



The Scottish Parliament
Pàrlamaid na h-Alba

Angus Robertson MSP
Cabinet Secretary for Constitution,
External Affairs and Culture
(by e-mail)

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Dear Cabinet Secretary

Future of the Culture Sector

Further to our roundtable discussion with stakeholders on [12 January](#), the meeting with you on [19 January](#), and the Finance and Public Administration Committee's debate on [26 January](#), I am writing to draw your attention to a number of issues of particular and immediate concern to this Committee.

RFOs at risk

Creative Scotland told us that the risks to the sector had “increased enormously” and “a quarter to a third of the current 120 regularly funded organisations are at risk in the months ahead”. Also—

“If the cuts last into the years ahead and we do not have national lottery reserves to offset them and we end up passing them on to the sector, I estimate that probably no more than 60 out of those 120 RFOs will be funded. As if that is not troubling enough, we expect that 250 to 300 organisations beyond that will be interested in multi-year funding, and they will also be unsuccessful because of the way that the budget settlements look in future.”

The Scottish Contemporary Art Network (SCAN) said there were 5,000 jobs in the RFO network “in places such as Portree, Lumsden and Huntly in Aberdeenshire, and Lybster in Caithness, and those people are facing an uncertain future because of the cuts”.

Organisational reserves

Having agreed to use national lottery reserves “to offset the cut for 2023-24 and avoid passing on the impact of that cut in less than three months”, Creative Scotland was “heavily reliant on our national lottery income stream to support the direct programmes for individual artists and organisations that are not in receipt of multiyear funding, but the pressure is increasing exponentially as a result”.

The key message we heard was that reserves were being used up to support day-to-day spend. SCAN told us of an Edinburgh gallery whose energy costs had doubled, its reserves “disappearing fast”. It was argued that reserves ought to support short term pressures, but the pressures on the sector were not of a short-term nature. The witness in our roundtable said that the financial resilience of the sector was diminishing. Festivals Edinburgh noted that OSCR expects organisations to ensure that they have enough reserves to wind-down and pay off staff.

‘Turning the dial’

The participants in our roundtable noted that the cuts to Creative Scotland, and the real terms budget cuts across different aspects of the portfolio, are a relatively small part of the total of the Government budget.

National Galleries of Scotland (NGS) said—

“...the frustration that members hear and have heard articulated by many people in different evidence sessions is from the huge impact across the sector that turning the dial a bit negatively is having...but the reverse is also true; if you turn that dial a little bit the other way and invest, that, too, would have a huge impact.”

An important theme of the discussion was that there remains a strong cultural scene in Scotland. The success of the Year of Stories was highlighted. It was suggested a particular strength was the availability of small grants to individuals to enable them to undertake work in their communities. Screen Scotland was cited as an example of where political will, allied with expertise and relatively modest funding had come together to make a significant positive impact on a cultural sector.

We heard, too, that a clear recovery plan should be developed. Participants also suggested that if there are to be cuts, how this is managed should be done strategically, rather than through a process of attrition or managed decline.

Contribution to wider outcomes

Creative Scotland was concerned that the social and economic value of the cultural sectors may contract if there was not sufficient funding for the sector. In terms of cross-portfolio working, such as health, Historic Environment Scotland (HES) saw little evidence yet of much progress beyond discussions and suggested local pilots should be set up to demonstrate how culture and heritage sectors’ work can integrate with other services. It added that it was “not just about the narrow definition of culture and heritage but about economic development”.

NGS voiced a concern that culture was being viewed as a problem in need of solving whereas: “Culture is the answer; it is the solution”. It described a “really rich and vibrant culture across all sectors—the grassroots, local, regional, national and international sectors” and asked: “Why are we jeopardising that?”

We were told by SCAN that organisations were “meeting the performance framework and the outcomes that the Scottish Government is asking of them in communities right across the country” and it failed to “understand the strategic framework that would suggest that that reduction in investment is sensible or appropriate for communities.”

According to MVT—

“Artists are the best ambassadors...mainly because they have the opportunity to reach places that VisitScotland advertising campaigns cannot reach.”

Grassroots music venues

Music Venue Trust (MVT) said a “big concern” was that “unlike in England and Wales, where venues continue to receive support from business rates relief, only 10 of the 84 grass-roots music venues in Scotland that we represent will be able to receive any rates relief at all”, an added worry on top of higher energy costs and other cost-of-living related factors.

MVT also wanted to see “more investment from further up in the industry” because “unlike the position in other areas, such as football, where...premiership teams support the lower levels. That does not happen in music”.

‘Perfect storm’

The seriousness of the threat to a sector still in recovery post-Pandemic and now facing the cost-of-living crisis is evident. Creative Scotland has described a “perfect storm” of reduced income generation, increased operating costs, and longer-term budgetary pressures. The short-term outlook is bleak, the evidence we heard was sobering, but the concerns go beyond this spending round and there are significant challenges ahead even for those organisations – such as HES and NGS – which are relatively content with their latest budget allocations. Indeed, NGS described the coming 12 months as a “year-long breathing space”.

Scrutiny

As you know, our budget scrutiny has focused on the culture spend during the last 18 months, and we intend to continue with that focus for the duration of this parliamentary session. Our pre-budget reports in [2021](#) and [2022](#), along with the input to the spending review [Resource Spending Review](#), have made recommendations relating to: multi-year funding; learning from the innovative response to COVID-19; embedding of the culture strategy across the public sector; upscaling of culture projects supporting health and wellbeing, and the redirection of funding towards demonstrable preventative approaches; and an increased urgency to accelerate consideration and implementation of an innovative approach to the funding of the sector, including the Percentage for the Arts and Transient Visitor Levy schemes.

Next steps

We welcome your commitment to the culture sector, recognising its wider benefits (including for health and wellbeing) and important contribution to the economy; along with the assurance that you have been listening to the evidence the sector is providing and will continue to do everything you can to help those most affected by the economic crisis.

You told us on 19 January that the Scottish Government will be reporting to the Parliament in the spring on a “culture refresh”. This process needs to be in collaboration with Creative Scotland and other key partners and should look at addressing both the current circumstances and achieving longer term goals. What the Committee wishes to see in that refresh, as well as in a more immediate response to the evidence set out above, is a clear and strategic sense of how the Scottish Government is working to ensure a more sustainable future for the sector.

Yours sincerely

A handwritten signature in black ink that reads "Clare Adamson". The signature is written in a cursive, flowing style.

Clare Adamson MSP, Convener of the Constitution, Europe, External Affairs and Culture Committee