arts and culture sector faced a crisis during the COVID pandemic and multiple lockdowns, ranging from the loss of visitors and associated revenue at visitor-facing organisations to the collapse of income opportunities for self-employed artists and

designers at the other end of the scale. More than four years on from the beginning of the pandemic, those pressures have eased but never entirely disappeared.

For museums and galleries, there has been a gradual recovery in visitor numbers but operating costs – from paying staff fairly to increasing production costs – remain growing pressures.

Tourism numbers are increasing again, although individuals' willingness and ability to spend is often greatly reduced due to the ongoing cost-of-living crisis. Inflationary pressures on organisations and households have taken a very considerable toll, even if the headline rate of inflation has now settled. Costs have increased substantially over recent years and are not decreasing. The legacy of those financial impacts remain.

A sustainable future requires investment, that in turn generates impacts. Along-term vision for the sector, connected to funding, which includes progress towards multi-year funding settlements for everyone in receipt of public funds is needed.

We welcome the Culture Strategy Action Plan from December 2023 and the Scottish Government's focus on developing sustainability for culture. However, it is from a baseline of regular funding that we can create, connect and plan confidently to enable the sector as a whole to contribute to so many local and national outcomes.

Answer to question 2 ('How should the...'):

The addition of the theme of Resilience is particularly important, on top of the three pre-existing ambitions from the 2020 Culture Strategy.

Resilience should also be understood in the wider sense of delivering the greatest value for public investment. Without financial certainty for cultural organisations, there is no prospect of sustainably delivering the important outcomes we all support around Strengthening Culture, Transforming through Culture, and Empowering through Culture.

The budgetary decisions of the Scottish Government should consider Resilience as a core, fundamental driver that needs to be met to allow the other three ambitions to continue to be meaningfully delivered and further developed.

Resilience will vary across the sector with greater certainty on funding streams, bridging financial gaps between standstill funding and increased costs, inflationary pressures and the impact of the cost-of-living crisis on visitors' spending, as well as funding sustainable careers for the sector all being part of the mix.

Delivering the commitment to multi-year funding for publicly supported cultural

organisations is the leading priority for delivering Resilience, efficiencies, and greater resilience comes from the ability to plan with more confidence in the longer term.

As noted above, it is also critical to bear in mind that renewing existing and raising additional private support is predicated for all major cultural organisations on stable public investment. The confidence that Scottish Government investment provides allows us as a sector to fundraise essential income from corporate, trust and private sources, but that would not be possible without the organisational stability and the vote of confidence that public money provides.

Progress on innovative funding solutions

As the Committee recognises, moving to multi-year funding settlements and developing cross-portfolio funding for culture across government are essential to creating a sustaining operating context for arts and culture in Scotland.

We look forward to multi-year funding settlements being made available at the earliest opportunity, and concur with this being a priority.

We acknowledge that the financial pressures facing the Scottish Government are extremely challenging, but we remain hopeful that the commitment to an additional £25 million for culture in 2025-26 – as a step towards the additional £100 million a year by 2028-29 – will be focused on giving multi-year stability to organisations receiving public funding, so that in turn the overall creative and often freelance workforce is also better supported.

We note the development of Public Service Reform and welcome any opportunities that may bring as government takes an expanded view of the cross-portfolio outcomes and benefits of cultural investment.

We note the Cabinet Secretary's letter of November 2023 to the Committee, in which he addressed the potential for further innovation within cultural funding.

Arts and cultural organisations have been diversifying their funding streams for many years before the pandemic, maximising their potential to earn income through tickets, online retail, catering, events and memberships, and through fundraising from corporate, charitable and philanthropic sources.

In addition to existing ideas being explored – such as the Percentage for Arts, visitor levies, other routes that can generate needed support range from Tax Relief initiatives to support from various lotteries – the following could be approaches that are worth further exploration:

- The Dundee Cultural Recovery Fund raised £1 million in 2020/2021 to the benefit of five of Dundee's cultural organisations. The campaign was led by V&A Dundee,

with £500,000 secured from a charitable trust as a challenge fund to match other contributions pound-for-pound. This campaign recognised the importance of culture to the city's post-pandemic reopening and recovery and managed to secure considerable matched philanthropic support from the private sector.

