

CEEAC Committee Meeting 11 January - Supplementary Response – collated by Culture Counts

Supplementary Information from Culture Counts – 17 January 2024

Culture Counts would like to thank the Constitution, Europe, External Affairs and Culture Committee for inviting us to provide evidence on the Budget for 2024-25 and for the opportunity to provide supplementary information after the meeting on the 11 January. This additional report provides a collated response from three of the attendees, Culture Counts, V&A Dundee and Scottish Opera.

We would like to start by reiterating our thanks to the Committee for the work they have done in their pre-budget scrutiny and the attention paid to the challenges and evidence provided.

We would also like to thank the Cabinet Secretary for Constitution, Europe, External Affairs and Culture, Angus Robertson and Minister for Culture, Europe and International Development, Christina McKelvie for securing additional investment for culture in the 24-25 budget. There is no lack of understanding by the sector of the challenges of this budget for the Scottish Government and we continue our offer to work alongside them and other stakeholders to support the delivery of the budget in 2024-25 and the continued development and delivery of the Refreshed Culture Strategy Action Plan.

Entrepreneurial spirit

In response to a question raised at the meeting regarding the entrepreneurship of the culture sector we are pleased to provide additional examples. The culture sector raises funds through multiple sources including public investment, grants, trusts and foundations, corporate sponsorship, donations, partnerships and collaborations, through shops and cafes, ticket sales, providing services and workshops, event space and room hire, through legacy giving, friends groups, membership schemes, utilising Gift Aid and through many other innovative initiatives.

According to Creative Scotland's data, in response to the loss of earned income over the last few years, their Regularly Funded Organisations (RFOs) have been adept at accessing income from trusts and foundations and from donations, gifts and legacies between 2017 to 2023. Income from Trusts and Foundations has increased from £6.5mil (4% of total income) in 2017-18 to over £15mil (10% of total income) in 2022-23. Similarly, Donations, gifts and legacies has increased from £5.6mil (4% of total income) in 2017-18 to £26.8m (18% of total income) in 2022-23. These increases reflect the decline in earned income as a proportion of the total and the campaigns launched through the pandemic. They also reflect the increased need to fill the gap in income caused by standstill funding and increasing costs.

The sector is inherently innovative and creative across all that it does including in diversifying its income, which is why it has survived in recent years. It strives to be entrepreneurial developing and creating opportunities wherever it can. It has however, significantly exhausted many cost cutting initiatives and innovative schemes for diversifying income at an organisational level. Fundraising is increasingly challenging with funders experiencing increased demand, many are moving to support different priorities and success rates are plummeting. Fundraising and income generation demands a lot of time and resource and the sector reports that cost saving is at capacity without significantly compromising core services and mission. Further change and adaptation are ongoing, but adequate budgets and interventions are urgently needed now at a government level.

Additional information can be provided if required.

Supplementary information from V&A Dundee - 16 January 2024

We warmly welcome the commitment from the First Minister at party conference to significantly increase funding to culture and his ongoing recognition of culture's importance and its much wider economic and social value. We are also grateful to Cabinet Secretary for Constitution, External Affairs and Culture Angus Robertson and Minister for Culture, Europe and International Development Christina McKelvie for their advocacy for culture in the recent Budget negotiations and their continued support for culture. We welcome and thank Ministers and officials for their ongoing understanding and support of V&A Dundee and its impact for Scotland.

We recognise and are keenly aware of the extremely challenging economic environment the Scottish Government faced in setting its draft Budget. As Scotland's design museum and a leading visitor attraction, which welcomed 1.7 million visitors in our first five years, we are also dealing with these wider economic challenges every day. We have seen a marked shift in visitor and consumer behaviour, which directly impacts the financial environment for cultural organisations. While audiences have returned, albeit not to pre-COVID numbers, their ability to spend is often hugely diminished due to the cost-of-living crisis.

The stark economic reality is forcing all of us to adapt and to be increasingly entrepreneurial, which is particularly challenging when the financial and staff resource required to generate new income is already strained. However, we strongly believe there are many excellent examples of innovative thinking around commercial activity and fundraising within the culture sector.

