



Scottish Government's Spending Review

Evidence to Constitution, Europe, External Affairs and Culture Committee from Social Enterprise Network Scotland

1. Introduction

Social Enterprise Network Scotland (SENScot) appreciates the opportunity to submit evidence to the Committee on behalf of our members. This evidence has been gathered using information and views from our broad membership. SENScot's membership includes social enterprises operating across Scotland, including cultural and creative social enterprises, and our national and local partners.

2. About SENScot

SENScot is the national umbrella body for social enterprise networks in Scotland. As a membership led organisation we promote and champion the work of front-line social enterprises, with a commitment to reflect the views and aspirations of our members. Within the social enterprise sector, we seek to: Provide Leadership; Influence Policy; Represent the sector and Support its development.

We believe that Scotland's social economy is at its strongest when people who share a vision work together. SENScot engages with and through our membership (circa 1500 SEs), working with [7 Thematic](#) and [20 Placed Based Social Enterprise Networks](#) covering 22 local authority areas.

As part of our work, we support a Cultural and Creative SEN, which provides a forum for social enterprises to come together – for peer support; to share resources; and to work together to develop effective solutions to shared challenges. The SEN gives social enterprises a collective voice with which to raise important issues at both a local and national level.

3. How budgetary decisions can support the mainstreaming of culture, including the impact on health and wellbeing.

There are a broad variety of issues that impact the mainstreaming of culture across the Scottish Government, and many of these issues can be influenced through budgetary decisions. The following themes are worthy of further discussion:

- Government cross-departmental relationships (internal and external)
- Scottish Government funding arrangements and timescales (direct and indirect)
- Policy links, including economic recovery, health and wellbeing and fair work agendas
- Procurement opportunities
- Language

3.1 Government department relationships

We know from working with a variety of cultural and creative organisations in the social sector across Scotland, that positive relationships across Scottish Government departments already exist. However, a lack of collaboration across departments and a fear of 'stepping on each other's toes' can lead to a disjointed approach to sector development. A silo approach to decisions and

funding is known to negatively impact on the joined-up approach that government seeks – furthermore, it can lead to duplication of efforts.

The opportunity to connect the financial resources of the culture sector and other policy areas, such as health and wellbeing, employability, tourism etc are currently lacking. A cross departmental approach to policy development and implementation should be explored to ensure a broader understanding and cross fertilisation of knowledge and best practice.

3.2 Scottish Government funding arrangements and timescales

It is noted that the Scottish Government intend to move to a more flexible approach to funding, with longer term settlements. Whilst members are keen to see this shift, there remains a concern that multi-annual funding settlements have been promised previously and not delivered. Moving to a 3 or 4-year funding cycle would create greater resilience and sustainability among those organisations that are funded directly by Scottish Government and consequently have positive impacts on the broader sector including freelancers and volunteers. Such funding settlements would enable long-term planning, delivery on the Fair Work agenda, and attract external funding/trading potential.

“Our sector is great at collaboration but can’t if we don’t know where we’ll be in 6 months”. **SENScot member**

Members also ask that government recognise the issue of inflation. Standstill budgets mean that the sector cannot move forward, and many organisations cite receiving a budget cut year on year. It is recommended that future funding settlements should include an annual increase to account for inflation.

“A 2020 report from Audit Scotland shows that spend on culture and related services has reduced by 13.8% since 2013/14, while demand for services has increased. The Audit Scotland Accounts Commission has repeatedly reported on the importance multi-year financial settlements to enable long-term financial planning” **Culture Counts, 2021**

Alongside changes to settlements, payment timescales can have a detrimental impact on the sector. Funding promised in April, often at the last minute, can sometimes take 6 months to be paid across to an organisation. Such delays cause issues, including cash flow and staff anxiety, and does not align with Fair Work policy.

“You can’t run a business on promises, you need the money to pay your staff and everything else”. **SENScot member**

Members also noted that with funding there should be the inclusion of wrap-around support, e.g. business support that ensures organisations can move towards sustainability, and for some, increase their trading capacity and over time reduce their reliance on grant funding. Traditional business support structures are failing the sector and cultural and creative organisations often struggle to find the right kind of business support for their business model. By working collaboratively across government departments, better links could be made to ensure that organisations receive the right kind of support for their organisations to thrive e.g., creative third sector organisations funded by Creative Scotland can access business support through Just Enterprise (funded by Third Sector Unit at Government).

3.3 Policy links

Creative and Cultural activity links strongly with a variety of policy areas including: justice; education; health and social care; tourism; child poverty; food poverty; climate emergency; employability; regeneration and planning; community empowerment, and equalities.

The Culture Strategy for Scotland provides a solid basis for the development of cross government working. The inclusion of culture within future strategies would better ensure the incorporation of culture in future planning, policy development and financial decisions. Joint funding initiatives, with an emphasis on cultural contribution, that link to policy areas across departments would aid broader understanding of the needs of the sector and the significant economic and social contribution the sector makes. Cultural and creative organisations have a significant offer in tackling the key areas that the government seeks to address. However, organisations often have difficulty beyond their normal remit due to the tendency for short-term commissioning and funding arrangements.