- The Dundee Cultural Recovery Fund amongst others could provide an outline model to explore on a larger scale, with the support of Scottish Government to convene the private sector, funders and private philanthropists with the culture sector to explore the current environment and risks for everyone involved in supporting culture in Scotland for the long term.
- Public Service Reform involves NDPBs and agencies of Government. Other organisations are likely to be able to contribute and offer an expanded view of the cross-portfolio potential outcomes and benefits of cultural investment and collaboration.
- Commercial partnerships are an area of potential growth for cultural organisations. At V&A Dundee we have developed a multi-year partnership with The Dalmore Single Malt Whisky, including exclusive launch events and collaborations with designers on limited edition whiskies. It is, however, much harder than in the past to obtain traditional sponsorship where a commercial organisation will choose to simply brand an existing programme.
- Additional funding raised is often tied to a particular project, requiring most or all of the funds raised to be spent in a ring-fenced area. This can have the unintended consequence of delivering extra programme from a fixed staff resource and without any additional funding contributing towards an organisation's core operating costs. As a result, the ability to raise extra funding in this way is limited.
- Funders such as People's Postcode Lottery are recognised for funding charities such as museums, festivals and galleries in flexible and non-ring-fenced ways, allowing the organisation to develop to its priorities and contexts and allocate funding wherever it is most needed and to then demonstrate the value of that investment against broader criteria such as the overall social, economic and cultural impacts of that organisation.
- Innovation in cultural funding is likely to stem from an expanded view across the sector, other sectors and from Government levers. It will need to be de-risked to encourage organisations of all sizes to experiment. A 'challenge fund' model to explore innovative funding and income-generation models, with an open-source approach to sharing learnings, could lead to new ideas and a wider culture of innovation in those that fund and those that are funded.
- There is a limited pool of corporate and philanthropic funding in Scotland. The

Scottish Government and other funders could connect the sector to diaspora funding opportunities, using its networks and relationships to convene and leverage international support for culture in Scotland.

We also support the introduction of a 'Percentage for the Arts' scheme where spending on new public buildings and spaces will see a percentage spent on cultural and community art projects. We look forward to further detail on this renewed commitment in the Action Plan.

Creative Scotland's Multi-Year Funding Programme

Any transition towards multi-year funding settlements is to be welcomed. A key challenge here is how that approach can be applied more widely across the arts and culture sector.

We acknowledge both the difficult economic climate and the considerable financial challenges that the Scottish Government faces, but for any arts organisation of any scale it is very hard to plan ahead for a sustainable future if funding settlements are only provided on a year-by-year basis. Equally, the wider economic challenges facing government are also being faced by everyone else, from the individual visitor to museums, galleries and other arts organisations to organisations, businesses and the creative workforce.

In addition to delivering Creative Scotland's Multi-Year Funding Programme, the sector needs to transition at the earliest opportunity to multi-year funding settlements for all organisations receiving public investment.

The impacts of not having this certainty are multiple, including affecting the ability to plan major exhibitions or touring shows in advance. These are critical income-generating opportunities for museums and galleries, which in turn drive wider economic benefits through the development of UK-wide and international tourism.

For instance, we work closely with VisitScotland and other partners to encourage travel trade bookings to visit Scotland, with these companies and tour operators typically planning and selling packages 18 months in advance.

To be able to promote a major exhibition 18 months in advance of opening requires it to have been in planning for several years prior to that. Multi-year funding would provide the stability to make those upfront investments in the years before a major exhibition opens, and in turn to attract additional private and philanthropic support.

Fair Work

V&A Dundee is committed to the principles of Fair Work First and has been an accredited Real Living Wage employer since shortly after the museum opened. This commitment extends to the security, cleaning and hospitality staff working in the

museum, a position developed with our contractors.

The Real Living Wage is the right approach for staff and the contractors that work in the museum. However, if we believe in that principle then it follows that we also need to consider what a Real Living Pension should be for the same staff. If that represents Fair Work then we have to look to ways to fund and manage the additional cost pressures.

Similarly, if the Real Living Wage increases at 10% each year, which it has done in the last two years, then we have to recognise the effect that this has on the pay awards for staff just above the Real Living Wage.

The culture sector has many skilled creative roles but also requires core essential roles and skills in areas such as finance, HR, health and safety, digital, IT and marketing. The demand for these skills is spread across the economy and the culture sector needs to pay competitively to secure, retain and develop them.

Any funding settlement also needs to consider the ongoing impact of inflationary pressures, including supporting Fair Work and the Real Living Wage.

