

CONSTITUTION, EUROPE, EXTERNAL AFFAIRS AND CULTURE COMMITTEE

1st Meeting, 2024, Session 6

11 January 2024

Budget Scrutiny 2024-25

1. The Committee published its [pre-budget scrutiny report](#), focused on funding for culture, on 7 November 2023. It received responses to the report from [Creative Scotland](#), and then, after the Scottish Budget for 2024-25 was published on 19 December 2023, from the [Scottish Government](#). The [Culture Strategy Action Plan](#) was also published on the same day as the Budget.
2. The Committee agreed to continue its scrutiny of culture funding after the publication of the Budget, including consideration of any further detail on the commitment to increase the Scottish Government's investment in arts and culture by £100 million by 2028-29.
3. At this meeting, the Committee will take evidence in a roundtable format from—
 - Lori Anderson, Director, Culture Counts
 - Shona McCarthy, Chief Executive, Edinburgh Festival Fringe Society
 - Francesca Hegyi OBE, Chief Executive, Edinburgh International Festival
 - Simon Hunt, Director of Finance, Scottish Opera
 - Anne Lyden, Director-General, National Galleries of Scotland
 - Fiona Sturgeon Shea, Chief Executive, Federation of Scottish Theatre
 - Leonie Bell, Director, V&A Dundee
 - Sam Dunkley, Acting Regional Organiser, Musicians' Union

And then from—

- Iain Munro, Chief Executive, Creative Scotland,
 - Alastair Evans, Director of Strategy and Planning, Creative Scotland
4. This meeting will provide an opportunity for Members to follow-up with culture sector stakeholders on the extent to which the Budget responds to the challenges facing the sector and the issues highlighted in the Committee's pre-budget report.
 5. At its next meeting, the Committee will take evidence from the Cabinet Secretary for the Constitution, External Affairs and Culture.

6. A SPICe briefing is attached at **Annexe A**.
7. The response from the Cabinet Secretary to the Committee's pre-budget scrutiny report is attached at **Annexe B**.
8. Written submissions from Culture Counts, National Galleries of Scotland, V&A Dundee and Creative Scotland are attached at **Annexe C**. Any further submissions will be provided as late papers.

CEEAC Committee Clerks
January 2024

Constitution, Europe, External Affairs and Culture Committee

11 January 2024

Budget scrutiny 2024-25

Introduction

As with previous years, the Committee has focused its work on the budget on culture and the historic environment.

During this year's pre-budget scrutiny, the Committee has held two round table sessions with a range of stakeholders in September and then heard from the Cabinet Secretary on [5 October](#).

In addition, the [Committee's Call for Views](#) for the pre-budget scrutiny was open over the summer and was summarised in a separate paper provided to members in advance of the meeting on 21 September.

The Committee published its report on its pre-budget scrutiny on 7 November 2023. The themes the Committee has explored in the pre-budget have been similar to the work of the Committee on funding of culture since the start of the session. In some ways the pressures have changed – recovery from the pandemic was more pressing in 2021 and high inflation has been a significant issue in the past 18 months.

The Scottish Budget was published on 19 December 2023. In addition, the latest results from the results of the 2022 Scottish Household Survey (“SHS”) was published on 12 December 2023 and this includes some key indicators for the culture and heritage sectors.

This paper sets out the budget settlement for 2024-25, highlights the findings of the 2022 SHS, summarises the response of the Scottish Government to the Committee's report.

In addition, the Committee has asked SPICe for comparative data on public sector spending on culture and, separately, the role of entrepreneurialism in the sector; there are two sections covering these topics.

This paper uses HMT GDP deflators to calculate real terms.

Budget 2024-25

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 looks at two areas of Level 2 Spend – Historic Environment Scotland and Culture. Not covered here at Level 2 are National Records of Scotland and External Affairs, and some aspects of Culture are also not covered. 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

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, should that be accurate, will increase HES' available resource, compared to 2023-24, by around 13% in cash terms and 11% taking account of inflation ("real terms"). The expected income in 2024-25 is similar to the expected income in 2020-21, i.e. the amount of income modelled for that year in the budget.

Within the increased running costs identified in the budget the Government says a "5% efficiency saving has been applied, the impact of this should be mitigated through flexibilities provided inline with Public Service Reform."

During the Committee's recent short inquiry on HES. the committee heard that it is looking for some flexibility in its operating model. The Committee's letter to the Scottish Government following that inquiry noted—

"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.”

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 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 the quoted 5% is referring to.

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.

Creative Scotland’s recent submission to the Committee said, “in the context of current and ongoing pressures on public finances more broadly, this is a positive outcome”. Creative Scotland’s submission continued—

“Whilst this proposed Budget restores some sense of stability and makes positive indications about budgets in future years, it does not alleviate the ongoing and significant financial challenges facing cultural organisations in terms of increasing running costs, falling income, and the implications of meeting requirements such as those for Fair Work.”

The budget document stated that this budget will—

“increase funding for culture and heritage this year by £15.8 million, the first step on the route to investing at least £100 million more in arts and culture by 2028-29 – restoring £6.6m to Creative Scotland for their utilisation of reserves and providing a further £6.6 million to offset their shortfall in National Lottery funding. In addition, we are delivering a 3 per cent inflationary increase for our National Performing Companies and £0.8 million to sustain the V&A Dundee.” (p11)

Of these we would expect to see the offset of National Lottery funding and V&A funding to sit in Other Arts.

$$£6.6m + £6.6m + £0.8m = £14.0m$$

It is not clear how to square the narrative which states that there is a £14.0m increase with the published numbers which comes to a £11.7m increase in cash terms.

While the intention appears to be that £6.6m will support Creative Scotland’s reserves, its submission stated—

“Our National Lottery reserves also remain depleted by £6.6m and will limit our ability to provide transition support for organisations currently in receipt of regular funding but unsuccessful in their Multi-Year Funding application.”

The Deputy First Minister described the budget this year as “the first step on the route to investing at least £100 million more in the arts and culture by 2028-29.” She continued “our aim is to increase arts and culture investment in 2025-26 by at least a further £25 million.”

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
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 4.3%.

This is to support the public sector pay policy next year, however, 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.”

Culture and Major Events - Advice and Policy

Culture and Major Events - Advice and Policy

	£m		
	2022-23	2023-24	2024-25
Culture and Major Events - Advice and Policy	3.5	3.5	3.6

This line is described as being to “support operational delivery for Culture and Major Events teams.”

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.

Outcomes

The National Performance Framework's culture outcome is:

We are creative and our vibrant and diverse cultures are expressed and enjoyed widely

There are currently four national indicators under this outcome. These are:

- Attendance at cultural events or places of culture
- Participation in a cultural activity
- Growth in the Arts, Culture and Creative Economy
- People Working in Arts, Culture and Creative Industries

Scottish Household Survey

The first and second of those indicators are based on data collected in the Scottish Household Survey.

The key findings of the 2022 [SHS were published on 12 December 2023](#). The SHS stated—

“2022 data shows that 88% of adults had been culturally engaged in the last year, either by attending a cultural event or place of culture or participating in a cultural activity. This figure has decreased from 90% in 2019. ...

“In 2022, 74% of adults had attended a cultural event or place of culture (a decrease from 81% in 2019). When excluding cinema, the most common cultural event to attend, 65% of adults had attended a cultural event or place of culture in the last year. This has decreased from 74% in 2019.”

More details on the findings from the recent SHS will be set out in next week's committee paper.

Economy and the workforce

The NPF reports that the economic contribution of the Arts, Culture and Creative sector was estimated at £4,445 million in 2020, which was a decrease of £79 million (-1.8%) in real terms compared to 2019. The NPF states—

“Over the longer term, approximate GVA in the Arts, Culture and Creative sector has increased by £1,049m (31%) in real terms since 2010. The

increase since 2010 has primarily been driven by the Digital Industries sub-sector.”

In 2022, employment in Scotland’s arts, culture and creative industries sector was around 155,000, which had reduced by 10,000 (5.9%) compared to 2021. The NPF explained—

“The decrease over the latest year was driven by a fall in jobs in the Heritage and Digital Industries sub-sectors.”

