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Clare Adamson MSP
Convener Constitution, Europe, External Affairs and
Culture Committee
Scottish Parliament

11th December 2024

Dear Clare,

Committee report following pre-budget scrutiny of culture portfolio ahead of 2025/2026 budget process

Thank you for the opportunity to give evidence to the CEEAC Committee as part of your pre-budget scrutiny on funding for culture. This letter sets out the Scottish Government's response to the Committee's report.

The Scottish Government greatly values the culture sector and the positive impact it has on the Scottish economy and peoples' health and wellbeing. The Government has clearly demonstrated its confidence in, and commitment to, the sector by proving a further £34 million in 2025/26 taking the uplifts to date to £50 million a year – halfway to the intended £100 million more annually by 2028/29 with an aim for a further £20 million in 2026/2027 subject to the usual Parliamentary procedures.

The budget set out in Parliament on 4 December, enables a package of funding in 2025/2026 to support culture and the arts. This includes £20 million for Creative Scotland (CS) multiyear funding, an increase in funding for Scottish festivals to provide £6 million annually, increased funding for our national collections and national performing companies, £2 million more for Screen Scotland's production Growth Fund, almost £5 million for community culture and support for libraries, and a new innovative Culture Capacity Fund which will be designed to support culture organisations to build their capacity and attract inward investment.

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Creative Scotland Multiyear funding

The Scottish Government welcomes CS' plans to introduce multiyear funding from 2025/26 which will see the largest ever number of Scottish cultural organisations securing regular funding. As outlined above, the Government has set out £20 million in the draft budget for the multiyear funding programme in 2025/2026 and aims to provide a further £20 million in 2026/27 – taking the uplift to £40 million a year from 2026/27 subject to usual Parliamentary procedures. I have written to the Chair of CS to confirm this.

This is in addition to £6.6 million to bridge CS' historical shortfall in National Lottery funding which the Scottish Government has provided since 2018/19. The Government was not able to provide this in 2023/24 given wider budget pressures and therefore provided £13.2 million in 2024/25 covering the National Lottery Shortfall funding for 2023/24 along with the £6.6m for 2024/25. From 2025/26 this £6.6 million is base lined in the CS multiyear funding budget.

Taken together, this will mean that the Government has made funding available for organisations successful in MYF from almost £34 million this year to £54 million next financial year and to £74 million in 2026/2027 and beyond.

Strategic approach to Support/ Path to £100m

The Government understands the culture sector looking for clarity regarding future funding and how the £100 million will be rolled out beyond the next financial year. The Government's planning assumption is to aim to provide a further £20 million in 2026/2027 subject to normal parliamentary procedure. We will only be able to confirm these aims once the SG receives the budget allocation from UKG.

As set out in Programme for Government, the Government is also carrying out a review of how the culture sector is supported to maximise the impact of this significant investment. The review will look at public funding and working across the public, private and third sectors to grow the overall funding pot for culture, diversify funding streams and supporting the sector to become more sustainable and resilient in the face on ongoing challenges.

The Scottish Government agrees that the culture sector as a whole would benefit from stable and supportive financial arrangements being in place in order to fulfil its potential. The Scottish Government welcomes the UK Government's commitment to holding regular multiyear spending reviews and hope this provides greater clarity and certainty over the Scottish Government's funding position, helping support a multi-year approach to budgeting.

Closure of 2024/25 Open Fund for Individuals

You highlighted in your report the concerns raised in the culture sector when the Open fund was closed in August this year. Following completion of the normal due diligence process on the release of £6.6 million funds after CS Board approval, the Open Fund was quickly reopened by CS. The Scottish Government was pleased that the CS Board approved in November 2024 use of a further £1.2 million of the £6.6 million for the Open Fund.

Looking forward, CS will continue to offer open access funding opportunities for both individuals and organisations using National Lottery funding in the main.

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Platform for Creative Excellence (PLACE) and Culture Collective programmes 2024/25

These funds were not continued in 2024/25, and funding was reallocated within the culture budget to meet in-year financial pressures.

Culture Collective was a 3-year programme funded through covid consequential and funding was due to conclude in 2022/23; however, a small amount of bridge funding was provided in 2023/24 to further support the sustainability of the partnerships developed under the programme. The Government intends to relaunch this programme with £4 million in 2025/26.