National Galleries of Scotland

National Galleries Scotland looks after one of the finest collections of art anywhere in the world on behalf of the people of Scotland. The collection consists of around 130,000 works of fine art and is displayed to the public at the following locations:

- Scottish National Gallery at the Mound
- Scottish National Portrait Gallery in Queen Street
- Scottish National Gallery of Modern Art in Belford Road (Modern One and Modern Two)

NGS is a national institution and a Non-departmental Public Body. The principal functions of the Board of Trustees of NGS are set out in The National Heritage (Scotland) Act 1985. Our primary role is to care for, research and develop the national collection of art, ensuring that the public has the greatest possible access and that we promote Scotland's international reputation for art and culture.

Planned budget increases

Planned budget increases should be prioritised towards anchor funding for core services and/or 'spend to save' initiatives in order to improve the financial sustainability and resilience of organisations funded through the culture portfolio and therefore leading to improved cultural outcomes.

The 'perfect storm' identified in previous budget rounds is still in full effect and the three areas of public funding, operating costs and income generation are still significantly challenging. Although NGS ultimately achieved a balanced budget for 2024/25, the financial year 2025/26 and beyond present a significantly challenging financial picture.

For NGS, since 2019-20 our resource grant in aid budget has increased by £4.6m with £4.3m of that funding increased pay costs (SG pay policy) over that period with staff numbers held at the same level as 2019-20. With staff costs at 93% of grant-in-aid, we are now at the minimum resource level needed to care for and provide access to the national collection and to generate income needed to supplement public funding.

The remaining 7% of grant in aid does not cover the cost of managing and running our estate including increased utility costs for environmentally controlled buildings needed to care for the national collection. Our utility costs have increased significantly over the past three years. We are now increasingly reliant on earned and contributed income for our core funding.

There is however an opportunity on income generation. Our visitor numbers have just recovered to pre-Covid levels with a significant increase due to the recently re-

opened Scottish galleries at the National. However the cost of living crisis is impacting our customers in terms of what they are prepared to spend with their value expectations increasing. We work hard to secure private investment (including from philanthropic sources) and have been successful in the delivery of large capital projects, through which we have been able to significantly improve our offer to visitors.

However, a longer-term view of how the culture sector will be supported, coupled with adequate Scottish Government funding is a pre-requisite of creating confidence in the sector and leveraging both public (from non-government sources) and private support into culture and heritage.

Generating the required level of incoming investment and support is only achievable when built on the firm foundation of our core services, and the challenge is in our core funding, which private investors are not motivated to support. There is also intense competition for private investment as all heritage and culture organisations find themselves in a similar situation.

The right level of investment into core services (anchor funding) and incentivising income generation ('spend to earn') will support NGS in becoming more financially sustainable and resilient.

Culture Strategy Action Plan

The original cultural strategy published in 2020 set out a wide range of commitments and ambitions but was widely felt to be too abstract and diffuse. There is a need for a focussed approach to key outcomes relating to inclusion and equalities, environmental sustainability and the role of culture in promoting health and well-being. The Culture Strategy Action Plan provides the focus to do this but could be expressed in a more measurable and impactful way. It does create a need for improved collaboration both within the sector and across portfolios. The Culture Partnership Agreement referenced in the Action Plan may be a key contributor to this, although the action plan does not expand on which organisations would be part of that partnership.

With greater strategic focus on measurable impact and alignment across cultural bodies, it should be possible to better target funding towards clear outcomes. There does however need to be a recognition that a large majority of cultural organisations do not currently have a strong and resilient foundation to build upon to deliver cultural outcomes in a meaningful way and investment should be prioritised towards this.

Progress on innovative funding solutions

As we have previously stated, it will not take much to shift the dial and have a big impact. Culture is not a problem to be solved: culture is the solution and an asset to

be exploited. Museums and Galleries Scotland research undertaken in 2023 found that for every £1 of core funding provided to museums and galleries, the economic output generated is more than double this at £2.67.

NGS can play an important part in recovery and regeneration in Scotland over the coming years and it is our ambition to ensure we work across key issues in society, including health & wellbeing; the climate emergency and in playing our part in addressing inclusion and inequality.

Adequate investment is required for culture with a target for a minimum of at least 1% of overall spending budgets in Scotland. According to the Campaign for the Arts, the United Kingdom ranks among the lowest spender on culture, both as a percentage of GDP and per person. NGS supports Culture Count's call for investment in culture to be increased to 1% in line with the 2019 CEAC report Putting Artists in the Picture which recommended that culture should establish a baseline target for national arts and culture funding above 1% of the Scottish Government's overall budget, supported, on a cross-portfolio basis, in line with the recommendation of the Cultural Commission. We support the long-term goal for 1% of overall Scottish Government expenditure towards culture. This will bring us closer to the levels of investment across Europe, where the average is 1.5%.