At V&A Dundee we raise 50% of our income from commercial activities and fundraising, such as tickets, catering, events, memberships, on-site donations, retail and private philanthropy. We are also investing in our design shop, both in the museum and online, to grow its income and reach, and to profile and financially support more Scottish designers.

The following innovative fundraising examples from V&A Dundee may have wider learning that can be applied elsewhere.

Dundee Cultural Recovery Fund

During the COVID-19 pandemic, V&A Dundee led a £1 million fundraising campaign to mitigate against the worst effects of prolonged periods of time with no visitors to Dundee's key cultural attractions. Northwood Charitable Trust provided match-funding up to £500,000 which was matched by major individual donors, the corporate sector and many trusts based in and around the city.

Five organisations – Dundee Contemporary Arts, Dundee Heritage Trust (operators of RRS Discovery and Verdant Works), Dundee Rep & Scottish Dance Theatre, Dundee Science Centre and V&A Dundee – each benefited equally from the fund. To our knowledge, this is the only example of cultural organisations working together in this way during the pandemic, leveraging private philanthropy to city-wide benefit.

Partnership with The Dalmore

V&A Dundee and The Dalmore are working together to champion and nurture creative talent through an innovative and truly collaborative long-term partnership. Together, we are cultivating a global platform for contemporary designers that celebrates Scotland's heritage and commitment to craftsmanship.

The LUMINARY series is a unique three-part offering of rare and limited-edition single malts created by exceptional designers and distillers from the worlds of whisky, architecture and design, curated in partnership with V&A Dundee. This partnership profiles the museum on

an international stage and provides a regular income stream, including annual support and additional one-off donations from the proceeds of rare whiskies being sold at auction.

Financial background

For 2024-25, V&A Dundee has planned operating costs of £7.6 million, of which we will raise 50% from our own sources. These include private philanthropy (20% of revenue), commercial revenues including ticketing, retail and hiring the museum as a venue (16% of revenue), and contributions from our founding partners (12% of revenue). The Scottish Government provides 50% of revenue, which directly enables our national remit as Scotland's design museum.

We would also note our appetite to work, innovate and learn with others to mitigate concerns about the wider environment for fundraising, as all cultural organisations are approaching – and competing for – the support of many of the same donors, trusts and businesses. The ability to broaden Scottish cultural fundraising overseas would be highly impactful, particularly across the Scottish diaspora including the US, but also comes with upfront costs, both in terms of finances and staff resources.

Supplementary Information from Scottish Opera – 17 January 2024, Simon Hunt, Director of Finance

To borrow a phrase from Leonie Bell's (V&A Dundee) opening statement to the Committee, arts and culture organisations are "complex beings", running a multitude of micro-businesses. At its heart, Scottish Opera is a manufacturing SME, based in the west of Scotland but selling its high-quality products not just the length and breadth of Scotland, but also running a successful export business to the rest of the UK and worldwide.

As such, innovation and entrepreneurialism are at the heart of what we do. For example:

International exports

We have a model of working which is unique among UK opera companies. We tour to theatres of different shapes and sizes across Scotland: in our 60th anniversary year we visited over 60 towns and villages the length and breadth of Scotland. To enable us to achieve this, our sets are created with a degree of flexibility built into them that makes them attractive for rental to opera companies across the UK, Europe, North America and even further afield. In recent times, our productions have made their way to Santa Fe, Toulouse, Los Angeles, Madrid, Paris, Cardiff, London, Toronto and Detroit. These productions all earned five-star reviews on creation and launch in Scotland, extending the message that Scotland is known worldwide for its high-end creativity.

We also create productions together with other international co-producers, thereby sharing Scottish cultural and intellectual capital around the world. For example, our 2022 production of *Ainadamar* was created here in Scotland – the scenery was built here, the costumes and props were made here as was the intellectual property created in the rehearsal process. There were six very well attended performances and that same production has been seen in Detroit, Houston, across Wales when Welsh National Opera toured it, and it will be seen at the most prestigious opera house in the world – the Metropolitan Opera in New York.

