

Moray Council Submission to Inquiry into Budget Scrutiny 2024:25: Funding or Culture

Key Questions:

8: In our pre-budget report last year, the Committee described the operating environment of the culture sector as facing a “perfect storm” of long-term budget pressures, reduced income generation, and increased operating costs. How has this evolved over the last 12 months? What impact has the Budget for 2023-24 had on the culture sector?

Response:

- The Moray Council has faced an escalating issue for a long time dating back at least 15yrs when the first key budget pressure on the culture sector arose, resulting in the loss of the arts development function/team. Since then the Local Authority has experienced library closures. Community asset transfers of town halls and museums also mean that the Local Authority no longer operates these cultural venues. Over and above this staff reductions have impacted the culture and heritage sector within the Local Authority due to budget pressures.
- In the past year increased operating costs in relation to staff salaries, energy costs, materials and resources have exacerbated the issue. Internal and external funding has remained stagnant from a revenue perspective which results in a budget pressure which inevitably will mean reduced service operations – one example of this is likely be in music instruction. This will obviously have a significant impact on the attainment and equal access to opportunities for our children and young people.
- Over and above the operating cost increases, our cultural and leisure facilities require increased maintenance simply to maintain them as adequate/operating facilities due to their age and condition. Due to this, facilities have had to temporarily close due to asset failures which impacts access to public services by our local community and tourists.
- The Cultural Quarter developments as part of the Moray Growth Deal will counteract some of the issues outlined above, however, it should be noted that growth deal funding is capital only and the solutions for these new assets in a challenging climate will be self-sustaining without any ongoing Council financial support. The small team working on the Cultural Quarter is working hard to approach this project holistically so the resulting capital assets can support long term sustainability and growth for the sector but there are a number of challenges to be overcome given the starting point is a very low baseline in terms of cultural sector support infrastructure.
- Third sector organisations across Moray are key contributors to culture sector provision in Moray – this has increased significantly over the years due to the reduction in culture sector delivery by the Local Authority due to budget pressures.
- A Cultural Sector Mapping Report commissioned by the Cultural Quarter in 2023 reported that the heritage sector in Moray is almost entirely run by volunteers. “Moray has only one ‘Regularly Funded Organisation’ through Creative Scotland, and in a landscape that is being impacted by decreasing budgets and high competition, the arts is in a vulnerable position”. Interviews with a number of key representatives within the sector concluded that additional human resources and accompanying mechanisms are required for cohesive and effective sectoral growth.

- The report highlights that there is strategic work to be done with regards to generating an operational plan for culture in the region, and a core body/structure would be strategically important for cultural growth (and enabling the sector to reach its full potential in relation to a range of cross cutting benefits).
- Moray Council would encourage third sector organisations in to submit responses to this consultation as they may have different perspectives/experiences than the Local Authority.
- The Moray Council has witnessed a reduction in the number of cultural events delivered by local communities in Moray due to rising costs to organise/deliver.
- In order for the creative sector to flourish there must be some reliable revenue and infrastructure support – otherwise we risk jeopardising all of our ambitions by placing responsibility to a small group of individuals and organisations in the sector, and this in itself will result in a reduction of opportunity and inclusion in a critical sector with cross cutting benefits in relation to health & wellbeing etc.
- The ambitions and outcomes of significant capital investments will be hampered without the baseline revenue support for the sector – correctly described as a ‘lynch pin’ by Creative Scotland in their contribution.
- There can be a mismatch between how we value culture and how we fund it. Echoing the voices from national companies – the loss of LA funding or properly resourced support for coordination and collaboration is devastating for regional arts and culture infrastructure. This in turn impacts the ability of the regions to attract the populations and skills required for economic growth and development.
- There is a disconnect between the rhetoric and ambition for the outcomes of cultural regeneration and the lack of any strategic investment in this important growth sector.

9 Our report also concluded that that this crisis provides an opportunity to accelerate innovative solutions to the budgetary pressures within the sector. What progress has been made on this in the last 12 months? And at a time of limited resources, what other innovative approaches could the Scottish Government take forward to support the culture sector?

Response:

- Moray Growth Deal – Cultural Quarter: To support the capital investment (and reflecting on the outcomes of recent studies such as the Culture Sector Mapping Report and Culture Radar 2020) it is Moray Council’s intention to create overarching culture trust (or similar body) in Moray which will be an independent organisation with an overarching remit for sectoral support and coordination. . Whilst the Council is grateful for the opportunity to develop significant capital assets in our region consideration must be given to the mechanisms which can make these assets sustainable for the future. The availability of funding such as the proposed visitor levy to support organisations of this nature and as such regional opportunities for culture and tourism will be crucial and the fiscal arrangements for such funding need to developed at a strategic national level.
- The Moray Council is currently exploring alternative models of delivery in regards to culture provision within these stagnant funding envelopes. This may result in use of freelance staff rather than Local Authority staff, however there is a risk/concern that we won’t have qualified, skilled freelance staff in the area or willing to relocate. The same applies to the development of a trust and two new regional cultural venues.

- More flexibility with funding, reduce restrictions – this is the approach that the Scottish Government and COSLA are taking so should this approach be filtered wider?
- The sector is so wide – arts, music, heritage, museums, history, food, leisure etc – so having strategic support at government level for the cross cutting benefits of culture will be critical in ensuring we can achieve this collective profile / bigger voice/more power/greater advocacy for the sector.
- In relation to the section on ‘health and well-being’ we see the lack of coordination/progression in this agenda as being directly linked to the lack of progress in ‘mainstreaming’ culture. Culture should be at the centre of community planning, and lack of local investment due to the pressures put on local government budgets mean there is often no identifiable organisation or department where this responsibility should sit.
- Another ‘innovative’ funding strategy which should be pursued is opportunities through social prescribing – for the benefit of individuals, communities, reducing pressure on the health and social care system through preventative work and alternatives to prescription and treatment as well as providing commissioning based funding and alternative routes to funds for the cultural sector.
- Ensuring culture is held accountable in community planning and other strategic cross departmental forums could provide a route to strategically moving a number of ‘trials and pilots’ forward to form mainstreamed provision. This could also form part of a serious strategic and practical commitment to mainstreaming culture.

10: The Committee called for the forthcoming refreshed Culture Strategy Action Plan to 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 refreshed Culture Strategy Action Plan help to inform future budgetary decisions within the culture sector?

Response:

- As with a number of services that are delivered by the Local Authority if they are not statutory then they are often the services that are susceptible to budget pressures as they are ‘nice to haves’ as referenced in your report.
- Need to enshrine in the plan how culture impacts the achievement of wider outcomes (social return on investment etc) – what would be the impact if we had no culture sector in an area?
- The Cultural Strategy needs to be accompanied by funds and operational plans – otherwise rational and sensible ambitions cannot be realised. This can be seen at a regional level with the HIE supported ‘Cultural Strategy for Moray 2014-17’ where the overarching themes and ambitions are still relevant, but despite a strong vision lack of resources to implement the vision or an operational framework meant that it was unable to realise its objectives.