CULTURE, TOURISM, EUROPE AND EXTERNAL AFFAIRS COMMITTEE

AGENDA

18th Meeting, 2020 (Session 5)

Thursday 27 August 2020

The Committee will meet at 9.00 am in a virtual meeting and will be broadcast on www.scottishparliament.tv.

1. Declaration of interests: Dean Lockhart will be invited to declare any relevant interests.

2. Decision on taking business in private: The Committee will decide whether to take item 5 in private.

3. Impact of COVID-19 on Scotland's cultural sector: The Committee will take evidence from—

   Julia Amour, Director, Festivals Edinburgh;

   Nick Stewart, Music Venues Alliance Coordinator for Scotland, Music Venue Trust;

   Alex McGowan, Executive Director, Citizens Theatre;

   Lucy Casot, Chief Executive Officer, Museums Galleries Scotland;

   Sandy Sweetman, Director, SW Audio Ltd.

4. Consideration of evidence (in private): The Committee will consider the evidence heard earlier in the meeting.

5. Impact of COVID-19 on Scotland's tourism sector: The Committee will consider draft correspondence.

6. External research (in private): The Committee will consider a report on its commissioned external research.
7. **Committee advisers (in private):** The Committee will consider a list of candidates for the posts of advisers on EU constitutional law and on international trade.

Stephen Herbert  
Clerk to the Culture, Tourism, Europe and External Affairs Committee  
Room T3.40  
The Scottish Parliament  
Edinburgh  
Tel: 0131 348 5234  
Email: stephen.herbert@parliament.scot
The papers for this meeting are as follows—

**Agenda item 3**

Note by the Clerk

PRIVATE PAPER

**Agenda item 5**

PRIVATE PAPER (to follow)

**Agenda item 6**

PRIVATE PAPER

**Agenda item 7**

PRIVATE PAPER
Introduction

1. On 28 April 2020, the Committee launched a call for views regarding the impact of COVID-19 on Scotland’s culture and tourism sectors. On 21 May 2020 the Committee heard from the Cabinet Secretary for Economy, Fair Work and Culture regarding the measures taken by the Scottish Government to mitigate the impact of COVID-19 on the culture sector.

2. The focus of this evidence session will be the impact of COVID-19 on areas of the culture sector dependent on live audiences, including museums, live music venues and theatre.

Evidence session

3. The Committee will take evidence, via video conference, from—

- Julia Amour, Director, Festivals Edinburgh;
- Nick Stewart, Music Venue Trust;
- Alex McGowan, Executive Director, Citizens’ Theatre;
- Lucy Casot, Chief Executive Officer, Museums Galleries Scotland; and
- Sandy Sweetman, SW Audio Ltd.

Supporting Information

4. All witnesses provided written evidence as part of the Committee’s ongoing COVID-19 call for evidence and supplementary submissions have been received, from the Citizens’ Theatre, Museums Galleries Scotland and the Music Venue Trust, in advance of the meeting. All of these submissions are provided in Annexe A.

5. Since the Committee meeting on 21 May, the Committee has received a number of new responses to the call for views regarding the impact of COVID-19 on culture, a list of which are attached in Annexe B.

6. The responses received to the call for evidence are updated regularly on the Committee’s website and can be accessed at—

7. The Committee has requested monthly written updates from the Scottish Government on its COVID-19 related activity with regards to tourism. The most recent update is provided in Annexe C.
8. A SPICe paper providing context to the evidence session is provided in Annexe D.

Mark Johnson
Assistant Clerk
Culture, Tourism, Europe and External Affairs Committee
24 August 2020
ANNEXE A

Written Submission from Festivals Edinburgh

1. Introduction

We bring forward this evidence in the context of the sector-wide recommendations of Culture Counts which we helped to develop, and collaborative discussions with Creative Scotland and sector development bodies across the range of art forms and sectors we work with. We are all part of a rich and integrated cultural offer which is at the heart of Scotland’s future wellbeing and prosperity.

This paper highlights key impacts and implications for policymakers that need to be taken into account to sustain the country’s leading festival infrastructure, so we can play our part in capitalising on creative excellence for a renewal of Scotland’s inner confidence and place in the world. We have also submitted evidence to the House of Commons Select Committee on Digital, Culture, Media and Sport about measures that need to be taken at UK level.

Edinburgh’s Festivals have a unique national role to play in our society’s renewal following the pandemic crisis. We rely on and help to nurture the wealth of cultural talent across Scotland. Over eight decades, our constant focus on programming excellence and connecting local and global voices has created a resource for Scotland of unmatched cultural power, and a source of joy and meaning for generations of citizens.

Like others working to build back a better society, we need to adapt and renew while holding onto our fundamental purpose and value. Yet the long-term effects of this catastrophic season could have an irreversible nationwide impact on these benefits and on Scotland’s creative and service sector workers, without a strategic plan to retain and reimagine their positive impacts.

2. Immediate impact

The pandemic led to our Spring festivals being cancelled in mid-March, followed closely on 1st April by announcements that the August festivals would not be able to take place for the first time in 74 years – news of which was announced by the First Minister and reverberated around the cultural and tourism worlds.

Across the eleven major year-round Edinburgh Festivals making up our cluster, we immediately identified that the impact would be felt most heavily by the cultural practitioners who had been contracted to appear and on the audiences who had already purchased tickets to attend. A commitment was therefore quickly put in place to mitigate the impact on these two groups by refunding tickets already paid for and supporting contracted creatives/suppliers to the maximum levels, while also looking at how festivals could support creatives not yet contracted.

Such a commitment was only possible with the support of funders, both public and private, and the willingness of public funders to repurpose this year’s existing grant funding towards resilience has been a vital and welcome decision. Several key players
across the Edinburgh Festivals landscape and supply chain have also benefited through much appreciated support from the Scottish Government’s Pivotal Enterprise and Third Sector resilience funds as well as tailored interventions.

Commitments to artists and audiences placed the festivals themselves in a fragile business position and the announcement of the Job Retention Scheme was met with considerable relief because it not only allowed the festivals to protect the employment position of staff but also created a much needed breathing space within which to plan for an uncertain future.

While several of our Spring festivals were able to pivot at extremely short notice to offer audiences flexible live-streamed or recorded performances, bonus content and digital outreach with education and community partners, others started the process of examining the medium term environment and its uncertainties and implications.

3. Medium term environment

The cancellation of the festivals has meant that a critical platform for sustaining Scotland as a year-round creative powerhouse will be missing this year. In the first instance the cultural sector will lose critical income from the festivals: the 2018 study The Network Effect showed that Scottish based creative individuals and organisations received £5.1m directly from the festivals, while Scottish based event production companies received £9.3m. The loss of the festivals’ critical role in the creative and event production supply chain will be felt across the country and perhaps in ways that we cannot as yet envisage.

In the second instance, and possibly of longer term impact, will be the lost profile and professional opportunities. Scotland’s creative talent and event workers meet the world in the cultural crucible of our festival city. Without a full 2020 season, over 2,000 participating Scottish arts companies and performers will be directly losing the professional opportunities and the future bookings they secure in Edinburgh, thanks to the 2,500 industry professionals and over 1,000 accredited media from across the world who attend. Taken together this means Scotland’s capital attracts attendances on a par with a FIFA World Cup every year in the same city, and hosts the world’s largest performing arts marketplace at the Fringe.

This also points to the impact of the festivals’ cancellations on audiences. We connect artists with local and global audiences – split 60:40 between 2.8 million attendances from Edinburgh and Scotland, and 1.9 million from further beyond. They attend in such numbers because our festivals are identified as a unique place for cultural discovery – affirmed by 92% of audiences in our Impact Study. This aids the wider culture sector in Scotland because more than two-thirds of audiences say that their festival experience will increase their attendance at other cultural events throughout the year. Such a role cannot easily translate to digital offerings because the algorithms directing online browsing often create an endless feedback loop of our own tastes – and thus lose the element of risk and the joy of discovery that festivals bring. So an unsung impact of the festivals’ cancellations will be the loss of their audience development role for Scotland’s cultural sector.
The cancellation of the August Festivals was also a blow for workers and businesses in the capital and beyond who count on the dividend of spending from residents, tourists and artists each summer. The Festivals are Scotland’s leading global cultural brand and are central to the capital city’s offer, which drives 60% of Scottish tourism visits. The economic impact of the Festivals was calculated in 2015 and based on recent years’ trends, the wider economy now stands to lose at least £360 million and 7,000 jobs from the collapse of the 2020 season. Most of this loss will be felt across the hospitality, tourism, creative and retail sectors, with a likely further impact on the long term viability of many smaller independent businesses. The reality of the cancellation this summer is thus the loss of many people’s jobs and livelihoods, with levels of unemployment in a post-covid recession becoming a huge anxiety for communities.

Beyond the economic impact is the community and education impact. The Festivals’ roles in community life and as learning resources means that the impact of their cancellation has been felt much wider than might immediately be apparent. The residents of Edinburgh, and substantial audiences of all ages throughout Scotland, take the opportunity to extend their creative, social and emotional development through engagement with the festivals – such as through the Edinburgh International Book Festival’s On The Road programme and the Scottish International Storytelling Festival’s On Tour programme.

At a community level the impact of the festivals’ cancellation will be most particularly felt within schools. The recent research study Inspiring Creativity in Pupils found that the Festivals engaged with 92% of Edinburgh schools, with the highest schools engagement work targeted towards wards with the lowest audience attendance at festivals. And such work is not confined to Edinburgh, as festival engagement programmes aligned to the school curriculum take place in every local authority area in Scotland, such as the Edinburgh Science Festival’s Generation Science programme which reached over 60,000 pupils across Scotland last year.

The Covid-19 disruption to these programmes removes a valuable resource from our communities and our schools, a resource which normally provides a whole world of creative experiences and generates cultural connections that nourish and inspire people. Social cohesion and inclusion will have even greater struggles throughout and after the pandemic crisis. The Festivals want to develop further the collaborations with social development partners they have grown in recent years for community-led creativity and locality-based cultural development, yet this work is among the most vulnerable to future budget reductions.

The 2020 festival cancellations are also being felt around the globe. The loss of the festivals’ role in the national life and global position of Scotland will be heavy – especially at a time when the UK is leaving the EU and Scotland needs to be deepening and widening international links. The Festivals’ very creativity will be essential to Scotland’s renewal, to revitalising Scotland’s global reputation, to projecting Scotland’s contemporary creative energy, and to sharing the values of our open, outward looking citizens.
4. Longer Term Scenario

The 2020 cancellations have had major impacts. However there are grave risks for 2021 and beyond, with those risks focused primarily on:

- Substantial risks around levels of sponsor, donor and customer ticket income needed to finance festivals, noting that only 25% of the festivals' regular income is in public funds;
- Private sector ability to support festivals through sponsorship or project funding being seriously curtailed due to refocusing on their own corporate survival and recovery;
- Continuing financial risk if national business support is ended but the events sector is unable to open up at a viable level due to public health requirements;
- The reluctance of people, particularly from older age groups, to gather in crowds - irrespective of government advice - posing a particular risk to the viability of cultural venues and the events sector for the foreseeable future;
- Curtailing of global mobility affecting the ability of artists to travel and thus the international profile and positioning of Edinburgh and Scotland

Edinburgh’s Festivals are enviable world-class assets which could not be replicated in scope and scale if Scotland had to start from scratch. Changing conditions and audience needs will accelerate innovation in leading the development of new formats and hybrid live digital events - but digital markets are not a replacement for live collective experiences as a core offer, and they can be limited by issues around intellectual property rights, quality control, audience reach, inequalities and monetisation.

Over the last decade the festivals have significantly diversified their income, particularly through developments in ticketing and sponsorship, but the collapse of these two income streams in the Covid-19 environment - together with the costs of adapting to new public health measures - is leading to a potential market failure for these viable long-term assets, which can only be prevented by timely intervention and risk-sharing from the public sector.

5. In conclusion

For the cultural, economic and social impacts to be secured and existential risks to be mitigated will need government, at all levels, to consider the following further interventions:

- Sustaining core funding to festival programmes in the recognition that it is the excellence of the programmes and their cultural impact that drives all other economic and social impacts;
- Refocusing the additional activation programmes set up in recent years - in particular the Festivals Expo Fund and Platforms for Creative Excellence - to support post-covid renewal and adaptation, given their role in creating cultural and social innovation;
- Designing sector-specific support packages that can help the culture and events sectors to underwrite the risks inherent in managing our way through the next few years, which might include VAT reductions,
underwriting ticket income targets while audience confidence is fragile, and match funding to encourage sustained partner and sponsor donations.

It is vital not only to build back but to contribute to a fairer, more sustainable, more equal and diverse society. The Festivals want to be in a position to strengthen skills development opportunities, career pathways in culture and local supply chain benefits. Before the Covid-19 crisis, Edinburgh’s Festivals were already collectively working on a long-term development vision for sustaining and increasing the benefits of the world’s leading festival city, attached at Appendix A.