Resource is required where there is an expectation for organisations to deliver on other policy areas, such as the climate emergency. Sharing of best practice across government will increase understanding of the sector and organisational needs and highlight the broad links to policy across departments. Recognition of the importance and power of cultural activity is still required across government.

- **Health and Social Care**

“66% of GPs agree that public engagement with the arts can benefit the illness prevention agenda” AESOP GPs & Arts survey, 2018

Cultural and creative organisations do not have the budget to develop solutions for health and social care, yet they have a contribution to make. They cannot compete in the current landscape and require investment for the design of innovative initiatives and projects that impact the wellbeing of our citizens. We need to encourage more collaborative relationships with Health and Social Care Partnerships.

- **Social Prescribing**

In addition, we need to encourage mechanisms that can support greater use of social prescribing and we can share good practice in this area e.g. [the SPRING Project](#). The SPRING Social Prescribing project is a partnership between Bogside & Brandywell Health Forum, the Healthy Living Centre Alliance and Scottish Communities for Health and Wellbeing. As the largest co-ordinated project of its kind, a network of 30 community-led health organisations came together to deliver Social Prescribing services in communities across Northern Ireland and Scotland. This is a way to link medical care to (typically) non-clinical, locally delivered support services. It enables medical professionals to refer their patients to a range of activities and services, recognising a social model of health in which wellbeing is determined by a variety of factors.

“0.2% of the Health and Social Care budget would enable the arts, heritage, screen and creative industries to deliver wellbeing via preventative health. (£36m)” Culture Counts

- **Fair work**

Fair work is difficult to achieve in the cultural sector that has long-standing business models, many of which rely on freelance, volunteers or short-term sessional workers. Although our membership consists of third sector organisations there is a requirement to connect with freelance artists and this impacts on the ability to ensure fair work.

Collaboratively produced culture plans and more certainty around budgets would create more opportunities for forward planning and enable artists to secure longer-term offers of work, from a wide range of culture plan partner organisations, achieving a range of agreed outcomes across arts, heritage, the creative economy, health, social care, and education.

- **Procurement opportunities**

Procurement opportunities remain limited for cultural organisations and support is required to build the market. We recognise that the Scottish Government is keen to open public markets for social enterprises operating in all sectors and has supported learning within the public sector as well as with social enterprises. By bringing the public sector together with cultural/ creative organisation, new and innovate solutions could be created.

SENScot's dedicated procurement support programme for the third sector, [Partnership for Procurement \(P4P\)](#) recently supported Glasgow Connected Arts Network (GCAN) in the development of Glasgow Arts Partnership (GAP). GAP aims to address barriers that exist between grassroots practitioners and larger funded projects or opportunities. GAP enables GCAN to act as a 'managing agent' for a consortium of artists, applying for opportunities and linking these up directly with the artists. This project, supported by Creative Scotland, is a great example of collaborative working that allows creatives to engage in procurement, sharing expertise and capacity.

- **Language**

The language used across sectors can differ hugely and impacts on understanding of what different economic sectors can offer especially across Scottish Government's National Performance Framework (NPF). Scottish Government could play a key role in breaking down the barriers created by language by using best practice examples, working across departments, and supporting collaborative working across policy areas. Although this is not an issue directly impacted by budgetary decisions, the solutions identified above would help tackle the lack of understanding between sectors.

4. Recommendations - from SENScot and our members

- In a post-Covid era, there has never been a better time to ensure collaborative working across Government policy areas and across sectors. Time, effort and resource is required to increase collaborative projects - working across Scottish Government departments and where possible, joint budgeting
- Make a firm commitment to introduce multi-annual funding to support the cultural sector to aid recovery and support sustainability
- Be cognisant of inflation challenges and increase funding settlements in line to meet these challenges
- Introduce shortened payment timescales and a commitment to pay on time
- Reduce bureaucracy aligned to funding agreements and introduce wrap-around business support along with funding
- Commit to cross-departmental working and the inclusion of culture within future strategies
- Resource, where required, organisations that are expected to deliver on key policy areas
- Ensure a forum exists to share best practice across national and local government
- Encourage and resource the development of cultural and creative industry's inclusion in tackling health and social care objectives
- Support collaborative local culture plans
- Invest in supporting the development of markets for cultural and creative organisations (i.e. through commissioning and procurement)

Culture Counts recommendations on Scotland's Ten-Year Plan for Economic Transformation.

- Introduce a requirement for every regional economic partnership area to include stakeholders from the wider culture sector in planning and decision making; ensuring links are made and potential is understood and acted on.
- Ensure that a minimum percentage of local infrastructure projects are ring-fenced for local arts and culture (as they are in Ireland) % for arts scheme.
- Invest in an Office for Cultural Exchange.
- Support entrepreneurs and businesses to find investors and make deeper connections with London markets to support creative businesses to have a global reach.
- When hospitality has recovered, introduce Transient Visitor Levy or devolve other income generating powers to Local Authorities.
- Recognise the fact that the contribution of the cultural sector cannot be easily measured by standard economic statistics.

Thank you for the opportunity to submit written evidence to Committee.

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