There has been little progress made in the area of multi-year funding. We await the publication of the Scottish Government's medium-term financial strategy to see if that provides any indication of future year funding scenarios. With multi-year funding the opportunity to plan for a dynamic and confident public offer is possible and ultimately makes more impactful programmes—both national and international. It also improves efficiencies across the board with better planning and performance.

Our ambition is to more widely share the national collection with the people of Scotland and beyond; building on existing partnerships and creating new collaborations with museums, galleries, and communities around the country so that everyone can explore and discover art. We do not see the collection as something static available only at our physical sites in Edinburgh, we have the potential to share more widely with audiences all over the country and internationally whether that is facilitating an in-person experience or an online engagement.

The opportunity for mainstreaming culture across portfolios and developing cross-portfolio funding for culture comes in the form of The Art Works project development in Granton. The Art Works is a true sustainable development project from NGS. It combines economic environmental and social sustainability and is a clear demonstration of how arts and culture can contribute to the national economic recovery and the government's community investment agenda.

Through this project, NGS brings culture into the placemaking philosophy and allows

NGS to play a vital role through its work with local partners to improve education, wellbeing, health, and economic outcomes in one of the most deprived areas of Scotland.

The design for The Art Works is an environmental construction exemplar: we are using Passivhaus principles and the Art Works will be the first major cultural building to achieve Passivhaus accreditation in Scotland. The building is also being designed to ensure that it can achieve Net Carbon Zero.

Creative Scotland's Multi-Year Funding Programme

NGS is not in receipt of Creative Scotland funding. However we understand there is anxiety within the sector that the current demand outstrips resource and more generally there is confusion as to who/what is funded by Creative Scotland which only serves to undermine the confidence of the sector. This has an impact on NGS, as many of our partners (whether at organisational or individual level) are experiencing a precarity that hinders engagement/involvement with us. NGS experiences an indirect impact while also fielding the confusion and lack of clarity in the funding programme both at public and sector levels, further confused by different operating models in rest of UK where Arts Council England (equivalent of Creative Scotland) does fund national collecting bodies.

Fair Work

Scottish Government policy on fair work and inclusive workplaces states that 'fair work means secure employment with fair pay and conditions, where workers are heard and represented, treated with respect and have opportunities to progress... fair work and reducing workplace inequalities are central to our work to transform Scotland's economy, ensuring that everyone is able to contribute'.

NGS is a body covered by the SG pay policy and is currently planning to introduce the 35 hour working week from October 2024.

Equality, diversity and inclusion is one of the strategic priorities for the National Galleries of Scotland. We are working towards embedding anti-racism, anti-ableism and broader anti-oppression principles in our activities. Our current EDI commitments include increasing the number of people with under-represented protected characteristics applying for paid and volunteer roles.

With regard to the gender pay gap, our statutory report in 2023 showed that overall, male employees earn less than female colleagues, due largely to the fact that there are more females than males in the higher pay bands.

People managers have had training on the topic of inclusive recruitment and new job boards are being used for all NGS adverts (LGBTjobs.co.uk, DisabilityJob.co.uk and BMEjobs.co.uk). Equal opportunity questions have been built into our new

recruitment system to enable more effective monitoring of the protected characteristics of applicants. We have also been seeking to attract applications to our freelancer pool from creative professionals who are Black or from marginalised ethnic groups and/or disabled as well as creating paid opportunities within our events programme.

Over the last few years we have worked to recruit volunteers with under-represented protected characteristics through work with local community groups and institutions. We have worked with volunteer organisations such as Make Your Mark, Volunteer Edinburgh and Volunteer Glasgow to help with this recruitment, as well as groups such as Into Work, Barnardo's, Community Renewal, Deaf Action & Impact Arts. Volunteers were also recruited during International Women's Day in order to improve representation of female artists in the collection on Wikipedia.

We have also committed to working with all colleagues to ensure everyone understands the contribution they can make in creating a workplace culture that respects and values EDI. This includes a comprehensive training programme, an open invitation to colleagues to attend the Equalities Steering Group, the establishment of the Queer Colleague Network and the inclusion of diversity and inclusion questions in the staff Perspectives survey. When we launched our new HR system last year, we took the opportunity to ask colleagues to update their EDI information and explained the importance of doing so.

NGS has recently been accepted onto a new anti-oppression training programme, Museum Transformers, developed and delivered by Museums Galleries Scotland. 40 colleagues will take part in this over the next 2 years.