Beyond the pandemic, it is clear that yet deeper challenges to wellbeing, livelihoods, intercultural understanding and the health of our planet will face us all in the years to come. This vision outlines the headlines of an aspirational strategy for innovation, future proofing and leadership across sectors and agencies. To secure the unique contributions of our cultural capital and world-leading festival city towards a sustainable and successful future for the whole of Scotland, all those who can lead change need to join forces and help address the key challenges for our time and for the generations to come.
## Appendix A: Sustainable Festival City Vision

### Cultural Capital Benefits

<table>
<thead>
<tr>
<th>Global Solidarity</th>
<th>Inspiring Everyone</th>
<th>People-Centred Spaces</th>
<th>Valuable Skills and Work</th>
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</thead>
<tbody>
<tr>
<td>• Local and global issues connected</td>
<td>• Inclusive festival experiences</td>
<td>• Safe, clean spaces for people to connect and come together</td>
<td>• Creative learning opportunities</td>
</tr>
<tr>
<td>• Distinctive and diverse cultures reflected from communities near and far</td>
<td>• Community-led creativity</td>
<td>• Welcoming and accessible for local and large-scale culture</td>
<td>• Skilled roles at low risk of automation</td>
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<tr>
<td>• Cultural activists and responsible visitors welcomed</td>
<td>• Locality-based cultural development</td>
<td>• ‘Plug and play’ infrastructure to maximise environmental assets</td>
<td>• Rewarding careers in culture</td>
</tr>
<tr>
<td></td>
<td>• Digital engagement with live culture locally and globally</td>
<td></td>
<td>• Local supply chain benefits</td>
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</tbody>
</table>

### Drivers and Enablers

<table>
<thead>
<tr>
<th>Sustainable Mindsets</th>
<th>Common Purpose</th>
<th>Agile Infrastructure</th>
<th>Low Carbon Systems</th>
</tr>
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<tbody>
<tr>
<td>• Integrated event planning</td>
<td>• Shared cultural values and goals</td>
<td>• Safe systems for public gatherings</td>
<td>• Decarbonised power</td>
</tr>
<tr>
<td>• Sustainable procurement</td>
<td>• Equality and diversity prioritised</td>
<td>• Renewed cultural infrastructure</td>
<td>• Circular waste management</td>
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<tr>
<td>• Responsible audience choices</td>
<td>• Stronger links with communities, carers, thinkers and educators</td>
<td>• Eco-friendly public space facilities</td>
<td>• Water efficiency</td>
</tr>
<tr>
<td>• Slow and smart travel</td>
<td></td>
<td>• Pedestrianisation, dispersal, active travel and smart city transport</td>
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Written Submission from Nick Stewart

Dear Ms McAlpine,

I am writing to you urgently on behalf of Music Venue Trust, as Scottish coordinator for the Music Venues Alliance's 57 Scottish members, as a board member of the Scottish Music Industry Association, and as a venue operator myself.

On 30 April, Sadiq Khan launched a new £2.3m Culture at Risk Business Support Fund. £450,000 of this will be given to Music Venue Trust (MVT) to support up to 147 of London's Grassroots Music Venues (GMVs).

"These industries are so important to the fabric of our city during the day and night, and they will play a key role in helping us to recover from this public health crisis [...] we need the Government to step forward and provide the comprehensive support this industry needs to protect its future."

I call upon the Scottish Government to do the same. Scottish Government must act now to save Grassroots Music Venues. It is behind other UK nations in doing so. Welsh Government enabled Creative Wales to set up a Grassroots Music Relief Fund with funds available for up to £25,000 per applicant. Many Welsh GMVs have successfully applied. The criteria are clear and easy to meet; I have seen a successful GMV application for £20,904 which required only a short budget and 160 words of explanatory text.

GMVs operate in the commercial sphere but most of them essentially operate as not-for-profit, and even in the best of times their business model is not resilient. Indeed in recent years, many have re-registered as Community Interest Companies. They are not strong businesses which can easily weather economic downturns. Shocking statistics about the rate of closure of venues have abounded in recent years, but until recently the tide was turning: with MVT's help, more venues opened and than closed in 2019. This good work is in peril.

GMVs are a crucial part of Scotland's cultural infrastructure, yet do not receive any subsidy. The loss-making paid-performance opportunities which they provide are covered by bar revenue, which is not a sustainable financial model, especially as youth trends continue towards reduced alcohol consumption. It is not the case for GMVs that provision of entertainment is a cost of operating in order to sell alcohol; in GMVs the sale of alcohol is ancillary to the primary activity of provision of hub of the music industry.

Very few GMVs have received any funding from Creative Scotland, and historically there have not been conversations between Creative Scotland and GMVs. My own conversations with Creative Scotland behalf of MVT have not been fruitful. Whilst Arts Council England introduced a ringfenced fund of £1.5m in 2019, and repeated the commitment in 2020, Scottish venues have no such fund. No Scottish GMV is a Regularly Funded Organisation, and they have had paltry few successful Open Fund Applications. There is no Targeted Fund that relates to venues in this sector.
Creative Scotland's repurposed Open Fund, ‘Open Fund for Organisations: Sustaining Creative Development’ will not sustain GMVs. Funding cannot be used for ongoing organisational running costs, and funding is to be used for periods of research, development and/or delivery of creative activity - but will not include live performances in venues. In the course of applying for the Fund on behalf of Sneaky Pete’s Ltd (of which I am a director), I have been advised that applications for activities that involve future live performances, even some months hence, would be seen by assessors as too risky and would not be considered. I was applying to fund a Talent Development Programme to create much-needed performance opportunities for musicians which we can now ill-afford to entirely self-fund, and it will not go ahead under the current Open Fund.

Should venues be allowed to reopen under social distancing rules, the loss of capacity will be such that few venues would be able to afford to do so. If 2 metres was to be kept between attendees, a 100-capacity venue like my own, Sneaky Pete’s, would have its effective capacity reduced to 16, including performers and staff. Many Scottish venues make money in the summer to cover losses in the winter but could face trying to open in restricted conditions after the summer when trade is poor and they are already cash-strapped.

When Scottish venues lose out, Scottish musicians lose out. Yesterday I spoke to a 180-capacity venue in the North of Scotland who paid £158,000 of artist fees to professional and semi-professional musicians last year. In the same year Sneaky Pete’s paid tens of thousands of pounds to performers at the ‘emerging artist’ stage in their careers, helping them to transition into professionalism. Whilst the need for social distancing makes those performances impossible at present and so a loss to musicians livelihoods in the short term is inevitable, venues who do not survive this crisis will never pay such fees again.

I urge you to please act now and do all in your power to establish a fund to protect GMVs. Now is the time to act: Scotland cannot afford to lose music venues.

Yours sincerely

Nick Stewart
Sneaky Pete’s
MVA Coordinator for Scotland
Written Submission from Music Venue Trust

Coronavirus Covid 19: Grassroots Music Venues

Analysis of Impact of Scottish Government Relief Announced to Mitigate the Financial Impacts of Covid 19

About This Report

Purpose:

- To model a range of financial support announced by government to assess their impact upon the financial crisis within the Grassroots Music Venue (GMV) sector arising from the Covid 19 outbreak;
- To assess the impact of the financial support against known financial implications;
- To consider the efficacy of the measures proposed to achieve the purpose of preventing GMV closures;
- To advise Scottish Government if the support currently offered is sufficient to avoid the outcome of permanent closure of GMVs.

Background:

Music Venue Trust is the nominated representative of the Music Venues Alliance, a network of 62 GMVs in Scotland and over 750 GMVs across the UK. Scottish government has announced a range of measures aimed at addressing the impacts of Covid 19 on Grassroots Music Venue. Support announced falls into four categories:

- Grants - public funding to be made available to a GMV upon application;
- Business Rate Relief - a discount applied to the 2020/21 Business Rates due to be paid by the GMV between 1 April 2020 and 31 March 2021;
- Job Retention Scheme - Wages Subsidy for furloughed PAYE workers (80%);
- VAT/Income Tax Deferment.

The existing liabilities of GMVs and the cost of closure are:

- **£3,280,127** in existing liabilities - 931,984 in existing liabilities to suppliers and 2,348,143 in fixed costs for 7 weeks of closure as of 11/05 (requiring payment or suspension now);
- **£335,449** in weekly direct costs during any period of enforced closure.

Method:

The base measure which all layers of government have referenced as their starting point for calculating assistance is the Rateable Value of a premises. For the purposes of this analysis, we have divided that measure into three sectors to assess support available for Low (0-18k), Medium (18-51k) and High (51k+) Rateable Value GMVs.\(^1\)

\(^1\) It should be noted that the description Low, Medium and High does not reference the capacity or size of the business, only its Rateable Value.
MVT holds statistical analysis from surveys conducted in 2018 and 2019 which it uses as a basis to cross reference income and expenditure items in the GMV sector. This includes a database of all publicly available information relating to Rateable Values designated by the appropriate agencies in Scotland. For the purposes of this report, where no Rateable Value is publicly available, MVT has used capacity and location data to extrapolate a total impact model for all 62 Scottish GMVs.

Results

Values:

- **£3,164,596** - Total Financial Support announced, Short Term (Grants, Wages Subsidy and VAT deferment) and Long Term (Rates Relief);
- **£1,614,639** - Total Short Term Support;
  - **£937,400** - Total Grant Funding Available in the Short Term;
  - **£154,322** - Total VAT deferment for the Short Term;
  - **£522,917** - Total Wages Subsidy for 8 weeks of closure for the Short Term;
- **£1,549,957** - Total Long Term Support
  - **£1,549,957** - Total Business Rate Relief Funding available from 1 April 2020 to 31 March 2021 in the Long Term;
- **£263,251** - Total value of support offered to GMVs with Low Rateable Values;
  - **£238,287** in Short Term support;
  - **£24,964** in Long Term support.
- **£1,656,836** - Total value of support offered to GMVs with Medium Rateable Values
  - **£1,166,916** in Short Term support;
  - **£489,920** in Long Term support.
- **£1,244,509** - Total value of support offered to GMVs with High Rateable Values;
  - **£209,435** in Short Term support;
  - **£1,035,073** in Long Term support.

Outcomes:

- **47 days** - The total period from 23 March for which current Short and Long Term government assistance might avert permanent GMV closures. This period is dependent upon the establishment of a method by which both Short and Long Term measures have an impact upon the ability of GMVs to survive this crisis. GMVs began to accrue collective debt at the rate of **£42,396 per day** from the 9th May.

Conclusions:

- The total value of government assistance offered is **£450,976** less than the **£3,615,572** target required to fully protect GMVs for an initial **8 week period of**

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2 Based on established practice, this amount would be impact across ten months in 10 instalments of 10%.
**closure** and is therefore insufficient to prevent mass permanent closures in the long term;

- GMVs with High Rateable Values are disproportionately unlikely to be able to survive without Short Term intervention, adding to the likelihood that the total government intervention will be substantially less than planned due to permanent closure of the GMV prior to the arrival of Long Term support;
- The Rateable Value base measure used to calculate required assistance significantly disadvantages major cities such as Glasgow and Edinburgh, where short term assistance has been denied to small capacity GMVs because they have High Rateable Values. These locations have the highest density of GMVs. Failure to address this issue will result in a very significant increase in the number of permanent closures;
- Rateable Value does not apply in a variety of situations where the Rates are paid by a third party and included within on charges to the GMV operator – the existing government proposals risks providing no support at all to this category of GMV.

**Recommendations:**

- The Government must create immediate additional Short Term interventions for High Rateable Value GMVs to a value of at least £274,712 to ensure that the full value of Short and Long Term interventions is released.

**Short Term Measures that could be effective include:**

- Giving grants to those with Rateable Values over 51k;
- Rent Free Periods/Rent deferements;
- Underwriting third party suppliers/services (such as breweries, catering, sanitary, refuse etc) for potential losses to create the opportunity for payment deferment.

The Government should consider other Long Term interventions required if it wishes to extend the closure period beyond Eight Weeks, at a value of £335,449 per week required.
Supplementary Written Submission from Music Venues Trust

Financial Support for Grassroots Music Venues

Music Venue Trust is grateful for the £2.2million Grassroots Music Venues Stabilisation Fund which was announced on July 10 and opens for applications on 26 August. This funding will be essential to the short-term survival of Grassroots Music Venues across Scotland but we have real concerns that no follow-on funding is currently in place for the period November 2020- March 2021. It has become clear that the greatest determination to resume cultural activities cannot overcome the likelihood of social distancing remaining in place well into 2021. In Wales and England funding support has been extended to cover the shortfall that venues returning to putting on live music will face due to greatly diminished audiences being permitted by law. There are also some venues which, due to their physical layout, may be unable to open at all while distancing measures are in place.

Conditions on reopening

A significant number of venues have opened as bars since 15 July, many investing in physical internal changes to their spaces to accomplish this. Music Venue Trust are extremely concerned that the move to ban background music has now seen a tailing off of customers, which could further endanger the venues’ ability to survive the crisis. Grassroots Music Venues are known for being places of music. Even without live music, the music they play is part of their identity. To prevent them playing any music at all fundamentally undermines what makes them special to their clientele.
Written Submission from Citizens Theatre

Overview

The Citizens Theatre is one of Scotland’s most iconic theatres, based in the Gorbals area of Glasgow. The theatre company has a distinguished history that continues today – producing and presenting a wide range of theatre productions that have earned the company a celebrated international reputation. Our experienced and dedicated team works closely with writers, directors, actors and other creatives to bring audiences together to enjoy inspirational live theatre, whether at our home in the Gorbals or at other theatres across the UK and beyond.

The Citizens Learning programme is committed to enhancing the lives of all kinds and ages of people in Glasgow and beyond; producing theatre for children and young people, community productions and delivering a pioneering range of creative participatory projects for varied communities and in the education sector – especially for those who are disadvantaged or face barriers to engagement in the arts. Many of these groups use the supportive environment of theatre and drama to tackle challenges of social isolation, mental health, physical well-being and learning difficulties.

In June 2018 the building closed in preparation for a c.£23m transformational redevelopment to conserve, repair and expand our much-loved home in the Gorbals – the most significant redevelopment in the listed Victorian theatre’s 142-year history. Demolition work began in mid-2019 and the construction phase got underway in mid-February 2020.

During the redevelopment period, the company is based across three temporary sites in Glasgow and continues to produce work at the Tramway as well as in partnership with other theatre companies in Scotland and further afield.

