



The Scottish Parliament
Pàrlamaid na h-Alba

Culture, Tourism, Europe and External Affairs Committee

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Dear Cabinet Secretary,

Introduction

Thank you for your evidence on pre-budget scrutiny ahead of the forthcoming 2019-20 Scottish Budget, which you provided to the Committee on 27 September. As you noted at the meeting, the budget process has been substantially revised to take account of the new financial powers which have been devolved to the Scottish Parliament. The new process establishes a full year approach to budget scrutiny involving a continuous cycle of scrutiny with a focus on outcomes being achieved by budgets. Accordingly, I am writing to you setting out the Culture, Tourism, Europe and External Affairs Committee's priorities ahead of the publication of the Scottish budget on 12 December in line with the new budget process. As I mentioned at the Committee meeting, the Committee will take further evidence from you once the Scottish Budget has been published with regard to the areas of budgetary responsibility within your remit, including the issues raised in this letter.

Culture

With regard to the culture remit of your portfolio, the Committee notes that the draft Culture Strategy, which you have recently consulted upon, will be central to determining the key priorities for cultural policy and expenditure in future years. The Committee intends to consider the Culture Strategy once it has been published. Whilst the Committee recognises the significant measures that you have taken to seek to protect the culture budget in 2018-19, in particular from reductions in National Lottery funding, the Committee also recognises that local authority budgets in relation to culture have been under significant pressure. Critically, given the central role of local authorities in providing cultural support currently, and also in terms of the delivery of the new Culture Strategy, the Committee considers this issue to be key to the effective delivery of culture within local communities. **The Committee would therefore welcome an update on how this issue is being taken forward when you provide evidence on the 2019-20 Budget to the Committee. The Committee would also welcome the re-establishment of your six-monthly meeting with local authority culture conveners that you highlighted in evidence to the Committee.**

The Committee welcomes the emphasis on outcomes that is integral to the new budget process and understands that the National Performance Framework (NPF) has recently been refreshed and that work is on-going in relation to the underlying indicators which will support the overall outcomes set in the NPF. In evidence to the Committee you noted that—

“We can capture evidence of activity; it is more challenging to identify the outcomes from that activity, and the national performance framework will allow us to do that. The household survey can do that, but we need to do more than what the survey provides in order to make sure that we have got the information. We need to identify not only what people have seen but what they have participated in, which is a different thing”¹.

The Committee also notes the emphasis that you placed on outcomes that would be able to measure the impact of expenditure on culture from across government. The Committee recognises the point you raise that—

“I do not say that it is easy to measure how the cultural activity of organisations and of areas across Government – not just the culture department – make a difference”.

However, **the Committee considers that it is imperative that outcomes are developed which identify the outcomes from expenditure directly attributable to the culture portfolio.** It may well be that you may also wish to develop outcomes which seek to attribute outcomes to broader areas of expenditure from other portfolios. **The Committee requests further information on how the Scottish Government intends to monitor cultural spending across portfolios in practice.**

¹ Official Report, 27 September 2018, Col. 10.

With regard to the screen sector, the Committee welcomes the additional funding that has been made available for the sector and the recent publication of Memoranda of Understanding published by the various public sector bodies which are contributing to Screen Scotland. **The Committee would welcome an update from you on how the financial performance and outcomes achieved by Screen Scotland will be assessed and reported to the Committee in a systematic manner.**

The Committee, in its report 'Making Scotland a Screen Leader', stated that Scottish Enterprise's support model is unsuited most screen businesses. Accordingly, we recommended that part of the Scottish Enterprise budget be transferred to a stand-alone screen agency in order to support business development for the screen sector. Prior to a stand-alone agency being established, the Committee recommended that as an interim measure the Cabinet Secretary for Finance, Economy and Fair Work bring forward a solution to improve the business support available to the sector. **The Committee would welcome details of discussions you have had with the Cabinet Secretary for Finance, Economy and Fair Work in relation to improving the business support available to the sector from Scottish Enterprise.**

In relation to studio facilities, the Committee welcomes recent reports that there are moves to put out to tender proposals for a studio facility. You will recall that the Committee considered that the lack of available infrastructure was a key barrier to the development of the sector. **The Committee requests an update on progress to establish a studio facility in Scotland.**

With regard to expenditure on major events, the Committee welcomes your commitment to share the "evaluation of impacts" of expenditure on major events to date once available. **The Committee would welcome a timescale for when this evaluation will be complete.**

Tourism

As you will be aware, the Committee has held two evidence sessions with regard to a proposed Transient Visitor Levy. The Committee notes the Scottish Government's recent announcement of a consultation on this issue. **The Committee has requested from you, in separate correspondence, further information on this consultation process, including: what the consultation will consider; who will be invited to participate; whether any research will be commissioned to support the consultation and what this will involve; and the timescales for concluding the consultation.**

Europe and External Affairs

The Committee welcomes your commitment to provide an up to date list of the EU funding streams which organisations within your portfolio are in receipt of. The Committee also requests details of the amount of funding received under each EU funding stream.

The Committee is aware of the recent expansion of the Scottish Government's 'Innovation and Investment Hubs' in Berlin, Brussels, Dublin, London and Paris. We

note that funding for the Hub offices is drawn from both the External Affairs budget line and the Economy budget line via Scottish Development International. The Committee welcomes this approach and also your commitment to “try to make it clear what we are funding and what they are funding”. **The Committee would welcome further information on the level of funding from your portfolio to support the Hub offices and on the outcomes that the Hub offices are expected to deliver in return for this investment.**

Equalities and Sustainable Development

The Committee notes the recent letter from the Chair of the Equality Budgetary Advisory Group (EBAG), Dr Angela O’Hagan. **The Committee asks you to set out the approach you have taken to assess the equalities impact of budgetary spend in your portfolio by protected characteristic and by socio-economic disadvantage.**

Yours Sincerely,

Joan McAlpine MSP
Convener
Culture, Tourism, Europe and External Affairs Committee