The Scottish Opera factory

Based on Edington St near Speirs Wharf and Maryhill in Glasgow, Scottish Opera's artisan makers design, craft, engineer and create productions for companies across the UK and beyond. This includes English National Ballet, Scottish Ballet, the Royal Opera House, Netflix and many others. We have recently signed a contract for a £1/4m set build for export.

The Scottish Opera factory is the only one in Scotland that can provide sets, props and costumes for theatres. This holistic approach provides an excellent set of quality materials. The factory provides expertise and skills development in costume pattern cutting. The long-established scenery making means there are specialist skills in utilising timber, which leads to the lightweight approach suitable for touring as well as ease of repair. These skills which are developed at Scottish Opera are an important part of the Scottish film and TV industry. The skilled staff help attract major film productions to Scotland on a scale much larger than the stage industry itself.

Skills development

Sustaining our highly successful domestic and export businesses requires us to attract, maintain and develop many specialist skills. The Scottish Opera factory plays a key role in forging the links between education and practical experience. This is across several levels including schools, college, undergraduate and postgraduate with many staff providing teaching on courses across Scotland.

The factory is aspirational for young people going through college studying the likes of art, design, theatre studies, hair and make-up, scenery building, prop making, and costume making. In addition, our musicians double up as teachers at the Royal Conservatoire of Scotland, as well as in universities, colleges and schools across Scotland.

Scottish Opera also reaches schools in every local authority in Scotland, including around a third in SIMD 1. Thousands of pupils gain experience in performance skills, which form a crucial part of their development and building their self-esteem. The 50-year old education programme is truly world-renowned and its template and products are exported across the globe. It also encompasses award-winning contributions to health and wellbeing: the Breath Cycle programme is currently providing support for several hundred people suffering from long Covid across Scotland, and we have a longstanding programme enriching the lives of people with dementia.

Future focus

Scottish Opera has just finished celebrating its 60th anniversary. We recognise that to continue to be successful, vibrant and resilient for the next 60 years requires us to change. Top of the list is the need to consolidate from our multiple premises onto a single site: not only will this supercharge our Net Zero ambitions, but our initial designs will also contribute to the amenities available to the local community adjacent to the Scottish Opera factory, and create additional unique creative and rehearsal spaces in demand across the arts and culture sector, including the film and TV industries. We plan to part finance this development through sale of some of the land we already own to private sector developers, thereby creating in effect a 'public private partnership model'.

Return on investment

As stated in the Committee meeting, we absolutely understand the challenges facing the national finances, and the incredibly difficult choices that Government has to make. We understand and appreciate the battle that is being fought for culture and we welcome the increase that has been announced.

It is precisely in that context that we hope that the above demonstrates that we treat our grant in aid as an investment. Through that investment we leverage private, charitable and public finance, nationally and internationally, to maximise its return to the benefit of at least seven of the national outcomes:

- We are creative and our vibrant and diverse cultures are expressed and enjoyed widely
- We have a globally competitive, entrepreneurial, inclusive and sustainable economy
- We are well educated, skilled and able to contribute to society

- We live in communities that are inclusive, empowered, resilient and safe
- We have thriving and innovative businesses, with quality jobs and fair work for everyone
- We are healthy and active
- We are open, connected and make a positive contribution internationally

We extend an open invitation to all members of the Committee to come and see this vibrant, entrepreneurial company in action.

Wider Culture Sector Examples of Entrepreneurship

We have compiled a snapshot of examples of entrepreneurship across the culture sector.

Culture & Business Scotland runs the [C&BS Fund](#) which enables culture and business organisations to build effective, sustainable partnerships. Funded by the Scottish Government and managed by Culture & Business Scotland, the C&BS Fund provides £ for £ match funding against business investment. Since its launch in 2017, just over £1.3 mil has been awarded through 169 grants. This incentivised sponsorship from businesses to the value of just over £1.7 mil. Current demand far exceeds the budget available.