Current Status

Along with theatres across the UK, the Citizens moved rapidly in response to Government advice to protect public health in mid-March 2020. We immediately cancelled all performances, learning activities and other projects until the end of June 2020 and continue to review the situation in-line with updates from Government. We believe it highly unlikely any of our activities will be able to take place before Spring 2021.

Construction work on our redevelopment was suspended on 31 March 2020 when our contractors, Kier Construction Ltd, responded to Scottish Government advice. At the time of writing it is not known when construction will be permitted to re-start.

Given current requirements for social distancing, working from home and the closure of theatres the majority of the staff team (32 permanent staff, plus 14 part-time/casual staff) have been placed on furlough since early April. Only a small team of 8 people, focussed on business-critical activities, remain on active work duty.
We continue to liaise regularly with colleagues across our sector. In particular the cohort of building-based producing theatres in Scotland have been meeting online every week to work collegiately on addressing current challenges, forecasting likely outcomes and identifying future solutions for ensuring some form of theatre production in Scotland.

Immediate Impact

With public funding (from Creative Scotland and Glasgow City Council) normally accounting for approximately one-third of our turnover, the substantial loss of revenue from cancelled performances and other activities presents an existential threat to the future of the organisation.

Our inability to stage performances, deliver learning activities and other projects will result in a reduction of combined box office, fundraising and other income streams of £1.05m in this financial year.

The Citizens Theatre has a range of insurance policies from Employer’s Liability to Public Liability, as well as cover related to business interruption and cancellation of events. However our insurers have informed us that these policies will not cover losses related to “Severe Acute Respiratory Syndrome (SARS) which is a COVID-19 related virus nor does it cover for our cancellation of event policy as this policy does not apply to any communicable disease which leads to the imposition or quarantine restriction in movement of people by any national body or international body or agent.”

The theatre industry relies substantially upon the talents of a wide-range of self-employed theatre professionals – from actors to directors to writers to designers to technicians. The lockdown and other measures means that 132 of these freelance professionals will not undertake any work for the Citizens Theatre this year.

The cancellation of activities in our Learning Programme impacts a wide-range of young people, schools, community groups and vulnerable adults in Glasgow. Each year we deliver around 1,500 sessions that are attended by approximately 26,000 people.

The delay to our capital project means that it will take longer to complete the redevelopment of the Citizens Theatre, which will increase costs. With the site currently in lock-down, weekly costs continue to be incurred without any construction activities advancing.

Longer Term Impacts

We expect current furlough arrangements to continue in-line with the latest Government guidance on the Job Retention Scheme i.e. until the end of July 2020. The lack of clarity about the scheme beyond the end of July, combined with ongoing loss of earned income, means the 54 people employed by the Citizens Theatre will be at risk of redundancy.

Well over ten years of revenue funding stagnation from Creative Scotland, coupled with funding cuts from our local authority, has substantially impacted financial
sustainability. The result being a significant lack of meaningful reserves for the company to call upon to help weather this crisis.

Site closure, delays to procurement and social distancing on-site (when works are allowed to continue) means that it will take longer and cost more to complete the capital redevelopment of the Citizens Theatre. At the same time the fundraising potential is reducing, with economic forecasts indicating little hope of any improvement. With approximately £1.5m still to be raised from fundraising campaigns, this target now looks unachievable within current economic forecasts.

The delays to the capital redevelopment means that company will remain ‘in exile’ for much longer than originally planned, causing further revenue complications.

Audience appetites will change. We do not yet know how audiences will respond, but early indications are that people in the UK are feeling particularly anxious about public assembly, particularly indoors. Some early work has been done by arts consultancy Indigo, thus far involving responses from 86,000 audience members across the UK, this indicates that:

- 93% are missing attending live events;
- But only 19% would consider returning to venues simply because they re-open;
- 75% would feel safer with some form of social distancing in venues.

Social distancing – whilst clearly necessary for the foreseeable future - severely affects business models. Theatres are built for people to come together, not to keep apart. Social distancing measures will reduce available seating such that we would only have around 25% of seats available to sell. This is not financially viable – we would only be able to stage performances if we could sell an average of 70% of capacity per performance.

Considerations for Support and Next Steps

Additional support for capital projects. Not only are the impacts of Covid-19 increasing the cost of completing our redevelopment but our fundraising efforts are also severely impacted - with economic forecasts indicating an imminent and lasting recession our previous fundraising targets are unlikely to be achievable.

The Government must extend furlough support for the theatre sector until we are permitted to re-open theatres in a manner that is safe for audiences to return in the numbers we need in order to make performances financially viable. Without continuing furlough support there is a high likelihood of widespread redundancies.

Clear information as to the likely duration of closure and the Health and Safety conditions of any re-opening. Our industry will require appropriate medical and scientific guidance to inform working practices and conditions in order to re-assure workers and the public of their safety. Clarification of legal implications from both a Public and Employers Liability perspective will also be vital. In order to satisfy safety requirements and comply with legal responsibilities to the public and employees, we will need reliable and affordable access to a wide range of certified PPE and other necessary equipment. Specialist training may also be required.
A stop-start approach to opening and closing theatres is not compatible with the business of theatres – costs are incurred several months in advance of actual performances taking place, and with mandatory refunds for audiences this would simply make our financial crisis far worse. These risks may not be covered by existing insurance policies or become prohibitively expensive to include in policies.

Longer-term funding commitments from Creative Scotland, based on realistic understanding of Covid-19, to support companies through the uncertainty. There must be a longer-term view that organisations will suffer from a down-turn in the aftermath of this crisis, with high likelihood of significant and long-term reduction in fundraising and box office income.

There is a wealth of sector-specific experience in the senior leadership of Scotland’s major theatre companies. Involve a cohort of these leaders in working closely with Government and its agencies to devise and implement responses and recovery plans for the sector. We recognise major challenges lie ahead and resources for support will be limited, so draw upon our expertise to give any funding the best chance of making a meaningful impact.
Supplementary Written Submission from Citizens Theatre


This submission provides updates since our last submission to the CTEEA Committee dated 20 May 2020.

Update on the current status of the organisation

The majority of staff (32 permanent staff, plus 14 part-time/casual staff) remain on furlough and it is anticipated that this will continue to be the case for most staff until the Job Retention Scheme ends on 31st October 2020.

A small core team of 8 people, focussed on business-critical activities, remain on active full-time work duty. We continue to review this arrangement taking into account any updates on government schemes, operational requirements and financial resources. Since the beginning of July we have made some use of flexible furlough arrangements and used some staff members to delivery activities as part of our Learning programme over the summer holiday period.

Additionally, our Artistic Director Dominic Hill been reaching out to freelance theatre professionals – particularly those who are at an early stage in their careers - and meeting online. Since June he has met: 38 emerging Scottish directors; the 3rd year graduating class from RCS; the graduating MA directors from RCS; as well as individual and group sessions with many Scottish actors. We also continue to arrange meetings with Scottish playwrights with a view to future commissions for our redeveloped theatre.

Despite these current restrictions on our productions and other activities we plan to develop alternatives that will enable us to remain connected with our local community, audiences and participants and maintain a public profile for the company. We are currently looking into some smaller-scale productions, suitable for a socially distanced audience, online delivery of some weekly participatory activities and work in the community with people that are digitally isolated. We’ll continue to review this and develop our plans in-line with the latest government advice.

Our capital redevelopment was halted towards the end of March as the government instructed construction sites to cease operations. Work recommenced on site on 15th June 2020 and we are currently reviewing the programme, taking into account the Covid-related disruption. It would now seem likely that it will be around Spring 2022 before work is complete.

We are concerned that the extension of the build programme and additional costs relating to social distancing construction work, combined with a wider economic downturn predicted to last for an extended period, exacerbates the funding challenges we face. We understand that none of the additional £97m culture funding allocated to Scotland from Westminster is to be spent on capital projects, though our key funders remain broadly supportive and we continue to lobby for additional funding to address these challenges which are beyond our control.
Continuing social distancing requirements make live theatre financially unviable for anything other than relatively small-scale productions for limited audience sizes. There is also a relatively high degree of risk associated with planning live performances, in terms of short-notice lockdown measures and tighter restrictions on gatherings which could see performances cancelled. This current situation is likely to continue for quite some time with most in our industry believing it will be Spring 2021 at the earliest before theatres will be able to re-open on a financially viable basis.

**Ability to access support and funding from the likes of Creative Scotland**

Our annual revenue funding - from Creative Scotland and Glasgow City Council – is set to account for approximately 75% of our turnover in the current financial year and, when combined with the JRS, should be sufficient to cover our core staffing and fixed costs until March 2021. This is also based on the assumption that our funding from Glasgow City Council continues beyond the end of September 2020 at the same level as present.

It remains the case that lockdown measures and continuing restrictions on activities will result in a reduction of combined box office, fundraising and other income streams of £1.05m in this financial year, when compared to our original budget.

We have explored Covid-related funds such as the SCVO Third Sector Resilience Fund and National Lottery Heritage Emergency Fund, however we did not meet the criteria for these (and other) emergency funds.

We recently made a successful application to the Performing Venues Relief Fund, managed by Creative Scotland, for £100,000 which will be directly used for activities that will enable us to maintain engagement with audiences, participants and community groups. These activities will offer employment opportunities for artists and freelancers.

**Extending the furlough scheme for specific sectors**

The current situation facing theatres seems likely to continue for quite some time – Spring 2021 is currently mooted by many in our sector as the earliest date theatres may be able to re-open without social distancing.

Social distancing requirements make theatre financially unviable, anything other than smallest productions are likely to incur significant losses and face high degrees of risk. The Citizens does not have the resources in the current circumstances to stage anything other than a few smaller-scaled, socially distanced shows. Social distancing requirements, whether at 2 metres or 1 metre, reduces audience capacity to around 25%-35%.

Despite the current restrictions we are currently planning options for staging some performances and activities when guidelines permit. However, there is a risk that another lockdown period or introduction of other restrictions could see these activities cancelled or postponed at short-notice. Should this happen after we have already made contractual commitments, we will continue to incur costs on these projects but without the ability to generate income towards the costs. As our insurance does not
underwrite this type of risk, we are having to ensure we have the financial capacity available to meet these costs and not disadvantage any of the freelance creatives and theatre professionals we would engage to deliver these activities.

Given the extremely high degree of uncertainty facing our sector – and the likelihood of it being a considerable period of time before theatres can re-open with zero social distancing - it is vital that some type of sector specific support, akin to the JRS, is put in place. It is also important that any such support is extended to the self-employed and freelance professionals upon whom the theatre sector relies. Failure to do so will devastate the skills and talent that the future of theatre relies upon.

Preferred approach to re-opening for the sector

The most significant barrier to re-opening theatres is social distancing. There is little point in allowing theatres to re-open but at only a fraction of the capacity needed in order to break even financially.

Whilst there have been many innovative responses to presenting some types of theatre over recent months – whether video recordings shared online, public installations, or the streaming of live performances from empty theatres – this is no way replaces live performances.

We must therefore balance the desire to offer some form of performance and activity now, in a very restricted way, with saving resources until later when we can play to full houses and get the maximum benefit from our endeavours.

It is really important that this point is understood – permitting the re-opening of theatres, but expecting us to adhere to social distancing, does not address the crisis we are facing. Additional financial support will be required until social distancing is no longer a requirement, and perhaps even for a period beyond this. In the absence of additional support there will be a very stark choice – save jobs or save organisations. We cannot do both.

Longer-term support for the sector and any suggestions you think should be highlighted to the Scottish Gov and or Creative Scotland.

As already outlined above, there is a need for support for jobs once the JRS/SEISS ends. The absence of any support, coupled with continuing restrictions on how we can operate, is likely to result in significant redundancies and unemployment in the months ahead.

It is also vital that longer-term revenue support is place from 1 April 2021. Whilst there is an indicative commitment for funding from Creative Scotland in 2021, until there is formal confirmation of the level of this funding we have material uncertainty which may give rise to the need to enter redundancy processes well before the end of the current financial year.

The indicative funding proposed is at “a maximum” the same level as the current year. When one considers that we only remained viable in the current year with c.£300k in
JRS support in addition to Creative Scotland/Local Authority funding, the scale of the need is clear.

Looking beyond the next six months, Creative Scotland was due to undergo a cycle of three-year RFO applications in 2020/21 but this has understandably been deferred for a year. It would be very helpful to understand what the new timetable for longer-term funding applications is likely to be. This is particularly important as Creative Scotland has been undertaking an organisational review, as well as a review of funding processes, with a view to addressing the long-term and well-documented weaknesses in their previous approach.

As we begin to look beyond the current crisis, it is of paramount importance that challenges which existed pre-Covid are not forgotten and the gradual decline in Scottish theatre production over the last 10 years is addressed.
IMPACT OF COVID-19 ON SCOTLAND’S MUSEUMS AND GALLERIES

Key findings on current situation and anticipated long term implications

- More than half of the independent museums who responded to Museums Galleries Scotland's survey indicated that they will run out of funds within 6 months and 71% would not survive a year;
- The Industrial Museums Scotland group are reporting significant financial uncertainty, with 80% of staff furloughed and nearly all museums reporting financial instability before the start of the 2021 tourist season;
- The lockdown came at the lowest point in the financial year and museums face a full main season with little or no income;
- The anticipated reduction in visitor figures and income post lockdown will be an enormous challenge for those already facing financial difficulties. It is likely that many will not be able to open this year as it will not be financially viable for them to do so. Some will fail as a result;
- Local Authorities and ALEOs have indicated that many museums will not open this year, while future budget pressures mean that some of their museums may not reopen at all;
- University Museums are scenario planning for large budget reductions due to the impact on income from the decline in overseas students;
- There is an increased understanding of the value of having a strong digital offer;
- Reopening planning and how to manage social distancing requirements is a top priority for many at this point and guidance is needed as a matter of priority.

