

CEEAC 2025 budget response

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At Culture Counts we warmly welcome the Scottish Government's commitment to increase investment in culture as proposed in the draft 2025-26 budget. The increase of £34m in 2025-26, plus an indicative commitment of a further £20m in 2026-27, is an important step toward realising the Government's commitment to increase culture funding by £100m per year by 2028-29.

We are especially encouraged by the allocation of an additional £20m to Creative Scotland's multi-year funding (MYF) programme, bringing the total available to that programme in 2025-26 to £54m. The announcement of this increased investment has been very warmly received by the sector, especially by the 281 organisations who are anxiously awaiting the outcome of their MYF applications, and by the wider ecosystem of freelancers and smaller organisations whose work relies on regularly funded organisations. This investment has already created a greater sense of optimism in the sector for the positive impact of the January multi-year funding decisions. With applications currently at the final stage of Creative Scotland's application process totalling £87.5m per year, this still means that only 62% of applicants (by value) will be funded. This represents a significant improvement over the previously feared outcomes, but how Creative Scotland handle transition support for unsuccessful applicants will be vital. We hear a strong message from our members that the great opportunity of this increased investment is to increase the number of sustainably-funded organisations in the sector, which will have knock-on effects for fair work, ambition, collaboration and equity. We hope that Creative Scotland resist the temptation to spread this funding too thinly via a narrow focus on raising the total number of awardees as high as possible; 'bare minimum' funding serves no-one, and indeed would perpetuate the sense of scarcity in the sector.

We are also delighted to see the return of funding for Culture Collective; a popular and impactful programme supporting community and participatory arts across Scotland. This marks a very positive focus on the role of culture in all of our lives, on a responsive, representative and locally-rooted cultural sector, and on the vital role that freelancers play in the sector. We would ask the committee to note that work in

communities - especially those that have historically been underserved by cultural provision - is not a 'quick fix', and that long-term commitments are necessary to effect long term impact and build real, meaningful relationships. As such, we would ask that consideration is given now to the funding for this programme beyond 2025-26. We eagerly look forward to Creative Scotland sharing of more detailed plans around eligibility, timing and delivery for this fund.

The complex and interlinked nature of Scotland's cultural ecosystem (and wider third sector) means that the impacts of the budget are extremely nuanced, and are being felt differently by different parts of the sector. Many arts and cultural organisations are charities, and/or work collaboratively with third sector partners. In considering the development of detailed delivery plans for funding within this budget, we align with [SCVO's Fair Funding asks](#) for longer-term funding agreements, sustainable funding that recognises inflation and enables commitment to the Real Living Wage (for those organisations funded directly by Scottish Government), for accessible, proportionate and consistent approaches to applications and reporting, and for timely grant processing and payments.

Whilst the increase to the culture budget is timely and welcome, we note that it is far from the sole determinant of the financial health of the culture sector. Changes to employer NICs in the Westminster budget this year will impact the overall payroll costs of many, including cultural organisations, many of whom are deeply concerned about managing the resulting increases to their payroll costs. A recent SCVO briefing found that *"there will be a disproportionate impact on sector employers with a large part-time workforce on lower wages"* - of which the culture sector is clearly part. We hear fears that staff will be pushed involuntarily into freelance roles as a consequence of this policy, which would increase vulnerability in an already very precarious workforce. Local Authorities, too, continue to face significant financial pressures. Dundee City Council, for example, are currently consulting on significant cuts that could pose serious risk to many of the city's cultural institutions. As such, we ask that the committee consider the whole picture of the cultural sector ecosystem in assessing the impact of this winter's budget announcements.

Finally, we strongly support CEEAC's focus on long term clarity and certainty for the future of funding for the culture sector ([point 51 here](#)). This year's increased investment is very welcome as a step toward the commitment of an additional £100m funding per year by 2028-29. Longer term, Culture Counts' former Director, Lori Anderson, gave evidence to the Committee in September 2024 that Scotland

currently invests just over 0.5% of Government spending on culture, compared to a European average of 1-1.5%. We welcome this year's increased investment as indicative of a commitment to a flourishing cultural life for Scotland, and encourage all efforts to invest in this ambition over the long term.