- [Edinburgh Science Festival](#) has secured sponsorship from local business Cirrus Logic for over 10 years, which has enabled the creation of several key activities for the festival. The partnership brings benefits to each organisation; a high-profile headline sponsor gives the Festival leverage to attract other sponsors as well as the funding to expand and deliver the range and quality of activities on offer. The sponsor raised awareness of their brand to new audiences and demonstrates their philanthropic commitment to the Edinburgh community. Cirrus Logic employees have been proud supporters of the partnership, enjoying the opportunity to attend the city's largest and most important science-oriented public event with their families.
- **The Royal Lyceum** took a creative approach to partnership working with whisky business, The Edrington Group to secure support for their world class production of [Local Hero](#). The Macallan was mentioned by name in the script while The Famous Grouse, featured on a wide range of promotional materials and through social media. The large cut out of the Local Hero iconic phone box with 'the Grouse' perched on top (instead of the traditional seagull!) became a hugely popular 'selfie' opportunity while The Famous Grouse stand at the show allowed whisky enthusiasts to sample new products.

The [C&BS Marketplace](#) was launched in 2023. It is inspired by research into the business sector needs and recognition of the valuable skills and resource that the culture sector can provide. Arts and heritage organisations develop and provide creative solutions for the business community to commission via C&BS. It allows creative organisations a way to sell products and services and business organisations to meet their specific needs and support innovation, develop creative thinking in the workplace or improve staff well-being.

- **Dundee Rep** offers packages including bespoke teambuilding, communications and mindfulness workshops and offers businesses the chance to work with professional actors to produce a play based on real workplace situations.
- **Scottish Ensemble** musicians, offer workshops using music pieces to understand how music can be used to manage stress and communicate emotions.
- **Scottish Book Trust** work with organisations to develop reading for pleasure, developing a reading culture and creating a Book Club to inspire creativity, improve mental health and wellbeing and equip teams to deal with challenges, make decisions, and plan and prioritise more effectively.
- **Archaeology Scotland** provide an archaeology team day designed to encourage innovative thinking. Staff teams get to experience a dig, record finds, then document

and communicate their discoveries in a fun and rewarding day that enhances wellbeing and supports teambuilding.

- **Birds of Paradise Theatre Company** provide training to build confidence for employees when working with disabled customers, clients or staff to enable businesses to make positive changes to their operations, providing a more equitable and inclusive service.

MUSEUMS AND GALLERIES

Stromness Museum developed [Snorkel Safaris](#) out of their local harbour in Orkney with the aim of encouraging more visitors to discover the fantastic natural history on the museum's doorstep. They sought to take advantage of the high number of divers who flock to Orkney annually attracted by the wrecks at Scapa Flow by developing a partnership with local dive schools and connecting with the museum's unique related collections. It provided the museum with new audiences, new partnerships with the local dive schools, developed repeat participants, attracted new volunteers and provided income for the museum.

Aberdeen Art Gallery created their [Shop at the Top](#) to support and sell the work of local creative makers. The newly reopened museum included a space at the top of the building to provide a dedicated space which not only generates income for the museum but supports the local economy through providing a physical space for local makers to sell their products.

Fairfield Heritage (Govan Workspace) and **The Govan Stones** collaborated on a [joint marketing campaign on the Glasgow Subway](#) to attract more visitors to Govan who previously were unaware of the heritage offering in Govan. In pre-Covid years Govan Workspace raised the funding and organised the popular free ferry between the Riverside Museum on the north bank of the River Clyde and Govan.

Glenesk Folk Museum's 'Flock to Sock' project created a new stream of income by working with a local farmer to produce socks made from spare wool which they now sell in the museum shop and online. To make an economically viable product, they sought a niche market, with a discerning buyer profile and settled on the Scottish diaspora of Kilt wearers. The first product was traditional kilt hose, inspired by antique patterns and examples in the collection.

University of Stirling/the Stirling Smith Art Gallery and Museum received a grant from MGS to help build staff resilience and appoint a Public Engagement Officer for a fixed term provided a wide range of public engagement programming. At the end of the term the Museum was able to demonstrate the importance of the service internally and externally to the University who provided internal funding to continue the role on a full-time basis.