Role of museums and galleries in Scotland’s recovery

- Scotland’s 409 museums and galleries play an important economic and social role that will be valuable as our country plans for the future so it is important that we ensure that they have the support and resources to make it beyond the current crises;
- According to Visit Scotland statistics, culture and heritage is the second most important reason why visitors come to Scotland;
- VisitScotland have acknowledged that visitor attractions are going to play a key role in driving phases two and three of the recovery – ‘Early Recovery’ and ‘Domestic Movement’;
- Museums and galleries are employers and give vital opportunities for volunteering and play an important placemaking role in many rural and urban communities.

Sector report

Combining survey responses and sector feedback Museums Galleries Scotland is continuously building an understanding of the impact of Covid19 on the museums and galleries sector.
Our current museum population list is 409 museums which are managed by 238 organisations.
Breakdown of 409 by museum type:

- 209 Independent museums and galleries;
- 70 Arm’s length external organisations (ALEO’S);
- 56 Local authority museums;
- 34 Historic Environment Scotland and National Trust for Scotland properties;
- 22 University museums;
- 10 National museums and galleries;
- 8 Military museums.

To date, Museums Galleries Scotland staff have been in touch with 316 museums managed by 147 organisations to find out how they are being affected by the pandemic. This includes all Local Authority museums, ALEOs, university museums, military museums, national museums and galleries and 63% of independent museums and galleries.

Sector resilience and confidence

While all parts of the sector are experiencing impacts of Covid-19 these vary significantly and so we have grouped feedback by sector type.

National Museums

Museums Galleries Scotland has heard from all Scottish Government directly funded museums. Covid-19 is proving especially challenging to income generation activities which will directly affect reserves and the ability to deliver non-core programmes in future years. Like many museums, visitor confidence will be key to income generation going forward, while social distancing measures will also have an impact on capacity to generate funds through food and beverage and retail outlets.

While some nationally funded museums have substantial reserves, several have extremely limited reserve capacity and their future is extremely uncertain.

Recognised Collections

50 Collections have been recognised as being of nationally significant to Scotland.

These Nationally Significant Collections can be found in towns and cities across the country. From Dundee to Dumfries and from Shetland to Ayr, visitors can be inspired by these collections of remarkable historic and cultural significance. See a map of the Recognised Collections across Scotland.

Museums Galleries Scotland manages the Recognition Scheme on behalf of the Scottish Government.

As Recognised Collections are housed in museums across Scotland, within a variety of governance structures, the issues of the sector are reflected across these collections. Many collections belong to Local Authority/ALEOs and universities, where funding uncertainty, although real, means that imminent danger is further down the
line. For those collections housed in Independent Museums, there is a real and urgent need in some cases, for additional financial support to prevent museum closure.

**Independent Museums**

- 38 independent museums indicated their confidence in length of time they can survive.
  - 12 months reserves – 11 museums;
  - 6-12 months reserves – 6 museums;
  - 4-6 months reserves – 10 museums;
  - 2-3 months reserves – 8 museums;
  - 0-1 months reserves – 3 museums.
- More than half of the museums who responded (55%) will run out of funds within 6 months and 71% cannot survive for a year;
- Current sources of funding (including Third Sector Resilience Fund, MGS Urgent Response Fund and NLHF) all seek to fund immediate challenges over 3-4 months. If successful under one such fund the organisation is then a low priority for the other funds. The funding challenge will become even greater as time goes on and a greater number of organisations exhaust their reserves. The current measures are therefore insufficient to address the scale of the challenge identified;
- 29% of independent museums have enough reserves for at least 12 months. These are predominantly small, volunteer run museums with a low-cost base. While financial pressures are less of a concern for these museums the majority of the volunteer base is retired and may not be willing or able to return to their positions in the short term. There is additional risk of closures on this basis.

**Military Museums**

- There are 8 Military museums in Scotland, caring for a Recognised Collection as a partnership;
- The funding picture across Military Museums varies across Scotland, with many institutions facing declining core funding from the Ministry of Defence;
- Some museums are entirely self-funding while others are facing a gradual reduction until 2027.

**Civic Museums (Local Authority / ALEO)**

- Local authorities are planning a phased re-opening of their venues with a need to bring in social distancing measures;
- Smaller venues, or those less well placed to implement social distancing are likely to open later, potentially in 2021;
- Anticipated pressures in future local authority budgets may result in some venues not reopening;
- Some museum service staff have been deployed to other essential support functions while others are shielding with underlying health issues. This is an additional constraint on the number of venues that can open;
- Capital projects have been put on hold;
• ALEOS are feeling under threat due to the arms-length nature of their governance structures and their ability to generate income might result in the withdrawal of core funding from their parent local authority;
• They will need to advocate the wider value that their services bring to their communities – including to social, health and wellbeing agendas;
• There are calls for a review of the need for a new funding model for local authority museums and galleries.

University Museums

• All universities are scenario planning for a large reduction in student applications, particularly overseas students, and new teaching models, anticipating a large reduction in income;
• While university museums are funded in part by the Scottish Funding Council, university museums are seen as non-core elements of teaching and research, all are feeling under threat of closure or severe budget cuts, with a concomitant loss of specialist staff;
• All vacancies are currently frozen;
• As university museums provide much of the remaining specialist curatorial support to the sector this will become a matter of wider concern;
• All university museums have requested that Museums Galleries Scotland advocate for them and the varied work that takes place, as these museums are under pressure to re-prioritise strategic outcomes away from the National Strategy.

Uptake of emergency funding

Third Sector Resilience Fund

• To date 14 museum organisations have successfully applied to the Third Sector Resilience Fund for a grant. 12 of these are independent museums and 2 are military museums. In addition, 2 organisations have secured loans from the Third Sector Resilience Fund.

Museums Galleries Scotland Funding

Museums Galleries Scotland has suspended all grant programmes until further notice to focus resources on supporting the sector through the crisis.

Additional funding has been provided to Museums Galleries Scotland by Scottish Government to support the sector.

An additional £138k was provided in March 2020 and the grants budget for 2020/21 is £1.5m compared to £1.1m in recent years.
Two new grants programmes, the Urgent Response Fund and Digital Resilience Fund, were created to respond to the immediate issues being highlighted by the sector via the survey or other contact with museums. These opened for applications on 6 April.

Urgent Response Fund
In agreement with Scottish Government, £700,000 has been allocated to an Urgent Response Fund, of which £400,000 is earmarked for Recognised Collections. Maximum grant of £60,000;

This funding is targeted at independent accredited museums which are most at risk and excludes local authority, ALEO and university museums;

Unlike Museums Galleries Scotland’s standard grants programmes this funding can be used to cover core costs and is not tied to project outcomes;

As of 18 May, 24 organisations had applied to this scheme requesting a total of £562,695. 6 grants totalling £117,498 had been awarded.

Digital Resilience Fund

The Scottish Government has provided £55,000 of capital funding to support the purchase of equipment to enable museums to work digitally;

The Digital Resilience fund is open to all museums (not just Accredited museums) up to £3,000, enabling purchase of laptops, environmental monitoring equipment and other items to enable museums to adapt to working from home and to new models of delivering content;

As of 18 May, 42 organisations had applied to this scheme requesting a total of £78,855. 35 grants totalling £61,145 had been awarded;

In response to the level of demand Museums Galleries Scotland has allocated a further £60,000 to this Fund from its capital allocation for 20/21;

Funding has supported o Laptops, tablets and PCs;  
  o Recording equipment to make film, podcasts or other digital material;  
  o Collections management Equipment and software;  
  o Environmental monitoring equipment;  
  o Zoom licences.

Museums Galleries Scotland response

This continues to be a stressful time for everyone and there are worries about mental health for all those working in the sector;

MGS is striving to provide practical and wellbeing support;

Our online Knowledge Exchange and Museum Social Stand ups are allowing us to continue to share ideas, address concerns and enable people to keep in touch;

In our advocacy work we continue to balance the need to reinforce the positive work of the sector with the need urgent need to support those who are most under pressure;

We coordinated an advocacy campaign (#MuseumsSparkJoy) for International Museums Day (18 May) as a sector wide campaign to reach out to their visitors during lockdown;

We are collaborating with a wide range of organisations to share information and resources to best support the sector at this time beyond;

We will be working with the sector and VisitScotland to reach out to and attract visitors post lockdown;

MGS continue to actively reach out to and work with individual museums, forums, the national institutions, Industrial Museums Scotland, University Museum in Scotland, Museums Heritage Highlands, Highlands and Islands
Enterprise, Voice of Culture and Leisure, National Museum Directors Council (NMDC) and the Museums Association;

- We are sharing weekly intel reports with members of the Scottish Tourism Emergency Response Group (STERG) to highlight the needs of the sector;
- We are in regular contact with the Scottish Government to keep abreast of the sector's situation and needs.
Supplementary Written Submission from Museums Galleries Scotland

Scotland’s 419 museums and galleries are a vital part of Scotland’s towns and cities, delivering across the National Performance Framework to make us happier, healthier, smarter and more connected to where we live. They play a key role in supporting tourism and the local economy and have a role to play in supporting Scotland’s economic and wellbeing recovery.

The sector is complex and fragmented, with a variety of organisational models and financial structures. At one end of the scale, Scotland has internationally acclaimed national museums and many organisations have succeeded in gaining significant increases in visitor numbers in recent years. At the other, many are small in staffing terms and nearly a quarter are entirely dependent on volunteers. Reviews of the sector conducted immediately before COVID-19 struck the UK suggested a fragile situation, with many museums struggling to compete for revenue funds and already fearful for the future.

COVID-19 has increased and amplified those pressures. Visitors and revenue streams disappeared overnight, with the pandemic hitting as peak tourist season approached. Core funding agencies – local and national government, culture and leisure trusts, universities and the Ministry of Defence – all faced massive, unexpected and competing demands for resources. The critical base of volunteers, often elderly, has had to be stood down. Despite this the costs associated with maintaining the heritage assets that have been entrusted to museums remain.

When we submitted evidence to the Committee the financial situation was precarious, with nearly a quarter of museums expected to run out of cash within six months. Since then the short-term picture has changed for independent museums, who make up just over half of the sector, with the announcement of the £4m Museums Recovery and Resilience Fund, made possible by Scottish Government support from the £97m of culture funding for Covid-19 response.

This vital support for the sector follows the £400,000 granted to create our Urgent Response Fund and the £55,000 grant to create a Digital Resilience Fund and will relieve immediate pressures on the independent museum sector. MGS has also created a Covid Adaptation Fund from our regular funding, combined with support from the Art Fund, and this is providing grants for venues to adapt their spaces to be safe for staff and visitors to return.

The emergency funding, to be spent by March 2021, has helped to meet the most urgent needs and to avoid insolvencies in the sector, reduce redundancies, as well as addressing challenges around re-opening and continuing to engage audiences remotely in the immediate aftermath of the pandemic. The funding will enable museums to review and adapt their operating models to enhance their resilience.

The funding we have channelled to date to the sector has, in order to prioritise those at greatest immediate risk at that time, focussed on supporting our independent museums, which make up 52% of Scotland’s museums. We now need to address how we support other types of museums to survive the current financial year, as well as looking beyond March 2021 at the ongoing need for support after that date.
Tourism income is predicted to take some years to recover and for many, the pre-Covid financial models will not be viable in 2021-22.

Local Authority and ALEO museums face debilitating funding pressures due to lost income and other pressures on resources, notably as under the Local Government (Scotland) Act 2003, museum services are not categorised as statutory services. This will result in many local authority and ALEO-run museums not reopening in the short term, while others are under threat for the long term. University Museums also face cuts as the impact of lost student fees starts to impact.

The issues around unviable business models will continue, the structural and funding issues already identified will be exacerbated, the opportunities that museums could see before COVID have been largely eradicated and the risks and threats that they identified loom larger than before. And all the while the heritage, educational and cultural capital is at risk.

Whilst museums were allowed to open from July 15, at the time of our survey less than half expected to do so before April 2021. Just a quarter of our museums are expected to reopen by the end of this month. Museums cannot reopen if they do not have the capacity to do so safely, if social distancing makes their business model unviable, if their staff have been redeployed or their volunteers are too vulnerable to return.

The museums community has mounted a spirited fight, coming together to address the issues and recognising that it will need to change to survive in this new environment. MGS has supported it throughout and is conscious of the personal and professional toll it has taken on staff working in the sector. While we warmly welcome the recent funding announcement, the current levels of support will not impact equally across the sector, nor will it address some of the longer-term challenges.

Therefore, we have identified two key areas to address:

- How to ensure the recovery and resilience of the sector, beyond just independent museums, to survive the current financial year, as well as looking beyond March 2021 at the ongoing need for support by all;
- We look at how museums are currently funded and explore how that could look in the future to better support the sector to adapt to the changing environment in which they operate.

We would welcome ongoing engagement with the Committee in our work to address these key areas.

We continue to work with the wider sector to understand the impact of Covid-19. We all know that longer term challenges lie ahead and we are continuing to collaborate with the sector, the Scottish Government and beyond to establish how we want to emerge from this crisis.
## Breakdown of Scotland’s 419 museums and galleries by type

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent museums and galleries</td>
<td>218</td>
</tr>
<tr>
<td>Museums run by Arm’s length external organisations (ALEO’S)</td>
<td>70</td>
</tr>
<tr>
<td>Local authority museums</td>
<td>56</td>
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<tr>
<td>Historic Environment Scotland and National Trust for Scotland properties</td>
<td>34</td>
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<tr>
<td>University museums</td>
<td>23</td>
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<tr>
<td>National museums and galleries</td>
<td>10</td>
</tr>
<tr>
<td>Military museums</td>
<td>8</td>
</tr>
</tbody>
</table>
Written Submission from SW Audio Ltd

Thank you for the opportunity to feedback on our experience with Covid19 and the lockdown.