Committee report and the Government’s response

The Committee’s pre budget report was published on [7 November 2023](#).

This report was in three substantive sections. These were:

- The current operating environment
- Progress on innovative funding solutions; and
- The future of the culture sector.

This section will highlight the findings and recommendations of the Committee under these headings along with the Government’s response.

The current operating environment

Committee Report

The Committee noted that the culture and creative sectors continue to be under financial strain. The Committee also noted that the Scottish Government faces a challenging financial position.

The Committee stated—

“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 Committee’s report explored some the impacts that are being felt by the sector, including reduced service levels and organisations’ reserves being drawn down. The Committee also noted that cultural organisations are continuing to achieve success despite these challenges.

The Committee discussed the reversal of a promised re-instatement of a £6.6m cut set out in the 2023-24 budget. Creative Scotland agreed to use its reserves to make

up any shortfall in the funding for the current financial year – these reserves had been earmarked to smooth the transition to a new multi-year funding scheme.

The Committee called for Creative Scotland to set out in more detail its approach to the accumulation of reserves. Creative Scotland wrote to the Committee in November and this stated—

“National Lottery income fluctuates year-on-year, driven mainly by ticket and scratch card sales, which means that in some years, Creative Scotland will have access to more National Lottery income than it had budgeted to spend on grants and running costs. The resultant surpluses enable the accumulation of reserves. Creative Scotland publishes its planned budgets in its Annual Plan, and its actual spend in its National Lottery Annual Report and Accounts. These documents show the planned position for National Lottery budgets and the actual outcome against these plans.

“The reserves are then available to the Creative Scotland Board to allocate to future funding activity to progress the organisation’s strategic objectives and priorities. For example, in the past this has included the use of reserves to support major capital developments, or to boost existing funding programmes experiencing extremely high levels of demand, such as our National Lottery Open Funds.”

The Committee also noted that the First Minister announced an increase in funding for culture at the SNP conference. The Committee stated—

“The Committee’s view is that the subsequent reinstatement of the £6.6 million cut has considerably damaged an already fragile confidence within the culture sector. At the same time, we welcome the commitment from the Cabinet Secretary that the £6.6 million annual funding to cover the shortfall in lottery funding will be reinstated in Budget 2024-25. We also note the First Minister’s announcement that “over the next five years, we will more than double our investment in Scotland’s arts and culture. This means that by the end of the five years, our investment will be £100 million higher than it is today.””

Government Response

The Cabinet Secretary’s letter stated—

“Specifically on the budget, which I know has been the focus of the Committee, 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. This includes a 3% inflationary increase for our National Performing Companies and an additional £800,000 to sustain the V&A Dundee. 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.”

He also said that “in 2024-2025 the Scottish Government will reimburse Creative Scotland this £6.6m and go further by providing an additional £6.6m”.

Progress on innovative funding solutions

The Committee explored three areas. These were—

- Multi-year funding;
- Cross-portfolio funding; and
- Additional public and private investment

Multi-year funding

Committee Report

The Committee said that multi-year funding is a “crucial component in providing the culture sector with a longer-term view of how it will be supported, and therefore greater confidence for the future of the sector”.

The Committee expressed concern that “there has been limited progress to date on the Scottish Government’s 2021 Programme for Government commitment to “invest in much-needed stability for the cultural organisations that we provide regular funding for, by agreeing 3-year funding settlements, to allow them to plan for a sustainable recovery””.

The Committee noted that the [Medium Term Financial Strategy](#) published in May 2023 referenced multiyear funding. The MTFS said—

“Adopting a multi-year outlook is key to achieving fiscal sustainability. We will publish refreshed multi-year spending envelopes for both resource and capital alongside the 2024-25 Budget, and extend the Capital Spending Review and Infrastructure Investment Plan period by one year, taking these to 2026-27. This will ensure spending is aligned to the three missions for this Parliament and that it takes account of the fiscal and economic reality at the time.” (p7)

The Committee said that these “refreshed multi-year spending envelopes” should be set out at greater detail than the 2022 Resource Spending Review. The Committee implied that doing so would provide cultural organisations funded directly by the Scottish Government with greater certainty for future planning.

Government Response

The Cabinet Secretary’s response to the Committee stated—

“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.”

Cross-portfolio funding

Committee Report

The Committee commented that it “has heard some individual examples of where budgets outwith the culture portfolio are supporting cultural activities, however respondents were also clear that overall progress towards implementing a whole-system approach with cross-portfolio funding for culture has been limited.”

The Committee expressed concern at an apparent lack of progress in “mainstreaming culture across portfolios and developing cross-portfolio funding for culture.” The Committee said—

“There is a need for much greater urgency from the Scottish Government to make substantive progress towards cross-portfolio funding for culture. We agree with stakeholders who suggested that we need to see an “active pathway” towards this, and we strongly urge the Scottish Government to set out detailed plans for the steps it will take to achieve tangible year-on-year progress on cross-portfolio funding models when it publishes its refreshed Culture Strategy Action Plan later this year.”

Government Response

The Cabinet Secretary’s letter stated—

“I have been actively engaging across government to mainstream culture in policy making, prioritising health and education in the first instance. The positive impacts that Culture has on the nation’s health and wellbeing cannot be overstated. By recognising the transformational power of culture and the value of the contribution it makes to achieving key policy outcomes the Scottish Government will deliver significant benefits for the people of Scotland.”

More details on the Government’s plans in this respect are set out in the refreshed Culture Strategy Action Plan, which is explored later in this paper.

Additional public and private investment

Committee Report

The Committee noted that the Programme for Government 2021-22 stated that the Scottish Government would “begin work on establishing a ‘Percentage for the Arts’ scheme to require that a small percentage of spending on all new public buildings and spaces is channelled into support for culture and community art commissions.”

The Committee expressed concern that “there has been no indication of progress made by the Scottish Government” on the Percentage for the Arts scheme. The Committee called for “the Scottish Government to provide a substantive update on its progress towards developing the scheme, with a clear indication of timescales for development and implementation within this parliamentary session.”

The Visitor Levy (Scotland) Bill is currently being considered by Parliament. The Committee commented that it will be important that local cultural bodies are represented when decisions on how any revenue for a visitor levy is to be used.

The Committee also explored the levels of private investment. It said that there is an important role for “private investment in providing additional resource for the culture sector, however we also note the views of witnesses that public funding supported by a long-term strategic approach is an important underpinning to be able to leverage this investment from donors and sponsors”.

The Committee looked specifically at the Culture and Business Scotland Fund. It said that this fund “which utilises public funding to leverage private investment in culture, has an important role to play in the Scottish Government’s response to the challenges facing the culture sector, by maximising the impact of limited resources.”

Government Response

In terms of the Percentage of the Arts scheme, the Cabinet Secretary said the Government would “prioritise scoping potential delivery options, in 2024-2025 taking account of analytical, regulatory and legislative considerations”.

In relation to any future visitor levy, the Cabinet Secretary said that it would be up to local authorities to engage with local stakeholders before deciding how to spend any additional revenue.

The Cabinet Secretary said that the Culture and Business Scotland Fund would be increased to £200,000 in 2024-25. This is up from £150,000 in 2023-24 and returns the funding to the 2022-23 funding level.

The future of the culture sector

Committee Report

The Committee acknowledged “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.”

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

Government Response

The Cabinet Secretary’s letter stated—

“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.”

The Cabinet Secretary noted the refreshed culture strategy action plan and said that this has set out “how we will respond to [the challenges facing the culture sectors] in the short, medium and long term.”

A Culture Strategy for Scotland: Action Plan

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

The refreshed Action Plan was announced in May 2022 in an answer to [PQ S6W-08257](#). In the intervening 18 months, the Scottish Government has undertaken: “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 summary of actions.

The actions are reproduced in the Annexe 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 (inputs), 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 Government did not set out how it would monitor and evaluate the work contained in 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.

Creative Scotland’s submission welcomed the Action Plan. It noted the “renewed commitments” to Equalities, Diversity and Inclusion and Fair Work in the creative and cultural sectors, place-based approaches, and mainstreaming culture in policy making.

