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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.

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

Creative Scotland National Lottery Shortfall funding 2023-2024

- 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

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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

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