I am the owner of SW Audio Ltd, a Dumfries & Galloway based events production business that has grown over the past 12 years providing sound, lighting, event management and technical expertise to the majority of events throughout the Dumfries & Galloway region. We are also the incumbent technical provider for the Theatre Royal in Dumfries.

We regularly employee freelance crew and technicians in the region, providing a major part of their income throughout the year.

I am grateful for the interim support from the Government through the rates grant, however with the reality that public events will not be possible for many months to come I have to consider how to survive as a business throughout the prolonged period and still be able to offer the expected level of support to my clients when public events are deemed ok to proceed.

Funding for events looks to be still distributed to assist the applicants throughout this time, however the funding looks unlikely to be funnelled to reliant suppliers.

I am personally in the situation of being a Director of a small Ltd company, a situation quite common in our industry, this legitimate business model is not being supported sufficiently through the current job retention scheme even for the immediate ‘emergency’ state. Due to the long term crisis in our industry this also makes a way of survival without additional support very difficult.

The various loan schemes although, attractive in terms, do not seem to me to be appropriate to our situation as accruing debt for survival is not a business model I would personally be comfortable with.

As we are the main and trusted provider in the region, failure to survive as a business will be detrimental to the clients we support, having worked hard to develop these relationships and shape our business to their unique requirements and budgets.

I would be very grateful if you could consider these points throughout your inquiry.

With Best Regards

Sandy Sweetman
Director
SW Audio Ltd
Written Submissions on COVID-19 and Culture Received Since 21 May 2020

- Anonymous (1)
- Anonymous (2)
- Association of Independent Venue Producers
- BBC Scotland
- Birlinn Ltd
- Bord Na Gaidhlig
- Capital Theatres
- Capital Theatres (Supplementary Submission)
- Community Leisure UK
- Cove Park
- Culture Aberdeen
- Culture Counts
- East Neuk Festival
- Eden Court Highlands
- Edinburgh Festival Fringe Society
- Edinburgh International Festival
- Ellie Stewart
- Feisan nan Gaidheal
- Festivals Edinburgh
- Historic Houses Scotland
- Howden Park Centre
- Industrial Museums Scotland
- Institute of Theatre Consultants
- John McCann
- Literature Alliance Scotland
- Making Music
- Matthew Whiteside
- Museums Association
- Musicians' Union
- National Union of Journalists
- Ofcom
- OnFife
- Open Studios North Fife Committee
- PACT
- People's Postcode Lottery
- Peter Arnott
- Playwrights' Studio, Scotland and the Scottish Society of Playwrights
- Publishing Scotland
- Rowan Campbell, Summerhall
- RSNO
- Scottish Contemporary Arts Network
- Shetland Arts
- Starcatchers
- Stellar Quines Theatre Company
• Stuart McCue-Dick
• STV Group plc
• Tern Television
• The Fruitmarket Gallery
• The Glasgow Barons
• The South West Media Factory CIC
• The Stove Network
• Tron Theatre
• UK Music
• Visible Fictions
• Wasps
• WGGB Scottish Committee
Dear Convener,

Further to my letters of 3rd July on the new Performing Arts Venue Relief Fund, 10th July on the new UK Government funds and my evidence to the Committee on 21st May about measures to support the cultural sector during the current emergency, I am pleased to provide the following update on the award of funds across our COVID additional support funds.

Today the Scottish Government published application and award data across four funds; the Pivotal Enterprise Resilience Fund, the Creative, Tourism and Hospitality Enterprises Hardship Fund, the Newly Self-Employed Hardship Fund, and Bed and Breakfast Hardship Fund. Total figures, and geographical and sectoral breakdowns are provided at Annex A.

When I launched these funds on 30th April with £100m of funding, the intention was to provide targeted support to SMEs vital to Scotland’s economy, small and micro companies in the creative, tourism and hospitality sectors, and the newly self-employed. These were businesses and individuals who had fallen through the cracks of other support and the need was pressing. Therefore we designed and delivered these funds at pace, to get as much money out to as many businesses and individuals as quickly as possible.

Business Support Funds

The following funds made up this package of support:

- The Pivotal Enterprise Resilience Fund (PERF), managed by the Enterprise Agencies, provided bespoke grants and wrap around business support to viable but vulnerable SMEs vital to the local or national economic foundations of Scotland;
- The Creative, Tourism & Hospitality Enterprises Hardship Fund (CTHEHF), managed by the Enterprise Agencies with support from Creative Scotland and VisitScotland, provided grants of up to £25,000 to small and micro creative, tourism and hospitality companies not in receipt of business rates grants;
- The Newly Self-Employed Hardship Fund (NSEHF), managed by Local Authorities, provided £2,000 grants to the newly self-employed who were facing hardship but ineligible for UK support (as they became self-employed since April 2019)

This was extended on 15th June to include:

- The Bed and Breakfast Hardship Fund (B&BHF), managed by Local Authorities, provided £3,000 grants for Bed and Breakfasts and Small Serviced Accommodation who were facing hardship but ineligible for other support as they were operating under a personal bank account.
Due to demand, we increased the funding available for the PERF by an additional £75m post-launch, taking the total fund allocation to £120m. The CTHEHF received £10m in additional funding, taking total allocation to £30m. The combined total allocation of funding for NSEHF and B&BHF was £34m. This package of support, and the £1m top up to Creative Scotland’s Bridging Bursaries scheme in the not-for-profit sector, made up the £185m additional support funds.

**Lifeline Support Provided**

As of 4th August, these funds have supported 4,023 businesses and 5,602 self-employed people, with £158m in funding. This is £58m more than the initial £100m funding allocated at launch. I want to put on record my thanks and gratitude to the hard work that has gone in from all partners involved in the delivery of these funds.

The PERF has awarded over £121m to pivotal Scottish SMEs in less than 3 months. The CTHEHF has awarded more than £23.5m to small and micro companies in the creative, tourism and hospitality sector who were facing hardship, in less than 3 months. Every eligible application to the CTHEHF that could show a cash flow gap, in-line with the set criteria, received a grant. The B&BHF has awarded more than an additional £1.1m to small operators in less than two months.

Across the suite of support this means that over £40.3m has awarded to businesses in the Tourism and Hospitality sectors, while over £18.1m was awarded to businesses in the Creative Industries.

**Appraisal Of Applications**

Demand for this PERF was very high which is why we supplemented it with an additional £75m. It was designed to support a particular type of pivotal small and medium-sized business. Not all applicants were able to demonstrate their pivotal impact on the economy and the reasons for applications not being successful also included cash flow not demonstrating need or not demonstrating 12 month viability.

In terms of being pivotal, offers of grant funding were made by taking into consideration a number of factors such as how a business:

- Supports Scotland’s productive capacity – through wage levels, employment, exports, Research & Development and innovation;
- Is important at a local economic level - employee numbers relative to place, delivery of essential services, wider economic and community value, plus the socio-economic importance of the business in remote and rural areas;
- Leverages on wider business community - impacts on supply chain at a local, regional and national level;
- Is a supplier or potential supplier to NHS or other COVID-19 vital services;
- Is a supplier to other essential businesses;
- Is demonstrating a need to rapidly scale up or diversify due to COVID-19.

Every eligible application to the CTHEHF that could show a cash flow gap, in-line with the set criteria, received a grant. Where cash flow did not demonstrate the business was in hardship, awards were not made. The main reasons applications were ineligible...
were not being in the creative, tourism or hospitality sectors or operating without a business bank account. The latter was a measure put in place to protect against fraud risk.

When it became clear that a disproportionate number of B&Bs and Small Serviced Accommodation were still falling through the cracks, we created the B&B Hardship Fund, administered by Local Authorities, allowing those operating under a personal bank account to apply for grants of £3,000. This has awarded more than £1.1m to small operators.

The NSEHF was also administered by Local Authorities. It was created to fill a gap in provision left when the UK Government’s self-employed support didn’t extend to those who became self-employed since April 2019. This Fund awarded over £11.2m in support to 5,602 self-employed people, many of whom will be in the Tourism, Hospitality and Creative sectors.

All remaining funding following the completion of these funds has been reallocated to meet the emerging needs of business, including towards the Performing Arts Venue Relief Fund, grant support for high growth potential Start-Ups, new tourism funding and support for Scotland’s Science Centres.

On 29th July, the Cabinet Secretary for Finance announced two new funding packages worth £15 million which will support the tourism sector as it continues to feel the impacts of the coronavirus (COVID-19) pandemic. A £14 million Hotel Recovery Programme will help to secure up to 3,000 jobs at Scotland’s larger hotels until the start of the summer 2021 tourism season. Eligible businesses can apply for individual grants of up to £250,000 in addition to a suite of wrap-around business support and advice.

The Programme will be jointly administered by the Scottish Government’s Enterprise Agencies and builds on the existing funding and support for tourism businesses through the CTHEHF and the PERF. VisitScotland will also deliver £1 million in grants to self-catering businesses that have not received any other Scottish Government COVID-19 support.

Businesses that apply and meet the criteria will be eligible for a one-off £10,000 grant to support them through the winter season.

I trust this information will be of interest to you and members, full breakdowns can be found at Annex A, and have also been published on the Scottish Government website at the following address - https://gov.scot/publications/coronavirus-covid-19-hardship-and-resilience-funds-statistics/

FIONA HYSLOP
Annex A

Table 1 – Summary of Covid Fund Applications

<table>
<thead>
<tr>
<th></th>
<th>Creative, Tourism &amp; Hospitality Hardship Fund</th>
<th>Pivotal Enterprise Resilience Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of applications*</td>
<td>3,412</td>
<td>5,069</td>
<td>8,481</td>
</tr>
<tr>
<td>Number eligible applications**</td>
<td>1,908</td>
<td>3,995</td>
<td>5,903</td>
</tr>
<tr>
<td>Number of grants offered</td>
<td>1,893</td>
<td>1,763</td>
<td>3,656</td>
</tr>
</tbody>
</table>

Note: 4th August data
*excluding duplicates, entries created but never submitted, withdrawn applications, etc
**excluding failing the bank check, did not provide sufficient information, or failing on basic eligibility

Table 2: Pivotal Enterprise Resilience Fund Grants Offered

<table>
<thead>
<tr>
<th></th>
<th>Scottish Enterprise</th>
<th>Highlands &amp; Islands Enterprise</th>
<th>South of Scotland Enterprise</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of grants offered</td>
<td>1,223</td>
<td>372</td>
<td>168</td>
<td>1,763</td>
</tr>
<tr>
<td>Value grants offered</td>
<td>£90,865,000</td>
<td>£19,994,000</td>
<td>£10,933,000</td>
<td>£121,792,000</td>
</tr>
<tr>
<td>Average offer</td>
<td>£74,000</td>
<td>£54,000</td>
<td>£65,000</td>
<td>£69,000</td>
</tr>
</tbody>
</table>

Note: 4th August data
Location of business supported based on post code provided by the applicant at application.

Table 3: Pivotal Enterprise Resilience Fund Grants Offered by Sector

<table>
<thead>
<tr>
<th></th>
<th>Number of grants offered</th>
<th>% of grants offered</th>
<th>Value of grants offered</th>
<th>% of value offered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism &amp; Hospitality</td>
<td>336</td>
<td>19%</td>
<td>£21,504,000</td>
<td>18%</td>
</tr>
<tr>
<td>Other manufacturing</td>
<td>200</td>
<td>11%</td>
<td>£15,635,000</td>
<td>13%</td>
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<tr>
<td>Construction</td>
<td>198</td>
<td>11%</td>
<td>£11,982,000</td>
<td>10%</td>
</tr>
<tr>
<td>Wholesale retail</td>
<td>186</td>
<td>11%</td>
<td>£12,762,000</td>
<td>10%</td>
</tr>
<tr>
<td>Creative Industries</td>
<td>154</td>
<td>9%</td>
<td>£12,473,000</td>
<td>10%</td>
</tr>
<tr>
<td>Financial &amp; business services</td>
<td>152</td>
<td>9%</td>
<td>£10,046,000</td>
<td>8%</td>
</tr>
<tr>
<td>Other services</td>
<td>114</td>
<td>6%</td>
<td>£8,335,000</td>
<td>7%</td>
</tr>
<tr>
<td>Manu food &amp; drink</td>
<td>101</td>
<td>6%</td>
<td>£7,433,000</td>
<td>6%</td>
</tr>
<tr>
<td>Professional services</td>
<td>84</td>
<td>5%</td>
<td>£5,994,000</td>
<td>5%</td>
</tr>
<tr>
<td>Transport &amp; logistics</td>
<td>60</td>
<td>3%</td>
<td>£4,746,000</td>
<td>4%</td>
</tr>
<tr>
<td>ICT</td>
<td>50</td>
<td>3%</td>
<td>£4,039,000</td>
<td>3%</td>
</tr>
<tr>
<td>Care</td>
<td>44</td>
<td>2%</td>
<td>£1,844,000</td>
<td>2%</td>
</tr>
<tr>
<td>Education</td>
<td>34</td>
<td>2%</td>
<td>£1,849,000</td>
<td>2%</td>
</tr>
</tbody>
</table>
### Table 4 - Pivotal Enterprise Resilience Fund Grants Offered by Local Authority