Comparison of public sector funding of culture

HMT’s annual [Public Expenditure Statistical Analyses \(PESA\)](#) which looks provides data on identifiable public sector spend including all levels of government across the UK and the data can be broken down by the nations and English regions. PESA is a useful tool to compare spend on different functions of government across the UK. The latest data is from 2021/22.

PESA provides data on public spending under the Classification of the Functions of Government (COFOG) categories, which are internationally recognised. The relevant first and second level categories are set out below.

- 8. Recreation, culture and religion
 - 8.1 Recreational and sporting services
 - 8.2 Cultural services
 - 8.3 Broadcasting and publishing services
 - 8.4 Religious and other community services
 - 8.5 R&D recreation, culture and religion
 - 8.6 Recreation, culture and religion n.e.c.

(nec : Not Elsewhere Categorised)

The data will be presented here as a percentage of total identifiable spend. Some public expenditure is not identified at a regions or nations level. Non-identifiable expenditure is deemed to be incurred on behalf of the United Kingdom as a whole and is around 14 per cent of total public sector expenditure on services. This includes among other things, BBC domestic spending, which is likely to fall into the category of “Recreation, culture and religion”. Other items in this category include public sector debt interest payments and defence spending by the MoD.

Creative Scotland referred to this data in a submission to the Committee in 2022. It calculated “Culture Spend” as a proportion of total spend using the following sum.

$$(8.2 \text{ Cultural services} + 8.3 \text{ Broadcasting and publishing services}) / \text{Total Expenditure on Services}$$

Using this measure for the last four years of available data:

Total of funding on *8.2 Cultural services + 8.3 Broadcasting and publishing services* as a percentage of total identifiable spend

	2018-19	2019-20	2020-21	2021-22
England	0.59%	0.59%	0.59%	0.57%
Scotland	0.84%	0.82%	0.83%	0.87%
Wales	0.80%	0.85%	0.86%	0.85%
NI	0.95%	0.91%	0.80%	0.88%

Similar data is available on [Eurostat on EU nation states](#). This is not 100% comparable, for example PESA data is based on Financial Years and Eurostat uses calendar years. However, it is likely to be a reasonably useful comparator. In 2021, the average of Cultural services + Broadcasting and publishing services as a percentage of total government expenditure was 1.4%.

Total of funding on 8.2 Cultural services + 8.3 Broadcasting and publishing services as a percentage of total spend

Greece	0.5%	Austria	1.4%	Norway	1.7%
Italy	0.8%	Bulgaria	1.4%	Switzerland	1.8%
Portugal	0.8%	Netherlands	1.4%	Slovenia	2.0%
Cyprus	0.9%	Ireland	1.5%	Croatia	2.1%
Romania	1.0%	Slovakia	1.5%	Malta	2.1%
Belgium	1.2%	Finland	1.5%	Lithuania	2.2%
Spain	1.3%	Czechia	1.6%	Estonia	2.5%
European Union	1.4%	Denmark	1.6%	Latvia	2.6%
Germany	1.4%	Sweden	1.6%	Iceland	2.7%
France	1.4%	Poland	1.7%	Hungary	2.8%
Luxembourg	1.4%				

If the UK or Scotland was on this table, either would be close to the bottom of this measure.

In [2022, the OECD published a report, The Culture Fix, on the Cultural and creative sectors and industries](#). This noted that across the OECD the “bulk of government spending on cultural services comes from subnational governments”. Subnational government in the OECD in 2019 provided almost 60% of total public expenditure towards cultural services.

Entrepreneurialism and private sector funding

The role of private funding was addressed in the Committee’s pre-budget work.

The National Theatre of Scotland’s submission said that competition within the culture sector for income from trusts and foundations had increased and it had seen “many major foundations making a marked a shift away from culture towards poverty alleviation”. The Fruitmarket Gallery’s submission also reported that accessing private funders has also become more challenging. It sad—

“The fundraising environment is much like after the 2008 crash in terms of scarce and thinly spread funds. ... We have recently had two instances whereby long-term funders have reduced our grants by 25% in order that they can find funds for the overwhelming amount of applications and requests they receive. Philanthropists have told us that they are happy to support organisations at this time of crisis but don’t want to see their support as a replacement for or even a long-term supplement to proper government funding.”

Scottish Contemporary Art Network’s submission suggested that the Scottish Government is “at risk of misunderstanding the nature of, and availability of, philanthropic investment in culture” and that philanthropic support is not a substitute for core funding and public investment. SCAN said—

“The pandemic and costs crisis has seen greater competition than ever for this kind of support. Trusts and foundations rarely provide support through a motivation to replace core funding, or substitute for government investment, but are more likely to build targeted and strategic initiatives with clear aims, and short to medium term focus. A shift in emphasis to greater reliance on philanthropy and/or sponsorship is fraught with conflict around greater policy goals, resulting in the kind of conflicting positions across Scottish Government policy that were revealed around the recent proposed alcohol advertising legislation.”

Culture Counts’ submission said that 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” but the sector has “exhausted cost cutting initiatives and innovative schemes for diversifying income at an organisational level.”

The [2022 OECD report, The Culture Fix, on the Cultural and creative sectors and industries](#), noted that these sectors cover a very wide range of organisations with different business models and outputs. It described public investment in the sector as “an investment, not a cost”. The OECD noted that public funding (as a percentage of total spend) across the OECD was on an upward trend up to the 2008 financial crash but has decreased since then. It continued—

“The role of public finance is shifting from direct support to intermediation and strategically channelling private investment. Public support to CCS [the creative and cultural sectors] could be in the form of direct support through grants, indirect funding through tax reliefs, leveraging private finance, for instance through public loan guarantees, or matching funds to leverage private investments. Governments are gradually transforming their participation in the financial ecosystem of CCS from direct supporters to intermediaries, leveraging private investment and promoting transversal resources for companies in particular stages.

“Partnerships and alliances are at the core of the emergence of new financial ecosystems for culture. Public-private, public-public and public-civic partnerships are increasingly found in many cultural interventions. Since creative and cultural ecosystems include a multiplicity of stakeholders, partnerships between local governments, creatives, and other major contributors are key to enabling a thriving cultural and creative ecosystem, aligning mutual interests and priorities.”

Later the report suggested—

“Favourable regulation has become one of the most compelling and stimulating catalysers to enhance private participation in arts and culture funding. As such, a stable regulatory framework for financing CCS, which encompasses a mix of direct and indirect funding, alongside innovative strategies for supporting private sector investment, is needed.”

The OECD’s report also included a case study of the sector in Glasgow. This noted—

“Wider review also suggests that access to finance for creative businesses remains an issue, but there is a marked lack of data to assess the extent or impacts of private sector investment in the sector. Some CCS business may be accessing mainstream business grants via councils or enterprise agencies, but no data are available to assess the extent of this, nor its impacts. Similarly, it is not known how many CCS businesses may have accessed commercial investment or even bank finance. It has been noted that this lack of data is a constraint on effective policymaking to support access to finance for CCS businesses and entrepreneurs.” (p97)

Turning to the contribution of households’ spend to the sector, the [ONS publishes data on the spend of households on different goods and services](#). The total average weekly spend on the ‘Recreation & culture’ category of goods and services over the three financial years 2019/2020-2021/2022 was just under £52 per household. In both absolute terms and as a proportion of weekly spend, this is the 3rd lowest of the Nations/English regions.

Recreation & culture covers a wide range of goods and services some of which are not within the Committee’s remit, e.g package holidays, spend on TVs etc. One category subcategory of Recreation & culture spend is “Cinema, theatre and museums etc.”. The average weekly spend of Scottish families on this between 2020 and 2022 was £1.60. The UK average was £2.00. The average for Wales was £0.90 a week. The figure for North East and North West of England was also lower than Scotland’s. The figure was higher in Northern Ireland and every other English region.

**Ned Sharratt, Senior Researcher (Education and Culture) SPICe
December 2023**

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

Annexe – 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.

