I am responding to your letter of 25 October about the pre-budget scrutiny and the Committee’s priorities ahead of the 2019-20 budget.

Culture

The 2019-20 budget continues to protect critical expenditure, including – as you referenced – the funding of Creative Scotland’s portfolio of arts and creative industry organisations in the face of lottery reductions. Your letter noted the role of local authority budgets in relation to culture and I shall be happy, as you suggest, to say more about this at the evidence session on 10 January. In the meantime, we continue to encourage COSLA to work with us on re-establishing the Local Authority Convenors Group.

In the light of the new National Performance Framework, which includes a new National Outcome for culture, the Scottish Government plans to undertake work to understand how the activities that are directly attributable to the Culture portfolio budget contribute towards that outcome. We will seek opportunities to work in collaboration with other policy areas where there is evidence that culture can make a difference. In carrying out this analysis, the Government will draw on relevant evidence and data where available.

This work will be aligned with the forthcoming culture strategy which aims to set out priorities for culture in Scotland in the future. The public consultation on the draft strategy invited views on a number of ambitions and proposals and around 220 thoughtful and considered responses were received from a range of organisations and individuals; reflecting how important culture is to people across Scotland. The government is now reviewing carefully the detail of the consultation responses as it works towards developing the final strategy and

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will, as part of this, consider how best to support delivery of the strategy and measure its impact including, but not restricted to, cultural spend. Turning next to screen, the 2019-20 budget provides a further £10 million for screen funding taking total investment to £20 million. Screen Scotland is developing a business plan for this financial year and next, to be approved and subsequently monitored by the Creative Scotland Board. The business plan will set out an Action Plan and contain a set of Key Performance Indicators against which progress and outcomes will be measured. Screen Scotland will report to the Creative Scotland Board and through the Board to me on a regular basis on these KPIs and I would also expect Creative Scotland to report to the Committee on this performance.

As regards the role of Scottish Enterprise in the screen sector, I regularly discuss with the Finance and Economy Secretary matters of importance to both of our portfolios, including business support for screen and the wider creative industries. The Scottish Government is currently taking forward the Enterprise and Business Support project with delivery partners, including Scottish Enterprise and Business Gateway. This project is focussed on developing deeper collaboration between delivery partners and taking forward further opportunities to improve business support, putting the user at the centre of the process.

In addition, Scottish Enterprise and Creative Scotland have jointly funded the two-year FOCUS project to provide bespoke business support and advice and this is currently supporting 20 Scottish screen companies. Scottish Enterprise also works to stimulate investment in the screen sector with Regional Selective Assistance funding grants, with these going to companies that include Axis Productions and Blazing Griffin. Screen Scotland plans to strengthen its business support further by recruiting specialist business support capacity and forming a business support working group so as to align with existing work by all partners.

As regards studio facilities, Screen Scotland published a tender on 7 December inviting proposals from private companies to lease, refurbish and operate a screen studio complex at 31 Bath Road, Port of Leith, Edinburgh. The deadline for submissions is 1 February 2019 and Screen Scotland proposes that a conclusion on the final operator will be made in April that year. Screen Scotland will then work to support the operator to deliver the studio during 2019. Screen Scotland will continue to promote and support the range of existing and proposed facilities across Scotland.

Major events

Major events are evaluated across a number of impact areas and this evidence helps us build the case for major event bids or infrastructure development in the future. We will continue to ensure robust evaluation measures are in place for Government funded events and that the broader industry are encouraged to use the same methods. As regards the Glasgow 2018 European Championships, a suite of reports is in preparation comprising the Glasgow 2018 Evaluation Report, the Festival 2018 Report, the Glasgow 2018 Final Report and an image led piece, G2018 - The Championships Story. These are due for completion in early 2019.

Tourism

I refer to the separate correspondence between us about the national discussion on Tourism Tax issues.

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Europe and External Affairs

During my evidence at the pre-budget scrutiny session on 27 September, the Committee requested further information on a figure I mentioned about the total level of EU funding that has been received by the culture sector in Scotland.

I attach three reports which were commissioned by Creative Scotland, Historic Environment Scotland and Museums and Galleries Scotland in May 2017 and from which the headline figure I mentioned is taken.

These reports cover the 10 year period from 2007 and I should stress present a minimum figure for the funding received by the culture sector from the EU during that period.

Our external network of offices delivers and supports activity by the Scottish Government, its agencies and public and private partners, in key locations outside Scotland, building on established expertise. The network provides a focus for Scottish partners needing presence in a country, capital or continent and plays a critical role in supporting international economic, cultural and policy collaboration which delivers economic benefits and helps address societal and global challenges.

As part of our business planning process for 2019-20, we are developing a more consistent framework that will track closely with the development of the National Performance Framework indicators, and will help to assess the contribution the offices make across a range of outcomes. The scale, scope and focus of this activity varies depending on the specific opportunities in a particular location however, as a whole, the network is tasked with:

- Improving Scotland’s international profile
- Attracting investment to Scotland
- Helping business to trade internationally
- Promoting and securing Scottish research and innovation capability, partnerships and funding
- Protecting and enhancing Scotland’s interests in the EU and beyond

The Scottish Government budget allocations for the offices that are funded from the Culture, Tourism and External Affairs portfolio, as included in the 2019/20 draft budget, are set out in the table below.

<table>
<thead>
<tr>
<th>Location</th>
<th>2019-20 Draft Budget (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brussels</td>
<td>2.079</td>
</tr>
<tr>
<td>China</td>
<td>0.553</td>
</tr>
<tr>
<td>Canada</td>
<td>0.575</td>
</tr>
<tr>
<td>United States</td>
<td>0.807</td>
</tr>
<tr>
<td>Paris</td>
<td>0.545</td>
</tr>
</tbody>
</table>

The offices in London, Dublin and Berlin are funded from the Finance, Economy and Fair Work (FEFW) Portfolio. The budget allocation for those is £3.045 million in 2019-20 and is included within the FEFW chapter of the budget document.
In addition, the network of Scottish Development International (SDI) offices is funded from the FEFW portfolio. I am advised that the budget for the SDI offices is set by Scottish Enterprise as part of its business planning processes, this work is underway but further detail will not be available until closer to start of the 2019-20 reporting year.

**Equalities and Sustainable Development**


**Conclusion**

I look forward to discussing the 2019-20 budget further with the Committee when we meet on 10 January.

FIONA HYSLOP