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Number of grants offered</th>
<th>% of offers</th>
<th>Value of grants offered</th>
<th>% of value offered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highland</td>
<td>191</td>
<td>11%</td>
<td>£10,451,000</td>
<td>9%</td>
</tr>
<tr>
<td>Glasgow City</td>
<td>183</td>
<td>10%</td>
<td>£14,237,000</td>
<td>12%</td>
</tr>
<tr>
<td>City of Edinburgh</td>
<td>151</td>
<td>9%</td>
<td>£12,945,000</td>
<td>11%</td>
</tr>
<tr>
<td>North Lanarkshire</td>
<td>86</td>
<td>5%</td>
<td>£5,371,000</td>
<td>4%</td>
</tr>
<tr>
<td>Dumfries and Galloway</td>
<td>85</td>
<td>5%</td>
<td>£5,534,000</td>
<td>5%</td>
</tr>
<tr>
<td>Scottish Borders</td>
<td>83</td>
<td>5%</td>
<td>£5,409,000</td>
<td>4%</td>
</tr>
<tr>
<td>Perth and Kinross</td>
<td>71</td>
<td>4%</td>
<td>£5,233,000</td>
<td>4%</td>
</tr>
<tr>
<td>Fife</td>
<td>66</td>
<td>4%</td>
<td>£4,537,000</td>
<td>4%</td>
</tr>
<tr>
<td>Aberdeenshire</td>
<td>63</td>
<td>4%</td>
<td>£4,766,000</td>
<td>4%</td>
</tr>
<tr>
<td>South Lanarkshire</td>
<td>62</td>
<td>4%</td>
<td>£4,988,000</td>
<td>4%</td>
</tr>
<tr>
<td>Argyll and Bute</td>
<td>61</td>
<td>3%</td>
<td>£3,509,000</td>
<td>3%</td>
</tr>
<tr>
<td>Aberdeen City</td>
<td>52</td>
<td>3%</td>
<td>£3,897,000</td>
<td>3%</td>
</tr>
<tr>
<td>Stirling</td>
<td>48</td>
<td>3%</td>
<td>£3,154,000</td>
<td>3%</td>
</tr>
<tr>
<td>Renfrewshire</td>
<td>46</td>
<td>3%</td>
<td>£3,778,000</td>
<td>3%</td>
</tr>
<tr>
<td>West Lothian</td>
<td>46</td>
<td>3%</td>
<td>£3,343,000</td>
<td>3%</td>
</tr>
<tr>
<td>East Ayrshire</td>
<td>43</td>
<td>2%</td>
<td>£2,837,000</td>
<td>2%</td>
</tr>
<tr>
<td>Na h-Eileanan Siar</td>
<td>40</td>
<td>2%</td>
<td>£2,133,000</td>
<td>2%</td>
</tr>
<tr>
<td>North Ayrshire</td>
<td>40</td>
<td>2%</td>
<td>£2,657,000</td>
<td>2%</td>
</tr>
<tr>
<td>Dundee City</td>
<td>39</td>
<td>2%</td>
<td>£3,012,000</td>
<td>2%</td>
</tr>
<tr>
<td>East Lothian</td>
<td>37</td>
<td>2%</td>
<td>£2,497,000</td>
<td>2%</td>
</tr>
<tr>
<td>South Ayrshire</td>
<td>36</td>
<td>2%</td>
<td>£2,776,000</td>
<td>2%</td>
</tr>
<tr>
<td>Falkirk</td>
<td>33</td>
<td>2%</td>
<td>£2,692,000</td>
<td>2%</td>
</tr>
<tr>
<td>Angus</td>
<td>29</td>
<td>2%</td>
<td>£1,964,000</td>
<td>2%</td>
</tr>
<tr>
<td>Moray</td>
<td>28</td>
<td>2%</td>
<td>£1,100,000</td>
<td>1%</td>
</tr>
<tr>
<td>Shetland Islands</td>
<td>26</td>
<td>1%</td>
<td>£1,678,000</td>
<td>1%</td>
</tr>
<tr>
<td>Orkney Islands</td>
<td>25</td>
<td>1%</td>
<td>£1,246,000</td>
<td>1%</td>
</tr>
<tr>
<td>Midlothian</td>
<td>22</td>
<td>1%</td>
<td>£1,800,000</td>
<td>1%</td>
</tr>
<tr>
<td>East Dunbartonshire</td>
<td>20</td>
<td>1%</td>
<td>£1,450,000</td>
<td>1%</td>
</tr>
<tr>
<td>East Renfrewshire</td>
<td>16</td>
<td>1%</td>
<td>£785,000</td>
<td>1%</td>
</tr>
<tr>
<td>West Dunbartonshire</td>
<td>15</td>
<td>1%</td>
<td>£919,000</td>
<td>1%</td>
</tr>
</tbody>
</table>

Note: 4ᵗʰ August data
<table>
<thead>
<tr>
<th></th>
<th>Number grants offered</th>
<th>Value grants offered</th>
<th>Average grant value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inverclyde</td>
<td>11</td>
<td>£576,000</td>
<td>£516,000</td>
</tr>
<tr>
<td>Clackmannshire</td>
<td>9</td>
<td>0.5%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1763</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Note: 4ᵗʰ August data Location of business supported based on post code provided by the applicant at application.

Table 5 - Creative, Tourism & Hospitality Enterprises Hardship Fund by Enterprise Area

<table>
<thead>
<tr>
<th></th>
<th>Scottish Enterprise</th>
<th>Highlands &amp; Islands Enterprise</th>
<th>South of Scotland Enterprise</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number grants offered</td>
<td>1,327</td>
<td>456</td>
<td>110</td>
<td>1,893</td>
</tr>
<tr>
<td>Value grants offered</td>
<td>£17,479,000</td>
<td>£4,896,000</td>
<td>£1,131,000</td>
<td>£23,507,000</td>
</tr>
<tr>
<td>Average grant value</td>
<td>£13,200</td>
<td>£10,700</td>
<td>£10,300</td>
<td>£12,400</td>
</tr>
</tbody>
</table>

Note: 4ᵗʰ August data Location of business supported based on post code provided by the applicant at application.

Table 6 - Creative, Tourism & Hospitality Enterprises Hardship Fund by Sector

<table>
<thead>
<tr>
<th></th>
<th>Tourism &amp; hospitality</th>
<th>Creative industries</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number grants offered</td>
<td>1,341</td>
<td>552</td>
<td>1,893</td>
</tr>
<tr>
<td>Value grants offered</td>
<td>£17,782,000</td>
<td>£5,725,000</td>
<td>£23,507,000</td>
</tr>
<tr>
<td>Average grant value</td>
<td>£13,300</td>
<td>£10,400</td>
<td>£12,400</td>
</tr>
</tbody>
</table>

Note: 4ᵗʰ August data Location of business supported based on post code provided by the applicant at application.

Table 7: Creative, Tourism & Hospitality Hardship Fund Grants Offered by Local Authority

<table>
<thead>
<tr>
<th></th>
<th>Number of grants offered</th>
<th>% of grants offered</th>
<th>Value of grants offered</th>
<th>% of value offered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highland</td>
<td>271</td>
<td>14%</td>
<td>£2,886,000</td>
<td>12%</td>
</tr>
<tr>
<td>City of Edinburgh</td>
<td>248</td>
<td>13%</td>
<td>£3,462,000</td>
<td>15%</td>
</tr>
<tr>
<td>Glasgow City</td>
<td>235</td>
<td>13%</td>
<td>£3,363,000</td>
<td>14%</td>
</tr>
<tr>
<td>Fife</td>
<td>92</td>
<td>5%</td>
<td>£1,039,000</td>
<td>4%</td>
</tr>
<tr>
<td>Perth and Kinross</td>
<td>88</td>
<td>4%</td>
<td>£966,000</td>
<td>4%</td>
</tr>
<tr>
<td>Argyll and Bute</td>
<td>71</td>
<td>4%</td>
<td>£668,000</td>
<td>3%</td>
</tr>
<tr>
<td>Stirling</td>
<td>66</td>
<td>3%</td>
<td>£815,000</td>
<td>3%</td>
</tr>
<tr>
<td>Aberdeenshire</td>
<td>64</td>
<td>3%</td>
<td>£749,000</td>
<td>3%</td>
</tr>
<tr>
<td>South Lanarkshire</td>
<td>63</td>
<td>3%</td>
<td>£927,000</td>
<td>4%</td>
</tr>
<tr>
<td>Dumfries and Galloway</td>
<td>56</td>
<td>3%</td>
<td>£572,000</td>
<td>2%</td>
</tr>
<tr>
<td>Scottish Borders</td>
<td>54</td>
<td>3%</td>
<td>£559,000</td>
<td>2%</td>
</tr>
<tr>
<td>South Ayrshire</td>
<td>46</td>
<td>3%</td>
<td>£683,000</td>
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<tr>
<td>Moray</td>
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<td>£531,000</td>
<td>2%</td>
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<tr>
<td>North Lanarkshire</td>
<td>38</td>
<td>2%</td>
<td>£528,000</td>
<td>2%</td>
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<tr>
<td>East Lothian</td>
<td>38</td>
<td>2%</td>
<td>£524,000</td>
<td>2%</td>
</tr>
<tr>
<td>Local authority</td>
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<td>Grants awarded</td>
<td>Value of grants awarded</td>
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<td>-----------------------------</td>
<td>-----------------------</td>
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<td>------------------------</td>
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<tr>
<td>Aberdeen City</td>
<td>251</td>
<td>185</td>
<td>£370,000</td>
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<tr>
<td>Aberdeenshire</td>
<td>271</td>
<td>190</td>
<td>£380,000</td>
<td></td>
</tr>
<tr>
<td>Angus</td>
<td>238</td>
<td>157</td>
<td>£314,000</td>
<td></td>
</tr>
<tr>
<td>Argyll and Bute</td>
<td>167</td>
<td>135</td>
<td>£270,000</td>
<td></td>
</tr>
<tr>
<td>Clackmannishire</td>
<td>68</td>
<td>46</td>
<td>£92,000</td>
<td></td>
</tr>
<tr>
<td>Dumfries and Galloway</td>
<td>207</td>
<td>136</td>
<td>£272,000</td>
<td></td>
</tr>
<tr>
<td>Dundee City</td>
<td>289</td>
<td>183</td>
<td>£366,000</td>
<td></td>
</tr>
<tr>
<td>East Ayrshire</td>
<td>206</td>
<td>169</td>
<td>£338,000</td>
<td></td>
</tr>
<tr>
<td>East Dunbartonshire</td>
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<td>104</td>
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<td></td>
</tr>
<tr>
<td>East Lothian</td>
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<td>108</td>
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</tr>
<tr>
<td>East Renfrewshire</td>
<td>135</td>
<td>93</td>
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</tr>
<tr>
<td>City of Edinburgh</td>
<td>669</td>
<td>492</td>
<td>£984,000</td>
<td></td>
</tr>
<tr>
<td>Falkirk</td>
<td>214</td>
<td>148</td>
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<td></td>
</tr>
<tr>
<td>Fife</td>
<td>503</td>
<td>434</td>
<td>£868,000</td>
<td></td>
</tr>
<tr>
<td>Glasgow City</td>
<td>1097</td>
<td>553</td>
<td>£1,106,000</td>
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<tr>
<td>Highland</td>
<td>427</td>
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<td>57</td>
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<td>Midlothian</td>
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<td>Moray</td>
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<td>121</td>
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<td></td>
</tr>
<tr>
<td>Na h-Eileanan Siar</td>
<td>60</td>
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<tr>
<td>North Ayrshire</td>
<td>191</td>
<td>147</td>
<td>£294,000</td>
<td></td>
</tr>
<tr>
<td>North Lanarkshire</td>
<td>392</td>
<td>325</td>
<td>£650,000</td>
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</table>

Note: 4th August data
Location of business supported based on post code provided by the applicant at application.