Cabinet Secretary for Constitution, External Affairs
and Culture
Angus Robertson MSP



T: 0300 244 4000
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Clare Adamson MSP
Convener Constitution, Europe, External Affairs &
Culture Committee

By email: ceeac.committee@parliament.scot

Our ref: Scottish Government response to Constitution, Europe, External Affairs & Culture
Committee report on Culture funding for 2024-2025

19th December 2023

Dear Clare

Following the publication of the proposed budget for 2024-2025 on 19 December, I am
responding to the Committee's pre-budget scrutiny report.

I am very grateful to the Committee for its ongoing work on culture funding. I have found the
evidence gathered by the committee very informative.

The overall budget for my portfolio in 2024-2025 is £331.7m. This includes £287.4m of
resource; £25.2m in capital; and £19.2m non-cash. This is compared to a budget of £313.7m
in 2023-2024. Scottish Government has moved the budget for Major Events into the DFM's
portfolio for 2024-2025. This portfolio has responsibility for cross-government delivery and
outcomes and so the move reflects the broad range of policy interests, costs, and benefits of
these events.

Specifically on the budget, which I know has been the focus of the Committee, 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. This
includes a 3% inflationary increase for our National Performing Companies and an additional
£800,000 to sustain the V&A Dundee. 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.

Scottish Ministers, special advisers and the Permanent Secretary are
covered by the terms of the Lobbying (Scotland) Act 2016. See
www.lobbying.scot

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I will now address each of the Committee's recommendations.

Creative Scotland National Lottery Shortfall funding 2023-2024

1. During my evidence to the Committee in October I noted my gratitude to the Creative Scotland Board for their agreement to use their 2023-2024 Government funding for National Lottery shortfall to ensure all payments to the Regularly Funded Organisations are met in full.
2. I am very pleased to confirm that in 2024-2025 the Scottish Government will reimburse Creative Scotland this £6.6m and go further by providing an additional £6.6m. Scottish Government officials will work with CS to target this funding to ensure it is best directed to support the culture sector.

Mainstreaming culture

3. I have been actively engaging across government to mainstream culture in policy making, prioritising health and education in the first instance. The positive impacts that Culture has on the nation's health and wellbeing cannot be overstated. By recognising the transformational power of culture and the value of the contribution it makes to achieving key policy outcomes the Scottish Government will deliver significant benefits for the people of Scotland.
4. Driving this work forward will result in cross-policy and sector working, sharing knowledge and understanding and building additional resilience as we collectively increase the opportunities and cultural access across the country.

Percentage for the arts

5. I am keen to see this commitment taken forward. The Scottish Government will prioritise scoping potential delivery options, in 2024-2025 taking account of analytical, regulatory and legislative considerations. I will keep the Committee updated on this work as it progresses.

Introduction of a visitor levy

6. I recognise the benefits that a visitor levy could bring to culture and heritage organisations which attract such high numbers of people to visit Scotland and contribute economically at both local and national level. I am grateful that the Committee recognised the importance of the culture sector to the tourism offer.
7. The Scottish Government encourages local authorities to exercise their autonomy to engage directly with culture and heritage organisations, alongside local businesses, communities and tourism organisations, before deciding which areas to invest the visitor levy in order to deliver a sustainable visitor offer and build resilience into the tourism infrastructure that we are so proud of in Scotland.

Need for long term strategic approach to public funding to encourage investment from donors and sponsors and multi year funding

8. 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.

Culture & Business Scotland Fund

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot



9. I recognise the important role that the Culture & Business Scotland Fund plays in supporting cultural and heritage projects. I am pleased to confirm that in 2024-2025 the fund will be returned to £200k.

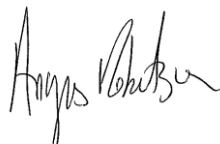
Examination of the approach of comparable devolved administrations to supporting culture funding with a view to learning from innovative ways of increasing funding.

10. 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.

Culture Strategy Action Plan Refresh

11. Whilst the principles of the Culture Strategy remain very relevant, and urgent, the Scottish Government understands the significant impact of the Covid pandemic, Brexit and the ongoing cost of living crisis has significantly changed the landscape we are currently working in since the Culture Strategy was published.
12. In light of this, the Government has been reviewing the actions which support our Culture Strategy – in conversation with the sector – and have published a refreshed action plan setting out how we will respond to these challenges in the short, medium and long term. The strategy publication is available here: <https://www.gov.scot/isbn/9781835218198>

I look forward to discussing further with the Committee at the planned session in January.



Angus Robertson



ALBA | CHRUTHACHAIL

Convenor
Constitution, Europe, External Affairs and Culture Committee
Scottish Parliament
Edinburgh
EH99 1SP

04 January 2024

Creative Scotland response to Scottish Government Draft Budget 2024/25

Dear Convenor,

Thank you for your invitation to give evidence to the Committee on 11 January 2024 regarding the proposed Budget for 2024/25 announced by the Scottish Government on 19 December 2023.

I also welcome the opportunity to make a further, short, written submission to the Committee ahead of this evidence session.

In this submission, I will not replay the challenging context that faces Scotland's culture and creative sector, which has been covered in [our previous submission to the inquiry](#), the subsequent [addendum](#), at previous evidence sessions, and that was well summarised in your recent report.

Suffice to say that the financial and operational context remains extremely challenging for the sector and we do not anticipate this changing in 2024/25.

Ahead of the publication of the Scottish Government's proposed Budget for 2024/25, we welcomed the First Minister's announcement at the SNP Conference in the autumn, which made a commitment to grow the culture budget in Scotland by £100m in Grant-in-Aid over the coming five years. This was coupled with the Cabinet Secretary's assurance to this Committee that the £6.6m reduction to our budget in the current financial year would be restored in 2024/25.

We are pleased to say that, in the proposed Budget published on 19 December 2023, the Cabinet Secretary's assurances have been reflected, with a total of £13.2m in Grant-in-Aid funding being provided in Creative Scotland's budget for

2024/25. This is slightly offset by a £0.3m budget reduction to generate a 5% efficiency saving on Creative Scotland’s running costs as part of the Scottish Government’s Public Sector Reform programme.

This means that our Grant-in-Aid budget for 2024/25, subject to approval by the Scottish Parliament, will be just over £68m, compared to £55m in the current financial year.

The Board of Creative Scotland met on 20 December 2023 to discuss the proposed Budget, and the potential for ongoing funding of the current cohort of 119 Regularly Funded Organisations (RFOs). Given the settlement indicated in the proposed Budget, the Board agreed to support RFOs in 2024/25 at current funding levels, providing some stability for those organisations in the short term. We announced this in a statement on 20 December 2023: [Response to Scottish Government Draft Budget 2024/25 | Creative Scotland](#)

We also noted the announcement in the Deputy First Minister’s Draft Budget statement to Parliament, the intention to provide a further £25m to the Culture Budget in 2025/26. This statement of intent is very much welcomed by Creative Scotland and by the culture sector as a whole, and it signals the implementation of the First Minister’s commitment of an additional £100m for culture over the coming five years. At this time, it is not known how much of the £25m, or balance of the £100m, will be provided to Creative Scotland.

Creative Scotland’s Draft Budget for 2024/25 is understood to be:

£m	2024/25	2023/24	Movement
Core	32.028	32.333	-0.305
Youth Arts	9.5	9.5	0.0
Screen Scotland	9.25	9.25	0.0
Additional funding – purpose TBC	6.6	0	6.6
Reimbursement for 2023/24 reduction – RFO support	6.6	0	6.6
EXPO	1.8	1.8	0.0
Culture Collective/Communities	1.5	1.5	0.0
Platforms for Creative Excellence (PLaCE)	0.75	0.75	0.0
Festivals Edinburgh	0.2	0.2	0.0
Creative Scotland Total	68.2	55.3	12.9

Creative Scotland’s National Lottery budget for 2024/25 has not yet been approved by the Creative Scotland Board. This will be part of our annual Business Planning process taking place January to March 2024. The 2023/24 National Lottery budget was £32.4m.

The table above shows Creative Scotland’s proposed Budget for 2024/25 to be the same level as announced by the Scottish Government in its initial Draft Budget for 2023/24 (which was confirmed in Parliament in February 2023).

In the context of current and ongoing pressures on public finances more broadly, this is a positive outcome.

