

Federation of Scottish Theatre submission to Inquiry into Budget Scrutiny 2024:25: Funding or Culture

FST is the membership and development body for professional dance, theatre and opera in Scotland, bringing the sector together to speak with a collective voice, share resources and expertise and promote collaborative working. FST represents over 200 members. This encompasses professional organisations and individuals - from national performing companies to individual artists creating their own work, and the independent producers who support them. We count all of Scotland's professional producing companies as members as well as members who provide support to parts of the sector or work in different ways to create, develop and produce live performance for audiences across Scotland, in the UK and overseas.

This submission builds on our previous submissions, made in [September 2021](#), and [October 2022](#). We would also draw your attention to [our letter to John Swinney](#), then acting Cabinet Secretary for Finance and the Economy in January 2023.

In preparing for this submission, we convened several focus groups with FST members, resulting in detailed discussions about the current situation and the future for the performing arts in Scotland. FST hosts and works closely with Culture Counts. We suggest reading our submissions as complementary to one another. We are also aware of submissions made by members such as the Ayr Gaiety Partnership and Data Culture Exchange on behalf of six of Scotland's independent producing theatres.

Your Views

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

As consistently reported to Committees over many years, the culture sector's, “perfect storm,” is not a new phenomenon initiated by the COVID pandemic alone. Through its ‘success’ in reducing reliance on public subsidy, the sector was already extremely vulnerable to external pressures.

With a standstill budget available for most cultural organisations and practitioners in this financial year and, at the beginning of 2022, the sector having to come together and fight vigorously against a £6.6m cut to Creative Scotland's funding, all these pressures have been exacerbated.

They include:

- Systemic under-funding from both national and local government
- Threatened and actual local government reductions culture funding in most areas of Scotland, and provision within local authorities themselves being severely reduced or cut

- The long-term impacts of, and extended recovery from, lockdown
- Inflationary pressures across the board
- Enormous increases in fuel and utility costs, with access to energy frameworks still closed to new entrants
- The general effects of the cost crisis on employees and freelancers who deserve well-earned increases in wages and fees; and, audiences, participants and communities with less disposable income to spend on cultural experiences
- More recently, funding from Trusts and Foundations, relied upon especially for engagement work in communities, has declined substantially, with some established supporters of culture being forced to focus their resources on people at immediate risk of harm
- Any reduction in initiatives such as Theatre Tax Relief would be disastrous for those producers whose work been able to be sustained because of it
- Demand on the Culture & Business Scotland fund was so great that it is unable to sustain as many new partnerships as there is availability for

In consultation with members, we discussed how the last twelve months had impacted them. They described a sector at breaking point, undergoing “industry-wide post-traumatic stress,” and still experiencing a period of extreme adaptation. This is happening at a time of reduced capacity with, in some cases, fewer people with less experience undertaking significant work. We heard persistent reports of personal and organisational burnout, as long-established and previously flourishing organisations scaled back their operations and risked falling into administration. This was resulting in a stark reduction of opportunities for professional freelance artists, craftspeople, technicians, and other specialist practitioners, but also audiences, participants, and communities.

The reality is that no further adaptation is possible. There is no space closer to the edge to move to.

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

Unfortunately, there appears to have been little or no progress made to accelerate innovative solutions to the budgetary pressures within the sector. In fact, the proposal to cut Creative Scotland’s budget felt like one of the most retrograde actions of recent times and resulted in the sector, whilst experiencing the difficulties outlined in this submission, being forced to mount an exhausting campaign against it.

As we said in our letter to Mr Swinney in January, “the impact of culture appears to be widely understood and acknowledged by your own elected members, Ministers and Cabinet Secretaries. Yet the fact remains that a proposal has been made which

will undermine the positive contributions made by the performing arts and the cultural sector overall. It will seriously impede the sector's ability to rebuild and survive long-term under-investment and the combined effects of the COVID pandemic and the worst cost crisis Scotland has experienced in decades."

There is a consensus amongst consulted members that sector-led innovation cannot happen without investment, with one individual stating that, "at absolute minimum, we're trying to catch up from standstill funding." **We refer the Committee to Culture Counts' robust evidence around international comparators for culture funding and careful calculations for what relatively small increases in funding could achieve for Scotland.**

Members discussed research from Creative UK which outlines the contribution culture makes, outstripping that of aeronautics and other industries, indicating clear justification for adequate investment in, as one member described it, "the social bedrock of the country."

While 'cross-portfolio work' has been encouraged and discussed for many years, members note that it has not yet filtered significantly into funding. For this to be effective, a percentage of departments' budget would need to be ringfenced for cultural applications and engagements. It would also require a clear understanding by budget-holders of the benefits of culture to individuals and society. This would not be displacement of health or education funding, for instance, or special pleading, but a true acknowledgement of impact, which has been proven time and again.

Members recalled the Percentage for Culture Scheme, which was part of the SNP manifesto, along with Visitor Levy schemes, and would welcome these being progressed more quickly, with the latter emphasising non-statutory priorities like culture, which continue to reel from the heaviest cuts since 2010, despite being a leading driver of visitors to tourist destinations.

There is a clear call for funding processes to be more flexible and transparent. Members requested that limited multi-year funding should not be used as the only mechanism to indicate how much increased investment our sector needs. They estimated that what is required may far exceed what's needed overall and does not consider individuals not employed by organisations. (Creative Scotland has now announced the demand for its new multi-year funding as £113m annually from 500 organisations, compared to the current network of Regularly Funded Organisations which is in receipt of £32.7m in 2023-24.)

3. The Committee [called for](#) the forthcoming refreshed Culture Strategy Action Plan to provide a clear and strategic sense of how the Scottish Government is working to ensure a more sustainable future for the sector. **How should the refreshed Culture Strategy Action Plan help to inform future budgetary decisions within the culture sector?**

FST and its members welcome a refreshed Culture Strategy and Action Plan. Throughout consultations during the last three years, members have indicated willingness to work in partnership with the Government and other agencies on a strategic approach to cultural development in Scotland. However, the incompatibility between the Scottish Government's broader ambition to centre and showcase culture

in Scotland, which is absolutely shared by the sector, and a continued lack of public investment is starkly felt. It reinforces the need for increased and more sustainable funding. Alternatively, it may result in what could very easily be seen as a wilful demise of the culture sector as we know it.

FST members request that revisiting the culture strategy includes making the case for proper support for the sector, comparable with other nations, which doesn't merely acknowledge, "the perfect storm," but strongly acts to enable recovery from it. Whilst very welcome, the recent reversal to the funding cut reversal delayed a crisis but has not solved it.

Members recognise the following options that must be acknowledged, either:

- Robustly invest in the sector and allow it to achieve its potential
- With less funds, have a practical strategy which outlines the clear and difficult prioritising of what the culture sector will look like in future, and what realistic outcomes it will be able to deliver

By expecting organisations and people within the sector to continue working as they currently do, the Scottish Government risks allowing the sector to rapidly fall apart with no plan for installing systems to retrain and redeploy industry professionals.

FST members recognise the issues outlined in this submission reach beyond the culture budget and remit of this Committee. They are mindful of other strategies, such as the [DCMS Creative Industries Sector Vision](#) and the International Cultural Strategy. The potential for there to be joined up thinking across the strategies and those developing them would provide much needed clarity and consistency of approach.

Fiona Sturgeon Shea
Chief Executive Officer
Federation of Scottish Theatre
25 August 2023

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Organisation – **Federation of Scottish Theatre (FST)**