Table 8: Newly Self-Employed Hardship Fund Grants Offered by Local Authority
<table>
<thead>
<tr>
<th>Region</th>
<th>Code</th>
<th>Code</th>
<th>Amount</th>
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<td>Orkney Islands</td>
<td>54</td>
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<tr>
<td>Perth &amp; Kinross</td>
<td>313</td>
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<td>Renfrewshire</td>
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<td>Scottish Borders</td>
<td>226</td>
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<td>Shetland Islands</td>
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<td>122</td>
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<td>West Dunbartonshire</td>
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<td><strong>TOTAL</strong></td>
<td><strong>8,002</strong></td>
<td><strong>5,602</strong></td>
<td><strong>£11,204,000</strong></td>
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Table 9: Bed and Breakfasts Hardship Fund Grants Offered by Local Authority

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Applications received</th>
<th>Grants awarded</th>
<th>Value of grants awarded</th>
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<td>Aberdeen City</td>
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<td>Angus</td>
<td>14</td>
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<td>Argyll and Bute</td>
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<tr>
<td>Clackmannshire</td>
<td>1</td>
<td>1</td>
<td>£3,000</td>
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<tr>
<td>Dumfries and Galloway</td>
<td>24</td>
<td>21</td>
<td>£63,000</td>
</tr>
<tr>
<td>Dundee City</td>
<td>1</td>
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<td>£0</td>
</tr>
<tr>
<td>East Ayrshire</td>
<td>5</td>
<td>5</td>
<td>£15,000</td>
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<tr>
<td>East Dunbartonshire</td>
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<td>£3,000</td>
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<tr>
<td>East Lothian</td>
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<td>4</td>
<td>£12,000</td>
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<td>East Renfrewshire</td>
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<td>City of Edinburgh</td>
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<td>£0</td>
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<td>Midlothian</td>
<td>3</td>
<td>2</td>
<td>£6,000</td>
</tr>
<tr>
<td>Moray</td>
<td>25</td>
<td>13</td>
<td>£39,000</td>
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<tr>
<td>Na h-Eileanan Siar</td>
<td>38</td>
<td>30</td>
<td>£90,000</td>
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<tr>
<td>North Ayrshire</td>
<td>7</td>
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<td>£15,000</td>
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<tr>
<td>North Lanarkshire</td>
<td>2</td>
<td>1</td>
<td>£3,000</td>
</tr>
<tr>
<td>Orkney Islands</td>
<td>17</td>
<td>9</td>
<td>£27,000</td>
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<tr>
<td>Perth &amp; Kinross</td>
<td>17</td>
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<td>£39,000</td>
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<tr>
<td>Renfrewshire</td>
<td>3</td>
<td>0</td>
<td>£0</td>
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<tr>
<td>Scottish Borders</td>
<td>15</td>
<td>9</td>
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<tr>
<td>Shetland Islands</td>
<td>9</td>
<td>7</td>
<td>£21,000</td>
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<tr>
<td>South Ayrshire</td>
<td>9</td>
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<tr>
<td>South Lanarkshire</td>
<td>3</td>
<td>2</td>
<td>£6,000</td>
</tr>
<tr>
<td>Stirling</td>
<td>24</td>
<td>22</td>
<td>£66,000</td>
</tr>
<tr>
<td>West Dunbartonshire</td>
<td>2</td>
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<td>£3,000</td>
</tr>
<tr>
<td>West Lothian</td>
<td>5</td>
<td>3</td>
<td>£9,000</td>
</tr>
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<td><strong>TOTAL</strong></td>
<td><strong>639</strong></td>
<td><strong>367</strong></td>
<td><strong>£1,101,000</strong></td>
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INTRODUCTION

The Committee will take evidence, on 27 August, from a number of witnesses in relation to the impact of the pandemic on cultural venues and the support available. This briefing covers three broad areas—

- the impact of the pandemic;
- financial support available; and,
- the longer-term recovery of the sector.

As with many briefings on Covid-related subjects, this paper may date as policy changes occur rapidly. In addition, this briefing draws upon the submissions the Committee received in May and June 2020. Where witnesses have provided additional information in advance of today’s session, this has been incorporated into this briefing.

Members may also be interested to note that the House of Commons’ Culture, Media and Sports Committee published a report on the Impact of COVID-19 on DCMS sectors and made recommendations in relation to the support of the cultural sectors.

IMPACT OF PANDEMIC

CURRENT POSITION

Venues rely on people to be physically present. The lockdown and continuing restrictions impact on the ability of performers to perform and audiences to congregate. The Advisory Group on Economic Recovery’s report noted that—

“Sectors most dependent on physical presence, travel and discretionary spending by consumers – hospitality, tourism, culture and leisure – have been hit the hardest”.

The Cabinet Secretary told the Committee on 21 May—

“The restrictions that we have had to put in place for the country have had a significant effect on everybody, but I want to acknowledge that the situation has been devastating for the culture sector. Almost overnight, culture venues have had to close. We were looking forward to experiencing our festivals, theatres and music, but so much of Scotland’s culture had to stop overnight. The demand collapsed completely and immediately.” (OR Col 2)
The Federation of Scottish Theatre’s (FST) submission to the Committee (May 2020) said—

“The impact of Covid-19 has been immediate and devastating across our membership. Our members have put public safety to the top of their concerns from day one … Ironically their success in reducing their reliance on public funding means they are exposed and vulnerable to this unprecedented shut down of demand. In addition to the loss of performance fees and box office sales, theatres and theatre companies have suffered loss of income from all associated/secondary income (including bar/restaurant/café sales, event hire fees, and theatre rental income).”

The FST also noted that theatres “employ and contract with thousands of people, from artistic and creative practitioners to technical specialists to catering suppliers.”

The Scottish Government’s route map out of the pandemic, published in May, stated that in phase 3, “Museums, galleries, cinemas, and libraries can open, subject to physical distancing and hygiene measures” and “live events [will be expected to be] permitted with restricted numbers and physical distancing restrictions.” In phase 4 we should expect “further relaxation of restrictions on live events in line with public health advice.”

Physical distancing duties are set out in regulation 4(1) of the Health Protection (Coronavirus) (Restrictions) (Scotland) Regulations 2020. A person who is responsible for carrying on a business or providing a service must take all reasonable measures:

- to ensure that a distance of 2 metres is maintained between any persons on the premises (except between members of the same household or a carer and the person assisted by the carer);
- to ensure that they only admit people to its premises in sufficiently small numbers to make it possible to maintain that distance; and
- to ensure that a distance of 2 metres is maintained between any person waiting to enter the premises (except between members of the same household or a carer and the person assisted by the carer)

Indoor and outdoor hospitality settings may relax this to 1m if there are mitigations in place such as “reduced noise measures e.g. no background music, to reduce need for customers to shout”. Nick Stewart has expressed unhappiness at this music “ban”. He is quoted as saying—

“A music ban is not safer than having properly controlled background music - this is because background music at a reasonable level is not the driver of people speaking more loudly, hearing other people’s voices is.”

Indoor live music in small venues, such as pubs or cafes is not, at the time of writing, taking place. Some performances have taken place, although these have been online. Cinemas have been able to open and drive through events have also been organised.
From 24 August, “certain outdoor live events (involving open space or organised seating) with physical distancing and restricted numbers – subject to guidance.” From 14 September it is planned that outdoor events may allow “focussed standing”.

In terms of indoor events, the First Minister told Parliament on 20 August—

“We hope that entertainment sites and cultural venues - such as theatres and live music venues - will be able to reopen from [14 September], but with strict physical distancing in place. To facilitate that, these venues can re-open for preparation and rehearsal from 24 August.” (OR, Col 5)

August would normally see Edinburgh filled with its festivals. The impact on these festivals has been severe. The submission from Festivals Edinburgh (June 2020) estimated that the economic cost is at least “at least £360 million and 7,000 jobs from the collapse of the 2020 season”. It also stated—

“Across the eleven major year-round Edinburgh Festivals making up our cluster, we immediately identified that the impact would be felt most heavily by the cultural practitioners who had been contracted to appear and on the audiences who had already purchased tickets to attend. A commitment was therefore quickly put in place to mitigate the impact on these two groups by refunding tickets already paid for and supporting contracted creatives-suppliers to the maximum levels, while also looking at how festivals could support creatives not yet contracted.”

The Edinburgh International Festival (EIF) has put on a limited schedule of, largely, online performances under it’s “My Light Shines On” programme. There are performances from each of the five national performing companies as well as a range of other performers. The performances are available free of charge on Youtube. The Cabinet Secretary told the Committee in May that one of the purposes of putting content online was to “keep people with us” and engaged. (OR col 26)

The EIF website says—

“Artists, stage managers, box-office and front of house workers will stay home, as will the thousands of workers who support the Festival City. Yet Covid-19 has not dimmed the creativity of artists, nor the enduring spirit that keeps Edinburgh’s festivals thriving. … For the first time since lockdown orchestras, ballet companies, traditional musicians, theatre ensembles and designers have come together to perform in and light up the venues they love. This has been achieved with great care to ensure the safety of all involved.”

The Fringe has “100’s of one-off live streams and unique digital performances brought to you by Fringe artists and venues.” Many of these shows are free, others are on a “pay what you want basis” and others require payment. Fringe venues are also using fundraising platforms to support their costs. The Association of Independent Venue Producers’ submission highlighted a number of issues for its members in surviving and accessing Government support.
The Edinburgh International Film Festival is planning a number of drive-in film showings.

Museums, galleries and heritage attractions are able to open as long as they follow the specific museum, galleries and heritage sector guidance. Museums Galleries Scotland (MGS) have described the advice as “detailed” and it covers a wide range of areas which each venue needs to plan for. MGS have made available an adaption fund to support costs of essential adaptations, equipment and training. MGS’ most recent submission stated—

“Whilst museums were allowed to open from July 15, at the time of our survey less than half expected to do so before April 2021. Just a quarter of our museums are expected to reopen by the end of this month. Museums cannot reopen if they do not have the capacity to do so safely, if social distancing makes their business model unviable, if their staff have been redeployed or their volunteers are too vulnerable to return.”

As noted in the SPICe briefing for last week’s session, VisitScotland’s “We’re Good to go” scheme is an online self-certification platform showing businesses have adapted practices in response to COVID-19. The scheme was originally developed by VisitEngland. The free scheme complements the guidance already issued by Scottish Government to help tourism businesses plan to reopen. As at 3 August, 6,061 businesses in Scotland have registered as Good to Go (GTG). VisitScotland is continuing to encourage businesses to sign up and promote it on business listings on VisitScotland.com. VisitScotland staff are also following up with calls to support businesses.

A number of submissions also noted that capital projects had slipped due to the pandemic and has therefore increased costs (e.g. Fruitmarket Gallery).

The focus of this paper is on professional activity. The submission from the National Operatic & Dramatic Association argued that amateur clubs and groups play a “significant part in the cultural life of Scotland” and generate “over £10m in ticket sales”. These figures are for amateur dramatic clubs, and not do not include amateur choirs, bands and orchestras.

OTHER UK NATIONS

In late June, the UK Government set out a 5-stage roadmap for performing arts in England. As of 15 August, the roadmap is at Stage 4, “Performances allowed indoors and outdoors (but with a limited socially-distanced audience indoors)”. The last stage is similar but with a “fuller audience indoors”.

Singing and playing wind instruments has been a particular issue given the potential for those activities to create aerosol. The Department of Media Culture and Sport commissioned studies on these activities and has suggested certain mitigations. These include maintaining social distancing, playing outside if possible, ensuring good ventilation, and discouraging audience members from singing along.

The Welsh Government’s Guidance states—
“The road back to reopening for arts venues will be enormously challenging, with the sector likely to be mostly in the green roadmap phase in terms of emerging from lockdown, although some venues may be able to consider a scaled reopening in the amber phase.” (Details of the Welsh Government roadmap can be found here.)

The Northern Irish Executive agreed that theatres and concert halls could re-open from 8 August 2020. To support the safe reopening of performance venues, the Arts Council of Northern Ireland published guidance.

AUDIENCE

Audience behaviour coming out of and following the pandemic will be key to the longer-term sustainability of the sector. Creative Scotland’s August update to the Committee said—

“We have appointed researchers to undertake an ongoing programme of research to understand the intention of the public to re-engage with cultural activity. This includes the extent and pattern of recovery, considering when and how people will participate and attend, and how this will vary between different types of activity and socio-demographic characteristics. The research will also consider what will help enable people to engage, including identifying potential barriers and incentives. The first set of findings from this research has been delivered by the researchers and is currently being analysed prior to publication shortly.”

The Cabinet Secretary noted in May that audience members, and particularly older people, may need to be reassured to “feel confident about their safety in going back to venues” as lockdown is eased. (OR col 27)

Citizen’s Theatre’s submission (May 2020) stated—

“Some early work has been done by arts consultancy Indigo, thus far involving responses from 86,000 audience members across the UK, indicates that—

- 93% are missing attending live events;
- But only 19% would consider returning to venues simply because they re-open;
- 75% would feel safer with some form of social distancing in venues.”

SHORT TERM RECOVERY

The Advisory Group on Economic Recovery stated—

“The sector has been hit disproportionately hard by the crisis as a consequence of physical distancing requirements. Many parts of the sector are hampered by physical infrastructure - often of significant heritage value - which will be particularly difficult to adapt to new requirements. This will call existing business models into question.”
As noted above, the sector faces challenges in the short term in re-opening venues safely and attracting sufficient audiences to cover costs. Uncertainty over future restrictions (e.g. local lockdowns) will also be impacting on planning decisions and bookings. Some art forms will require lengthy lead-in times to be able to put on productions. The Federation of Scottish Theatre’s Submission to the Committee (May 2020) said, “Realistic estimates on lead times for theatres to open to audiences from when they can re-open to workers range from 2-4 months, during which they will incur significant costs while their income continues to be severely limited.” The FST also noted the risks of further shutdowns or outbreaks of the illness of staff.

The East Neuk Festival’s submission (July 2020) highlighted the impact of uncertainty on its work to deliver a festival in 2021, which it said was practically “impossible, primarily due to the lack of useful official guidelines for future event management.”

Citizen’s Theatre’s submission (May 2020) stated, “we believe it highly unlikely any of our activities will be able to take place before Spring 2021.” It also said—

“Social distancing – whilst clearly necessary for the foreseeable future - severely affects business models. Theatres are built for people to come together, not to keep apart. Social distancing measures will reduce available seating such that we would only have around 25% of seats available to sell. This is not financially viable – we would only be able to stage performances if we could sell an average of 70% of capacity per performance.”

Culture Aberdeen, in its submission (June 2020), made a similar point, it said—

“The sector will not be able to simply ‘bounce back’ from lockdown. Many organisations will remain on the precipice of insolvency, finding it financially untenable to re-open with social distancing measures in place.”

The importance of pantomime season was highlighted by the submission from the Howden Park Centre (June 2020). It said, “being able to stage our annual pantomime at or near to full capacity is key to a successful recovery.”

Edinburgh Festivals submission to the Committee (June 2020) noted the importance of the festivals in Edinburgh to the wider cultural life of Scotland. It also said—

“Like others working to build back a better society, we need to adapt and renew while holding onto our fundamental purpose and value. Yet the long-term effects of this catastrophic season could have an irreversible nationwide impact on these benefits and on Scotland’s creative and service sector workers, without a strategic plan to retain and reimagine their positive impacts.”