Whilst this proposed Budget restores some sense of stability and makes positive indications about budgets in future years, it does not alleviate the ongoing and significant financial challenges facing cultural organisations in terms of increasing running costs, falling income, and the implications of meeting requirements such as those for Fair Work.

The proposed Budget is also for the 2024/25 financial year only. In previous Committee submissions and evidence sessions we, and others working in Scotland's culture and creative sector, have set out the case for longer term budget certainty and called for at least a three-year budget settlement from the Scottish Government. Such a settlement would enable us, in turn, to commit to longer term funding plans for the organisations that we support, enabling them to plan more effectively, reduce operational precarity, and continue to confidently develop work of excellence and impact for the people of Scotland.

The one-year settlement presented by the proposed Budget for 2024/25 has no impact on the Multi-Year Funding Programme, which is due to come into effect from April 2025, and for which the two-stage application process is currently live.

As previously announced, we received 361 applications in Stage 1 of the Multi-Year Funding application process, with an annual financial ask of £96m. At time of writing, we have no indication of what our budgets will be beyond March 2025, but we anticipate that this financial ask is far in excess of the Grant-in-Aid budget that we will have available and difficult decisions will require to be made.

Our National Lottery reserves also remain depleted by £6.6m and will limit our ability to provide transition support for organisations currently in receipt of regular funding but unsuccessful in their Multi-Year Funding application.

We also welcome the Scottish Government's Culture Strategy Action Plan Refresh, which was published on the same day as the proposed Budget. We agree that, following the pandemic and in the context of current financial pressures, the Culture Strategy required some reframing, with a focus on resilience and long-term recovery.

In the Strategy, we note the renewed commitments to Equalities, Diversity and Inclusion and Fair Work in the creative and cultural sectors, including establishing a new task force with a remit to set policy direction for the latter of these. We also welcome the Scottish Government's commitment to work closely with the sector on achieving net-zero targets and the recognition that cultural assets, programming and content can help inform public debate on the climate emergency. It's also good to see the intention to publish an International Culture Strategy next year to support the sector's international ambitions.

The Action Plan Refresh also recognises the importance of Creative Placemaking and Creative Learning to the culture sector, and these are both areas we have championed through programmes like Culture Collective and the Youth Music Initiative.

The Scottish Government's commitment to engage across government to mainstream culture in policy making, prioritising cross-policy working with both health and education portfolios, is also a very welcome development and one which will have a great deal of support from us and from others across the culture sector.

We will continue to work closely with the Scottish Government to seek more clarity on future budgets, including those that will be required to support organisations with Multi-Year Funding, prior to announcing the outcome from the application process in Autumn 2024.

I look forward to the evidence session on 11 January 2024, when I will be able to expand on the points made above and any other questions you and Committee Members may have.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Iain Munro', written in a cursive style.

Iain Munro
Chief Executive



Culture Counts – Response to the Scottish Government’s Draft Budget for 2024-25 for the Constitution, Europe, External Affairs and Culture Committee – 11 January 2024

[Culture Counts](#) is a network of over 70 arts, heritage and creative industries organisations from across Scotland. Our members are largely representative bodies, as well as some events and performing companies. We welcome the committee’s continued engagement on the issue of the future of funding for culture, which has never been more vital.

Our response to the Draft Budget for 24-25 announced on 19 December 2023, builds upon our evidence and recommendations for the 24-25 pre-budget scrutiny as well as consulting with our core members and sector stakeholders for up-to-date evidence on the central issues. Due to closures over the festive break, supplementary information may be provided verbally at the meeting on 11 January.

Publication of the budget comes after huge anticipation and warnings from across the culture sector of the imminent crisis it faces. Over the last few months, the Scottish Government has made a number of funding announcements which have provided some welcome news but also brought uncertainty to the sector. The decision announced on the 27 September to reinstate the 10% cut to Creative Scotland rocked trust between the government and sector, the announcement at the SNP Conference on 17 October of £100mil investment to culture over the next 5 years was seen as a significant vote of confidence and the recent £6.68mil funding announced on 15 November, caused some confusion as most of it was understood to represent previously committed resources.

Reflections on the CEEAC Committee Report

We welcomed the CEEAC Committee’s thorough work in preparing the Pre-budget report on culture funding 2024-25 and in recognising that the ‘perfect storm’ is far from over and that sustained and significant challenges lie ahead for the sector. We also agreed that there had been ‘limited progress’ in developing new and innovative funding solutions and in taking forward a plan for cross-portfolio funding and support the call to action this urgently. However, we would have liked the report to have been more ambitious and gone further in calling to; reverse the reinstated cut to Creative Scotland this year, urgently bring forward the uplift of £100mil investment to culture over the next 5 years, and to support setting a target of at least 1% of overall Scottish Government investment in culture, which the Committee has supported in the past.

In the published 24-25 Draft Budget [appendix](#) which summarises how the submissions from the Parliamentary committees have influenced the formulation of the proposals, the Cabinet Secretary for Constitution, External Affairs and Culture confirmed to the CEEAC Committee that the Government is exploring the potential for additional and parallel funding streams for the culture and creative sectors, including industry-led proposals. We welcome this and look forward to hearing more on the details and participating in its development.

The Draft Budget for culture for 24-25

The total overall Scottish Government budget for 24-25 is anticipated to be £59,706.5mil. The total budget announced for the Constitution, External Affairs and Culture (CEAC) portfolio for 24-25 is £331.7mil, an increase of £18.1mil or 5.8% from the current year. The funding allocated specifically to culture sees an increase of £15.9mil (8.8%) and including funding to Historic Environment Scotland and National Records of Scotland, totals £305.3mil, an overall increase of £18.9mil or 6.6%.

In the current climate, avoiding cuts and seeing any increase is an achievement; however, the 24-25 budget came down to choices and culture has not received the investment at the pace or levels needed. The impacts of real terms cuts and threats to the sector continues.

Funding to Creative Scotland and Other Arts

Creative Scotland and Other Arts has been allocated £75.6mil, an increase of £11.1mil.

According to Creative Scotland, their Grant in Aid funding settlement for 24-25 is just over £68m. This compares to £55m provided for 23-24. ([Response to Scottish Government Draft Budget 2024/25 | Creative Scotland](#)). This funding, however, includes restoration of the 10% cut of £6.6mil applied this year, and will also restore the reserves that Creative Scotland used to maintain the RFO network's grants for 23-24. We are therefore not seeing any 'new' investment to Creative Scotland and standstill funding will continue to be offered to organisations supported through the RFO programme in 24-25. This means that whilst the proposed investment in culture appears to have increased overall, additional funding will not be passed down to the majority of organisations who have been warning they face a very challenging year ahead.

Funding for Other Arts within Creative Scotland's budget provides ring fenced funding for Screen Scotland and the Youth Music Initiative. This budget also provides for other smaller cultural opportunities as well as increased revenue funding of £800k to help sustain the V&A Dundee and build its status as Scotland's design museum.

In August 2023, Creative Scotland received applications to their new multi-year funding programme from 361 cultural organisations with a total ask of £96mil per year. This is far more than the current £33mil budget of the 119-organisation RFO network and 40% over the total budget that Creative Scotland currently receives from the Scottish Government. The numbers of organisations which ultimately receive funding will be influenced by the budget that is made available to Creative Scotland from Scottish Government from 25-26.

Shona Robison, MSP and Deputy First Minister announced during her ministerial statement on the Budget to Scottish Parliament on 19 December:

"Our aim is to increase arts and culture investment by 25-26 by at least a further £25mil".

A significant uplift will be required to support as many of the multi-year applicants as possible and it can only be presumed that much of this promised £25mil will be earmarked for this purpose. Creative Scotland will be making final decisions on multi-year funding in Autumn 2024, most likely before the budget is confirmed for 25-26, therefore we call for clarification on how these difficult decisions will be made against unknown future funding.

Elsewhere in the cultural portfolio

We note that Major Events have been removed from the portfolio (other than operational costs for the Culture and Major Events teams) and now sits under the Deputy First Minister who has responsibility for cross-government delivery and outcomes. We support this change which may be in response to the increased costs for the 2023 UCI Cycling World Championships in Glasgow, and reflects the broad range of policy interests, costs, and benefits of these major events, which should not take budgetary precedence over home grown cultural activity and events.