The PLACE programme was a match-funded programme between the City of Edinburgh Council and Scottish Government in which each provided £1 million pa between 2018-23 towards the Edinburgh Festivals' community engagement activity. 2022/23 was the final year of its original planned 5-year activity with funding provided in 2023/24 given to ensure a phased reduction in support.

The budget for 2025/2026 includes a further £4 million funding for Scottish Festivals. This funding will allow the doubling of the EXPO Festival Fund to expand its reach beyond festivals in Edinburgh and Glasgow; recognising the importance of festivals across Scotland in providing opportunities for the wider culture sector, along with funding to develop and deliver work under the Strategic Partnership for Scotland's Festivals. This will support festivals' sustainability while upholding the vital role they have in the wider culture sector.

Relationship between Creative Scotland and the Scottish Government

The Scottish Government enjoys a good working relationship with CS both at an official level and with Scottish Ministers. The sponsorship function is working well with quarterly meetings with Scottish Ministers and meetings more frequently between the sponsorship team and CS senior officials. The sponsorship approach is set out in the framework agreement between SG and CS¹. However, the artistic decisions of CS as an arms-length public body are rightly independent of the Scottish Government.

Review of Creative Scotland

The Scottish Government's review of CS is to ensure that the functions and remit of public bodies continue to meet the needs of the culture sector in Scotland. The Review of CS will consider whether its remit and functions as set out in the Public Services Reform (Scotland) Act 2010 continue to be relevant for the culture sector today recognising that there has been much change in the sector since the functions were initially established.

The Government fully expects CS to continue with business as usual and does not expect that the review impacts in anyway on the outcome of CS multiyear funding decisions or other budget decisions for 2025/2026. The review will help inform the future direction of how the Scottish Culture sector is supported.

¹ [creative-scotland-2022-model_framework_document-june-2022-final-approved2.pdf \(creativescotland.com\)](https://www.creativescotland.com/creative-scotland-2022-model-framework-document-june-2022-final-approved2.pdf)



The Scottish Government has adopted the Committee's recommendation that the Review of CS be undertaken independently of SG and CS, and I hope to be able to inform the Committee about the appointment of the Chair shortly. The Chair will take up their role early next year and we aim for them to publish their recommendations by the summer of 2025.

It is essential that the culture sector has an opportunity to engage in the Review and engagement will begin early next year with a short survey about the scope of the Review.

The Government agrees that the Review of CS should feed into the wider review of how the culture sector is supported. The survey that will be launched early in the New Year will seek views about how and why the culture sector is supported and what the sector thinks needs to change to best meet its needs going forward. Responses will inform the scope of both the review of culture sector support in Scotland and the review of CS.

The Government welcomes ongoing engagement with the Committee throughout the course of this work and will draw on your previous evidence and reports. The Committee will receive further information on the survey once it is launched.

A Culture Strategy for Scotland

The Government is aware from discussions with culture stakeholders following publication of the draft budget that the significant increase in levels of funding announced for the sector is rightly fuelling debate around priorities for culture; particularly around the delivery of existing action plans and strategic commitments going forward. The Programme for Government 2024 sets out what will be the main focus of the Government's strategic activity as we seek to place the sector on a more sustainable footing. This reform, review and partnership work seeks to deliver transformational change across the sector, and this will take time and commitment from all partners working to achieve over a number of years. These commitments build on both the Culture Strategy Action Plan and the International Culture Strategy, with a renewed focus on those areas where positive change will make the greatest long-term impact.

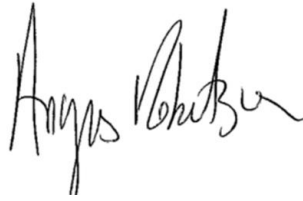
As set out in the letter to the Committee on 5 June, ongoing discussions with partners about where our collective priorities lie and how resources should be targeted across the sector will result in the acceleration of some planned actions and, consequently, the deceleration of others to match available resource. The Committee will receive a further update on delivery of the Culture Strategy Action Plan at the end of 2024-25 reporting year which will highlight any proposed development areas which will have to be paused at that time, however policy and sponsorship activity will continue as normal, including cross-policy work with colleagues across the Scottish Government.

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In closing, thank you again for your detailed and thoughtful consideration of the issues faced by the culture sector and how it can be supported to continue to flourish and enrich the lives of people across Scotland.

Best wishes,

A handwritten signature in black ink, appearing to read 'Angus Robertson'.

Angus Robertson

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