Glencoe Museum secured pro bono support from the University of the Highlands and Islands to 3D scan artefacts from the collection which will be replicated to use as interesting new donation boxes in the redeveloped museum. They have also been raising money for the redevelopment in new ways including a sponsored hike.

Museums Galleries Edinburgh (City of Edinburgh Council) recently undertook a strategic review of income generation exploring opportunities including: charging for entry, donations, evaluating the income and expenditure of temporary exhibitions and public programmes, fundraising and philanthropic giving, sponsorship, retail and catering, venue hire etc.

Contemporary visual art organisation, **Collective** took on the lease of [Observatory House](#) in the grounds of their venue at the City Observatory on Calton Hill and redeveloped the building to provide short-term letting and artists residency space to generate income that will be reinvested back into the protection and promotion of the historic site.

PERFORMING ARTS AND MUSIC

Scottish Ballet's groundbreaking [Safe To Be Me®](#) programme has grown and developed through ongoing sponsorship from abrdn. The project uses dance to tackle challenging subjects including racism, homophobia, bigotry, ableism and transphobia works across schools in the Highlands and Central Scotland. Since launching in 2019, Safe To Be Me® has engaged with over 5,400 young people through workshops, inspiring speaker talks, and specially curated film projects. The programme is delivered in line with key Scottish Government targets devised to address issues of diversity and inclusion.

The **music sector** is known to be entrepreneurial as it has to continually adapt to changes in the sector and models of working whilst remaining competitive.

- Despite the challenges of Brexit and shifting music business models, musicians continue to develop their own tours at home and abroad and release their own music.
- Scotland's first vinyl pressing plant, Seabass has recently been set up in Dunbar.
- The Music Education Partnership Group's We Make Music programme has developed an instrument library scheme, now in about a dozen local authorities.
- The festival sector is healthy due to its entrepreneurial approach from the Fèisean movement to Trnsmt down to the smallest village folk festival. Regardless of scale, or whether it's a commercial business or a not-for-profit, it requires an entrepreneurial approach to propose and deliver a successful festival product.
- Many music organisations adopt a social enterprise model to better enable entrepreneurship such as Music Broth in Govanhill which operates an instrument lending service to make music playing and learning more affordable.

OTHER

[Outer Spaces](#) is a charity collaborating with artists, art collectives, organisations and commercial property owners to occupy and activate the empty commercial spaces. They offer access to empty shops, offices and industrial space for artists working across disciplines to research and make their work. They transform closed and boarded-up shops, streetscapes and empty commercial centres into highly visible, colourful, inviting spaces where people can experience the arts first hand. Aligned programming reconnects and regenerates communities and supports social and cultural networks to thrive.

[Portsoy Community Enterprise](#) (PCE) is a social enterprise, run by local volunteers who bring together an array of assets, events and offerings, to keep alive the heritage and cultures of the northeast of Scotland. Begun as a one-off event to mark the 300th year of Portsoy's harbour in 1993, the annual Scottish Traditional Boat Festival was born. Since then, the organisation has added to its community owned portfolio, The Salmon Bothy, The Boatshed, Portsoy Links Caravan Park and The Sail Loft providing holiday accommodation, café and catering, events space, hosting educational visits and providing film locations such as for Peakyl Blinders. PCE offers locals and visitors authentic cultural experiences, including traditional music programmes and boat building courses whilst providing economic benefit from tourism for the town of Portsoy and surrounding area.

[Project Ability](#) creates opportunities through inclusive art for all; supporting, celebrating and platforming diversity within the contemporary visual arts sector. They are innovative in their fundraising from venue hire to their workshop programme. They also provide commissioning opportunities to; produce or lend out artworks for film and tv, for office spaces, live portraiture to capture events, bespoke trophy sculptures and artwork for marketing and publications. They also raise money through online art sales and auctions and sponsorship.

Culture Counts, 16 January 2024