Historic Environment Scotland and National Records of Scotland see increased investment of £1.5mil apiece. Funding for Royal and Ceremonial activity, Architecture and Design Scotland and non-national libraries remains at standstill levels.

The budget for the Cultural Collections has increased by just under £4m and this is shared between the National Collections, comprising the National Museums of Scotland, National Galleries of Scotland and National Library of Scotland. Other budget areas, specifically the non-national museums have a reduction in funding of 15.1% and the capital fund managed by Museums Galleries Scotland is reduced for 24-25. This impacts 439 out of 449 of Scotland's museums and galleries which are under increasing financial pressure and these organisations will face significant challenges in adequately resourcing their operations in the coming year.

The significant cut of over £100mil to the Scottish Funding Council will reduce funding to Scotland's world class University Museums which could impact their contribution to research and international partnerships.

A further £700,000 goes to support the national performing companies including Scottish Opera, Scottish Ballet and the National Theatre of Scotland. This is a welcome increase as funding for Scotland's national performing companies has remained flat in cash terms since 2016-17, representing a real terms cut of over 30% in the past ten years. However, this will also have to support the International Touring Fund, which given the high costs of working internationally is unlikely to go very far.

Whilst increased investment is very welcomed and a move in the right direction, the impacts of the lack of long-term investment, coupled with continuing high inflation reduces the value and impact of this investment in real terms. In addition, the ongoing recovery from the impacts of Covid, the cost of living crisis, high energy and utility charges and the requirements to meet the increases to the Real Living Wage mean that the settlements offered are unlikely to adequately meet these costs. For those additionally continuing on standstill funding or facing cuts, the situation grows closer to an irrecoverable tipping point.

Percentage of Government spend

The Scottish Government's budget next year is set to increase by £1.3 billion from the latest position for 2023-24, a rise of 2.6% in cash terms, or a 0.9% rise after taking inflation into account (real terms) ([Scottish Parliament Information Centre Briefing](#)).

Culture Counts noted in [our evidence to the CEAC Committee's Pre-Budget Scrutiny](#) that the total budget to the Constitution, External Affairs and Culture portfolio in 23-24 was 0.58% of overall government spending, based on the budget figures published in April 2023. The figures for 23-24 provided in the published budget report for 24-25 show that the revised investment to the portfolio actually represents a lower figure of 0.52%.

Proposed for 2024-25 is a budget representing 0.56% of total Government spending. This appears to show little progress in terms of the percentage allocated to the portfolio. If we are to consider the funding allocated only for arts, culture and heritage, the percentage to culture of overall Government spending is even bleaker at 0.51% for 24-25.

We have consistently called 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. Our long-term goal continues to aim 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%.

Local Authorities

We remain concerned regarding the funding crisis within Scotland's councils and community leisure trusts. The £1bn funding gap experienced last year has seen spend prioritised away from libraries, community and culture and leisure services. Early December, COSLA reported that £14.4bn was required in the 24-25 budget in order to stand still.

Since the CEEAC Committee gathered evidence during pre-budget scrutiny, Community Leisure UK has been gathering evidence on the state of the sector from across its UK membership and reports that deficit budgets, lost reserves and planned closures are imminent. With ageing facilities there is an urgent need for capital investment to address maintenance needs and meet net zero targets.

The Draft Budget for 24-25 provided an above inflation increase to Local Government's revenue funding, but also a significant reduction to its capital budget which given the evidence will impact on culture and

leisure properties. We are also disappointed not to see multi-year budgets as had been previously suggested by the Government as part of the Verity House agreement.

Need and demand

We recognise that the Scottish Government has listened to evidence this year of the challenges facing the culture sector and the need for significant investment. Culture Counts called for a [£104m increase from 24-25](#) to help mitigate the impact of the cost crisis, and reduce the risks of venues, organisations and events closing down and secure a sustainable future for Scotland's culture sector.

We welcomed the First Minister's endorsement of culture's value and role at the SNP's party conference on 17th October by announcing plans to increase the Scottish Government's investment in culture by £100 million over the next five years, which could bring a halt to over a decade of decline. Culture Counts urged the Scottish Government to bring as much as possible of this £100mil investment forward into the budget for 2024-25, to prevent the immediate threats that many organisations, workforce, and artists stand to face next year.

The increased funding for culture and heritage this year from £180.7mil to £196.6mil, an increase of £15.9mil, was stated by Shona Robison MSP during her Budget statement as:

"the first step on the route to investing at least £100m more in arts and culture by 2028-29."

Given the warnings that have been made regarding the scale of the cost crisis facing the culture sector and the future levels of demand for funding, the culture budget for 24-25 falls far short of the investment levels called for and does not represent even one fifth (£20mil) of the £100mil investment promised, which is not being delivered at the pace or levels needed.

Culture Strategy Action Plan Refresh

After more than a year of development and consultation, 19 December also saw the publication of [A Culture Strategy for Scotland: Action Plan \(www.gov.scot\)](#). As we have commented previously, the sector supports a Refreshed Action Plan which puts audiences and artists at its centre and provides an inspiring forward-looking long-term vision and strategic approach to cultural activity, leadership, delivery, and funding.

The published Plan was an opportunity to show vision and take decisive action backed by appropriate levels of investment. However, whilst proposing to take forward a number of initiatives which we are supportive of such as the % for the Arts scheme, Visitor Levy Bill, cross policy working and improving data, the Plan is largely reactive and does not yet provide the level of detail required to understand how the strategic ambitions will be achieved. We are concerned that the proposals do not match with the resource available and there is a real risk that the sector will be too lean to change and respond to the refreshed Action Plan without significant investment.

The Scottish Government has consistently stated it values the role of culture to Scotland's society and economy and is committed to supporting it. The significant focus in the Action Plan on the need to advocate and amplify the value of culture both within and across Scottish Government, and Local Authorities is therefore disappointing to see and undermines this message. Whilst we are supportive of advocacy as a means to develop key areas, collaborations and to open up additional funding streams, we aspire for Scotland's Cultural Strategy to be outward looking, ambitious and inspiring and not be detracted by actions to make the case for culture internally.

By taking decisive action through the Action Plan on cultural vision, policy development and investment, Scottish Government would halt the decline and go some way towards securing Scotland's place as a cultural world leader and unlock enormous benefits for Scotland's society and economy. We remain available and committed to working with the Scottish Government, culture sector stakeholders and partners to further contributing to the development of the strategy and to realising the ambition of this investment for the benefit of all.

Constitution, Europe, External Affairs and Culture Committee
11 January 2024

Submission from National Galleries of Scotland – this complements the submission made in late 2023 ([Response 525234112 to Budget Scrutiny 2024-25: Funding for Culture - Scottish Parliament - Citizen Space](#))

Background

National Galleries Scotland (NGS) 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 enjoyed by millions of local, national and international visitors each year at the following locations:

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

NGS is a national institution and a charitable Non-departmental Public Body sponsored and supported through grant-in-aid by the Scottish Government and governed by a Board of Trustees. 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 fine art, ensuring that the public has the greatest possible access and that we promote Scotland's international reputation for art and culture.

Strategic Plan

At the National Galleries of Scotland we are passionate about art and its power to move, to inspire, and to connect with people of all ages and backgrounds. The collection that we look after is extraordinary in its quality and breadth, ranging in date from the Middle Ages to the present day. This amazing national resource should be available for everyone to use for their own purposes and in their own way – residents of Scotland, visitors from the UK, overseas tourists, school children, students, researchers, artists and curators; this is our purpose as an organisation - to make art work for everyone.

We have three, long-term strategic aims which are closely inter-connected and which support and strengthen each other to deliver on our purpose.

Encourage participation by all

- We want to welcome and include everyone, reaching more people and more diverse groups.
- We want to open up conversations with our audiences to discover new ways to experience and explore the collection together.

Examples:

- *Development of an inclusive and diverse public programme – our recent exhibition, Alberta Whittle: create dangerously, encouraged a new audience to*

come to Modern One and enabled community projects with groups of recent immigrants to Scotland. We have also been acquiring a number of artworks from more diverse artists in a bid to extend our collection and become more accessible.

- *Loans programme across the UK and the world – we have a very strong programme of loans. This includes Artist Rooms, a resource which we share with Tate and which has education, young people and free access at its heart.*
- *We have recently developed a new partnership with China – this has brought a significant loan fee as well as the opportunity to share our collection with a new audience.*
- *Digital offer – development of our digitisation programme and sharing of digital content online enables us to reach a wider audience (more than 2.5 million visitors to our website for 2022-3).*
- *Learning & outreach activities enable us to share our collection with communities across Scotland and provide access to people with additional support needs.*

Have a positive impact on people and environment

- We want to make sure our work is both world-class and relevant.
- We will make an active contribution to some of the key challenges facing society, including improving health and wellbeing, combatting inequality and addressing the climate and ecological emergency.

Examples:

- *Equality, Diversity and Inclusion – we embrace and uphold a series of commitments to further embed EDI practices within the organisation and diversify the national collection.*
- *In making our current photography exhibition, Making Space: Photographs of Architecture we collaborated with Rowan Alba, a community that seeks to end and prevent homelessness in Scotland to highlight the precarity of affordable housing and include voices of lived experience in the exhibition.*
- *Delivery of a programme for people with additional learning needs – Deaf-led tours in BSL, social programme for people with dementia, programme of relaxed sessions for adults with additional support needs.*
- *Outreach programme working with communities across Scotland – one particular focus is working with former mining communities across Ayrshire, Fife and the Lothians to explore the art within the national collection that reflects the socio-economic impact and history of coal mining and its demise.*

Investment in our future

- We will invest to make the most of our people and their talents, knowledge and skills, our collection and buildings. We will take a long-term view about investing in all these areas, making sure everyone has a role to play.
- We will create more secure and varied sources of income so that we become more self-sufficient, financially.

Examples:

- *Digitising the collection – increasing our reach through the digital programme*
- *Five-year capital investment plan developed – addressing the funding challenge and sustainability of our aging estate.*
- *Reviewed skills and capacity over the last three years to attempt to reduce workload and headcount and reshape/futureproof the organisation.*
- *Investment in the Scottish National Gallery – vastly improved space, increased visitor numbers, raised the profile of Scottish art, improved commerciality/income, improved environmental conditions.*
- *Investment in The Art Works – part of the wider Granton Waterfront Development and regeneration. The building is being designed to ensure that it can achieve Net Zero and combines economic, environmental and social sustainability. There are funding challenges in the short-term, but in the longer-term it will ease commercial storage costs and create efficiencies in art movement.*

For more information and examples of what NGS has delivered in terms of strategic aims please see our latest Annual Review:

[About us | National Galleries of Scotland](#)

2024/25 Budget impact

The grant in aid budget for 2024/25 is a minor increase on 2023/24. The increase is intended to cover the Year 2 uplift of the multi-year pay deal agreed by the Scottish Government.

2023/24 figures published in the Budget Documents appear to be post Autumn Budget Revision and therefore do not reflect the 2023/24 Spring Budget Revision of £1m to fund the 2023/24 pay uplift as part of Year 1 pay deal agreed by the Scottish Government. Once this funding has been taken into account, the Revenue budget increase falls from 7.6% to 1.8% year on year.

The budget settlement including a 5% efficiency reduction leaves NGS in a deficit position and it will be very challenging to find a path to balanced budget.

The grant-in-aid received by NGS is supplemented by self-generated income. Government funding is now covering less and less of the activity we undertake and what the public sees when they visit our sites. All the other things that make a difference, whether it is displays, exhibitions, learning, education programmes are

now covered by earned income. This in turn creates opportunities to further support our work and supplement public funding.

If we do not do exhibitions, for example, then we do not benefit from the exhibition tax credit, which has been and continues to be so helpful. If we do not have people coming through the doors and we do not get donations, then we do not get gift aid. Membership, which has been an important form of income for us, is highly dependent on the programming on offer. A dynamic and varied programme can be an incentive toward paid membership, but a reduced programme and/or gallery closures, for example, does not encourage people to become members. There is very little income that can be generated at no cost and income generation is still recovering from Covid.

For 2024/25 95% of our grant in aid is forecast to go on salary costs. In an attempt to address rising staff costs as a result of SG pay policy, we have undertaken skills and capacity planning linked to Covid recovery and longer-term sustainability and resilience. We have also run two voluntary exit schemes with a loss of 40 posts. Our staff numbers have only just recovered to 2019/20 (pre-Covid) numbers. We continue to scrutinise and explore investment in systems to aid efficiency, such as introducing a new HR self-service portal and updating our collection management system for artworks. However, 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 5% 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 by 72% over the past two years. We are now having to increasingly rely on self-generated income to cover these largely fixed costs.

Private investment

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. One recent example was the opening of the new Scottish galleries at the National which has a secondary benefit of increasing our self-generated income. 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 and incentivising income generation will support NGS in becoming more financially sustainable and resilient.

Investment in Estate

While the completion of the project at the National is a major milestone, we must continue to invest in our estate as we strive to reduce our impact on the environment and to provide the best conditions for safeguarding and sharing our collections. For several years, along with Scottish Government and Edinburgh City Council, we have been working on The Art Works, a project in Granton, North Edinburgh and part of the wider Waterfront development. The Art Works is a truly sustainable project.

Combining economic, social and environmental sustainability, the building and public domain design engenders inclusion whilst putting the care of the national collection of fine art at its heart. The Art Works will house 95% of the national collection of fine art and is an investment that challenges traditional notions of collection storage through a design which supports a dynamic response to both established and new ways of interacting with art. We are close to completing the full design.

We welcome continued funding from the Scottish Government and will work with them to confirm the timeline for funding to be released for construction following the planning permission being approved earlier this year.

Economic impact

Economically, the culture and creative sector makes a significant contribution to Scotland's finances. The latest Scottish Government Growth Sector Statistics show that the Gross Value Added (GVA) of Scotland's creative industries was £4.4bn in 2020 (the most recent data available), representing a 62% increase in GVA since 2010. In 2021, 78,175 people worked in the sector, an increase of 3% on 2018 and a 9% increase since 2010.

The Art Works planned for Granton, North Edinburgh has potential local employment opportunities; decreased storage costs; and the overall environmental impact and related costs will be significantly reduced.

Opportunities

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. 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.

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 Art Works in Granton is a key element in delivering this aim. From its research resources to its storage capacity and art distribution, it will be central to the sharing of the national collection. Our digital audience continues to grow—equalling but likely to surpass our physical visitor numbers in the next year. As technological advances evolve rapidly, we seek to keep pace with developments particularly with the role of Artificial Intelligence in everyday life. The collection reflects the changes in society—from digital-born works to depictions of recent historical events—and maintains the integrity of the wider collection that belongs to the people of Scotland.

Our international programme of loans and exhibition tours helps to put Scotland on the global map and facilitate international relations. Through sharing the collection we can represent the people, places and culture of Scotland to audiences all over the world.

NGS is part of a cluster of culture public bodies looking at public sector reform and one of the workstreams that could generate a lot of benefit is on financial incentives and flexibilities and revenue raising. We are aware that Historic Environment Scotland is leading the way in the development of a new business model and as a fellow charitable NDPB, we are keen to work with and learn from their experience to become more financially sustainable and resilient.

NGS is actively engaging in activities which support the Programme for Government 2023-24:

Equality – Tackling poverty and protecting people from harm

We need to uphold the free offer – in relation to the cost-of-living crisis and health & wellbeing. Continued and sustainable investment in culture will contribute to the health and wellbeing of the people of Scotland. NGS works with charities and hospital trusts to provide learning programmes to support those with health challenges.

Our learning & engagement programme provides many opportunities within communities including the provision of free lunches during school holidays.

We provide a safe, free, warm space which anyone can access.

Opportunity - Building a fair, green and growing economy

Contribution to health and wellbeing and using art to tackle inequalities. Providing opportunities to engage with art is an important way to prevent health issues, improve self-confidence and build resilience. We have a strong programme of activities for people with additional support needs; we work with communities to develop art projects and engage in conversations on important subjects like the environment and mental health.

The culture sector has a role to play in the path to net zero. Reduction in carbon footprint and overall environmental impact; move towards virtual couriering; greater

use of digital assets in sharing works; adopting low carbon alternatives across the estate where we can; investing in the estate to improve environmental controls. Investment in The Art Works, which is a Passivhaus build.

Community - Delivering efficient and effective public services

We work with educational institutions to provide opportunities for young people to develop skills in collection management and care.

We work with charities to provide programmes for people with additional support needs – working across the health, education and culture sector has many benefits and this is an area which needs further development and investment.

We provide opportunities through our commercial arm for local businesses to sell their wares.

We work in partnership with local business and charities to deliver access to art for the widest possible public.

There are many opportunities for the culture sector to contribute to the Programme for Government, with the right investment and cross-portfolio working. This can and should be discussed further in the coming months through the Public Sector Reform working groups.

Donella Steel, Director of Finance

Elaine Anderson, Head of Governance & Compliance

5 January 2024

V&A Dundee submission to Constitution, Europe, External Affairs & Culture Committee Budget Scrutiny Roundtable 11th January 2024

V&A Dundee – Mission, Vision and Impact

V&A Dundee, Scotland's design museum, has a mission to inspire and empower through design.

V&A Dundee is located at the heart of Dundee's reimagined waterfront and is the only V&A museum anywhere in the world outside London. Since its opening in 2018, it has become a highly popular destination and cultural catalyst, driving city regeneration, contributing to Dundee's growing reputation as a creative centre, contributing to the wider Scottish economy and to Scotland's cultural profile nationally and internationally.

V&A Dundee has demonstrated five years of significant success and has become a totemic figure of what culture can achieve from a small city looking to address its challenges in the long term with vision and ambition for culture, creativity and social change. V&A Dundee is emerging as a major cultural powerhouse, and a creative and civic catalyst for Dundee and Scotland, with a deepening international role that extends the reach of Scottish design and culture across the UK, and beyond. All this has been achieved in the context of being located outwith Scotland's central belt and at a time of volatility within the wider environment.

A recent independent study of V&A Dundee's first 5 years identified the following major impacts:

- V&A Dundee has attracted 1.7 million visitors to the museum despite the impact of the Covid pandemic, including 500,000 people who made their first visit to Dundee as part of trips to V&A Dundee.
- V&A Dundee is creating new cultural opportunities, beyond the central belt, for audiences to experience design of international scale and quality in Dundee.
- V&A Dundee has generated £304m to the Scottish Economy and £109m in Dundee.
- V&A Dundee has established itself as a vital cultural voice as Scotland's design museum and a new iconic landmark for Dundee, enhancing the city and region's cultural growth, reputation and identity.
- V&A Dundee is serving as a catalyst for creative growth and economic development, drawing people to the region and contributing to local investment.
- V&A Dundee has established a strong community and learning programme, engaging 270,000 people in its first 5 years.
- In the period between April 2023 and September 2023, the museum made a gross employment contribution to Dundee of 450 jobs and to Scotland of 1,685 jobs.

The report also identified V&A Dundee as:

- A creative and civic catalyst and a pivotal part of a city transforming
- A platform for design and emerging as a cultural powerhouse
- A gathering place, drawing in and reaching out across, Dundee, Scotland and increasingly internationally

Scotland's design museum is a tremendous asset with real local, national and international reach and relevance. The emerging impacts that V&A Dundee offers to Scotland are significant and it is only just beginning to realise its potential culturally, economically and socially. The future return depends on the effectiveness of the long-term support from, and collaboration with, its funders, partners and networks.

V&A Dundee's **five strategic aims** are to:

1. Generate joy and spark curiosity in design for all our audiences
2. Grow our civic role as a museum and deepen our social impact
3. Become Scotland's design champion
4. Cultivate an organisation that values our people, audiences and planet
5. Prosper as a sustainable organisation for the long term

For the period **2022-2027 our seven strategic priorities** are to:

1. Rebuild audiences post-Covid, engaging the widest audiences with design
2. Improve the holistic visitor experience
3. Strengthen reach, relevance and value in Dundee and beyond
4. Develop impactful partnerships, networks and be a platform for others
5. Be more inclusive and sustainable
6. Value, develop and support our people, enabling us to work together in new ways
7. Grow and diversify our income

Adapting to the context

V&A Dundee has worked intensely for three years to increase programme activity, engage more audiences and participants, reduce spend, grow and diversify income and support to generate varied value and impacts. V&A Dundee had only been operating as a new organisation for 18 months before the pandemic started, making it hard to establish benchmarks for audience behaviour and visitor spend.

The organisation's new Business Plan in 2022 identified major revisions to the opening programme model (moving from two to one major exhibitions per year), reducing overall spend and deploying reserves for operational costs, at the same time as growing ambition, increasing output, improving visitor experience and developing a sharp focus on commercial activity including entrepreneurial partnerships and ambitious fundraising targets.

A volatile operating environment comprising standstill annual funding, audiences returning but spending less post-Covid, the cost-of-living crisis, and soaring inflation increasing costs by up to 40% has meant that V&A Dundee, like many other organisations, has not been able to offer public sector pay awards, has found planning and programming with confidence challenging, and in 2023 implemented a wide variety of mitigation measures to protect public programme and people. The combination of impacts has meant that our current operating cost base is in real terms 12% below the pre-pandemic level.

V&A Dundee draft budget 2024/25

V&A Dundee operates as an independent charitable organisation under Design Dundee Limited, with a unique and enduring partnership involving five Founding Partners: V&A, Dundee City Council, the University of Dundee, Abertay University and Scottish Enterprise, which continue to provide support to enable the museum's activities. V&A Dundee is part of the V&A family of sites and is the first of a series of new V&A museums to open across the UK, including Young V&A and V&A East. The partnership between V&A Dundee and the Founding Partners plays a crucial role in financing, informing, and shaping the organisation. Each one of the partners has made a unique and valuable contribution to the realisation and operation of V&A Dundee and its overall impact on the city and Scotland.

The financial model of V&A Dundee involves support from the Scottish Government as its principal funder, in-kind and direct contributions from the Founding Partners fundraising, commercial partnerships and self-generated income. Of the total revenue for V&A Dundee, 12% is generated from the Founding Partners, 20% from private fundraising and 18% from commercial activities as well as museum tax relief.

In 2024/25, V&A Dundee will receive an increase in support of £0.8million from the Scottish Government. This support means that V&A Dundee can continue to deliver its essential cultural, economic and social impacts locally, regionally, nationally and increasingly internationally in 2024/25.

Although an annual budget, it means that V&A Dundee can:

- Continue to utilise its grant fully by leveraging in further funds and income, and growing and deepening cultural, economic and social reach and impacts
- Look to develop a viable and fair pay strategy
- Plan for future programme, including further homegrown major exhibitions and activity akin to V&A Dundee's status as Scotland's design museum
- Look to take on new initiatives with major positive impacts including the international tour of the blockbuster exhibition Tartan (seed funding for this tour has been provided by the private sector)

We welcome this draft budget for V&A Dundee and look forward to working with the Scottish Government, culture sector and other stakeholders and partners to help evolve and attune a vision for culture in Scotland's future, supported and enacted by the culture strategy to cohere ambition, ideas, resource, policy, and context with the already strong rhetoric about culture's value and role.

We look forward to the aspiration of multi-year funding being realised, the culture budget indicative increases fully enacted so that funding supports the flourishing of culture, as well as exploration of new ways to work and innovate as well as protecting what has already been achieved.

In 5 years, V&A Dundee has established a national and international outlook whilst rooted locally in Dundee and is, hopefully, telling a story wider than its own about what can be achieved. To have a transformative, empowering and catalysing impact, culture needs to be funded, supported and valued at a level that enables it to flourish for all, and across Scotland. The value of core public support is more than financial, it provides a statement of societal value and worth, supports a unique workforce to create and produce, engages people in the present and into the future, allows



confident and professional planning to take place and creates a springboard that means that organisations of all types can leverage more income and opportunity through commercial activity, partnerships and fundraising.