In a letter to the Committee in July, Creative Scotland said that its Chair, Robert Wilson, “held a series of online discussions with the Chairs of the 121 Regularly Funded Organisations to discuss the challenges they are facing in relation to the pandemic; how they are adapting to the context it has created; and how Creative Scotland can help address this emergency, working collaboratively with organisations.”
Creative Scotland identified a number of themes in relation to the challenges faced by these organisations. These included—

- The need for ongoing flexibility and understanding;
- Clarity over future funding to enable forward planning;
- A concern about Local Government support reducing in light of extreme financial pressures;
- The move to digital being both an opportunity and a challenge;
- A recognition of the wider operating environment and the challenges of viable physical distancing for venues and facilities, coupled with audience confidence to re-engage;
- The need to address risks of widening inequalities; and
- A call for further sector networking sessions to share learnings and collectively discuss how to adapt to a new and different kind of future, recognising it as an opportunity to strengthen the role of culture in the wellbeing and prosperity of the country.

FINANCIAL SUPPORT

There are a range of financial supports available to the sector. These include economy-wide and sector-specific measures. The Scottish Government has stated that its “first priority in this economic crisis has been to protect jobs and businesses”. A list of Scottish Government economy wide financial supports to businesses is included in Annexe A to this paper.

The duration of any support mechanisms has been highlighted in submissions to the Committee as a key issue. Eden Court’s submission to the Committee (May 2020) stated that in its view “an organisation-led and artist-led approach, will be needed to support the recovery of our industry over a sustained period of at least 12-24 months, perhaps longer”.

ECONOMY-WIDE SUPPORT

Workers and businesses may be able to access funding through Scottish and UK Government schemes to support the economy. These include—

- Coronavirus Job Retention Scheme;
- Self-Employment Income Support Scheme and the newly Self-employed hardship fund;
- Non-domestic rates relief and grants;
- Additional support available for retail, hospitality and leisure businesses (which can include theatres, museums, visitor centres etc.);
- Tax payment deferrals; and
- Loan Schemes.

The Coronavirus Job Retention Scheme, or furlough, is due to begin tapering from September and cease from the end of October. This scheme appears to have been well-utilised in the sector, where it could be. The submission from the Museum’s
Association (May 2020) said “46% of museums in the UK are using the furlough scheme”. At a **UK level, the ONS estimated in July** that—

> “[The] arts, entertainment, recreation and other services [sector], has seen 75% of employers in this sector furlough at least one employment - with a total of 443,000 employments furloughed in this sector with a take-up rate of 66%. Claiming in total £1.1 billion.”

On 8 July 2020, the UK Chancellor presented a **Summer Economic Update ‘A Plan for Jobs’**. This represents the next phase of the response to the coronavirus pandemic. In total, the policies announced will cost up to £30 billion in 2020-21. Many of the measures announced are GB or UK-wide schemes that will apply in Scotland, for example—

- The **Job Retention Bonus Scheme**, which replaces the Coronavirus Job Retention Scheme (the ‘furlough’ scheme) through payment of a bonus to employers who take staff off furlough and keep them in employment until the end of January 2021.
- **A cut in VAT** from 20% to 5% until mid-January 2021 for accommodation, hospitality and visitor attractions.

The **Self-Employment Income Support Scheme** (SEISS) is open for its “second and final taxable grant”. The deadline for applications is 19 October 2020. The grant is worth 70% of individual’s average monthly trading profits paid out in a single instalment covering 3 months’ worth of profits and is capped at £6,570 in total. The first grant, for which applications closed on 13 July 2020, was based on 80% of average trading profits and capped at £7,500 in total.

This scheme was criticised as not covering certain groups of freelance workers. The submission from the **Musician’s Union** said that 38% of respondents to a survey of its members said that they do not qualify for the Government’s assistance schemes for employed or self-employed workers. **Culture Counts (May 2020) submission stated**—

> “Cultural freelancers include those who earn less than 50% income from cultural work; those who are paid via PAYE and those who pay themselves in dividends; these three groups currently have no support other than the Creative Scotland bridging fund which is currently closed.”

The SEISS does not support limited companies. **SW Audio Ltd’s submission** stated—

> “This legitimate business model [a limited company] is not being supported sufficiently through the current job retention scheme even for the immediate ‘emergency’ state. Due to the long-term crisis in our industry this also makes a way of survival without additional support very difficult”.

Given the continuing uncertainty acing the sector, there have been calls for the financial support to continue. The **Musicians’ Union have stated**—
“Our members need to know that there will be support after October, not just for those who are eligible for the SEISS now but also those who fall through the gaps …

"Both the Coronavirus Job Retention Scheme and the Self Employment Income Support Scheme to be extended into early 2021 for those workers who cannot make a living while social distancing guidelines remain in place. …

“...If we don't get further help for them soon, we will see a mass talent exodus from music - and the arts in general.”

The Culture Media and Sport Committee also concluded that support should be maintained to workers in the creative sector. It recommended

“From October 2020 at the latest, the Government should introduce flexible, sector specific versions of the CJRS and SEISS guaranteed for the creative industries until their work and income returns to sustainable levels.”

SECTOR-SPECIFIC SUPPORT

One of the issues facing the culture sector is that the sector has proportionately more freelance workers than the economy as a whole. Specific financial support has been developed for the sector.

The funding landscape has changed over the past months.

- Creative Scotland Bridging Bursary Fund (closed)
  The Creative Scotland Bridging Bursary Fund provided one-off bursary payments of between £500 and £2,500 to freelance artists and creative practitioners that had lost earnings as a result of COVID19.

- Creative Scotland Open Fund
  This was an existing fund which was re-purposed to “help applicants explore ways of working that will help them to adapt and respond to the current changing circumstances”. Individuals and organisations can apply for funding up to £50,000 through Creative Scotland's Open Fund, to help support themselves during the COVID-19 pandemic.

- Screen Scotland Bridging Bursary (closed)
  Similar to the Creative Scotland Bridging Bursary Fund, the Screen Scotland Bridging Bursary Fund provided one-off bursary payments of between £500 and £2,500 to freelancers working in the screen industries who were experiencing financial difficulty due to the loss of income as a result of the COVID-19 pandemic.

- Creative, Tourism and Hospitality Enterprises Hardship Fund (closed)
  Aimed at small creative, tourism and hospitality companies not in receipt of other COVID-19 business rates relief and related grant support.

- Museums Galleries Scotland (MGS) Urgent Response Fund and Digital Resilience Fund (both closed)
The Urgent Response Fund was to support museums and galleries critically affected by the Covid-19 pandemic. The Digital Resilience Fund was to purchase the necessary equipment to work from home and to enable museums to provide digital access to museum collections and activity.

At the beginning of July, the UK Government announced £1.57bn to “protect Britain’s world-class cultural, arts and heritage institutions”. As part of this, £97m would be allocated to the Scottish Government. A number of new funds and additional funding have been announced as a result. These include—

- **Museums Resilience and Recovery Fund**
The £4 million Museums Resilience and Recovery Fund will provide support for Scotland’s museums and galleries and will be administered by Museums Galleries Scotland. The fund will aid the return of staff from furlough and the wider reopening of museums and galleries.

- **Performing Arts Venues Relief Fund**
This was announced shortly before the UK Government’s announcement on 3 July. Initially it was for £10m but subsequently increased to £12.5m. Of this, £7.5m is for organisations in receipt of regular funding from Creative Scotland and a £5m open fund. Details of the RFO recipients of the £7.5m have been published (this includes the Citizens Theatre). There are three purposes set out for this fund: to remove the threat of insolvency in the current financial year; to allow for specialist / core staff to return from furlough or avoid redundancy to work on future sustainable activity plans; and to increase commissioning and employment opportunities for freelance artists and creative practitioners (between now and end of March 2021) to support continued public engagement while closed.

- **Grassroots Music Venues Stabilisation Fund**
This is a £2.2m fund which aims to provide grassroots live music venues in Scotland, that were financially sustainable before Covid-19, with the funds to prevent closure. The Scottish Government developed this fund in consultation with the Music Venues Trust.

Museums Galleries Scotland’s submission (May 2020) suggested that a significant number of museums did not have reserves to survive through this year. However, in its most recent submission, MGS said that the resilience and recovery fund “has helped to meet the most urgent needs and to avoid insolvencies in the sector, reduce redundancies, as well as addressing challenges around re-opening and continuing to engage audiences remotely”.

The Music Venue Trust’s submission to the Committee (May 2020) estimated that, while they were closed, the total support required by the 62 Grassroots Music Venues in Scotland required £335,449 a week. Obviously, this figure may have changed with the partial reopening and there are a variety of sources of public funding aside from the stabilisation fund noted above.

The update from Creative Scotland in August 2020 noted that the £97m of consequentials had also been allocated to support events and associated supply
chains through EventScotland (£10m) and to the National Trust for Scotland (£3.8m). It is not clear how the remainder (£74.5m) will be allocated. In answer to a question on this topic on 26 July, the Scottish Government has said—

“The Scottish Government is reviewing urgently the use of this funding and discussing with the sector. We will make further announcements on how the remainder of the £97 million will be used to support the arts, culture and heritage industries in due course.”

The update from Creative Scotland in August 2020 noted that the £97m of consequentials had also been allocated to support events and associated supply chains through EventScotland (£10m) and to the National Trust for Scotland (£3.8m). It is not clear how the remainder (£74.5m) will be allocated but Creative Scotland’s August update states that it will continue to work closely with the Scottish Government to help determine how the funds are to be spent and Creative Scotland is playing its role in ensuring support flows to artists, other freelancers and organisations as soon as possible.

An oral question is due to be asked on this issue on 27 August. The National Partnership for Culture were asked at their meeting to give input to the Scottish Government on uses for the funds. That group’s view was that “funding should prioritise the ongoing creation of work and creative activities” but also that “training, innovation and skills development were important”.

Local authorities provide significant funding for the arts in their local areas. For example, the accounts of the Citizen’s Theatre 2018/19 report that Glasgow City Council provided £290,000 of funding in that year and its submission noted that public funding accounts for around a third of its turnover. Museum Galleries Scotland’s recent submission stated—

“Local Authority and ALEO museums face debilitating funding pressures due to lost income and other pressures on resources.”

Culture Aberdeen’s submission (June 2020) stated—

“Without additional funding being made available to local authorities to continue to support essential cultural infrastructure across different parts of the country we are fearful of a reality whereby many cultural organisations outwith the central belt find it impossible to survive the current pandemic.”

UPTAKE

In her letter to the Committee on 6 August 2020 the Cabinet Secretary provided details on the uptake of: the Pivotal Enterprise Resilience Fund (PERF), the Creative, Tourism & Hospitality Enterprises Hardship Fund (CTHEHF), and the Newly Self-Employed Hardship Fund (NSEHF). Ms Hyslop also provided details on the Bed and Breakfast Hardship Fund. In her letter she said—
“Due to demand, we increased the funding available for the PERF by an additional £75m post-launch, taking the total fund allocation to £120m. The CTHEHF received £10m in additional funding, taking total allocation to £30m. The combined total allocation of funding for NSEHF and B&BHF was £34m. This package of support, and the £1m top up to Creative Scotland’s Bridging Bursaries scheme in the not-for-profit sector, made up the £185m additional support funds.”

Business from the Creative industries accounted for 9% of grants offered and 10% of the funds; this equated to 154 grants at a total value of £12,473,000. Tourism & Hospitality businesses were awarded 336 grants with a total value of £21,504,000 – this sector received the most amount of funding, 18% of the total. The Cabinet Secretary’s letter also provided data on the geographical locations of businesses awarded grants – this was not, however broken down by sector (i.e. the number of culture businesses in each local authority).

Around 75% of funding (by value) under the Creative, Tourism & Hospitality Enterprises Hardship Fund were received by businesses in the tourism & hospitality industry, with the remainder being awarded to the creative sector. The average grant award was less in the Creative sector and 552 individual grants were awarded – around 29% of the total.
In terms of the Bridging Bursaries, Creative Scotland reports that “there were a total of 2,293 awards made, with a total value of £4,302,561. 80% of the total number of requests were approved in phase 1 and 2”. The breakdown of the awards in the Arts and Creative (i.e. not screen) by art form was set out in a graph, shown below.

Creative Scotland’s letter to the Committee in July 2020 provided some details on its re-purposed Open Fund. It said—

“Up until week commencing 6 July 2020, the fund had received 247 applications from individuals with a total ask of £2.9m and 75 applications from organisations, with a total ask of £1.4m. Assessment of applications is underway and successful awards will be published and included in future updates to the Committee.”

RECOVERY

The recovery of the sector might be seen as having two horizons. The first is simply getting back to business, booking shows and attracting audiences, which is the subject of an earlier subsection of this paper. The second is the longer-term recovery and taking the opportunity of the pandemic to, as the Scottish Government terms it, Build Back Better. The remit for the Advisory Group on Economic Recovery was focused
on how practice will change and “help the transition towards a greener, net-zero and wellbeing economy”.

The report of the Advisory Group on Economic Recovery stated—

“Culture will play a definitive role in the recovery of our wellbeing, and it must be an intrinsic element of how Scotland is represented at home and abroad. The sector must be cultivated and nourished for the greater good.”

The report of the Advisory Group on Economic Recovery (AGER) also argued that the Scottish economy should seek to become more resilient to external shocks in the future. It said the economy should “prioritise resilience in our economy rather, than just overprioritising efficiency and low cost.” The report focused on four types of capitals: natural, human, social and economic. It also advocated a “investment led recovery” and greater focus on regional investment.

Culture Aberdeen noted the importance of the physical infrastructure in its submission to the Committee (June 2020). It said—

“Scotland’s building-based cultural infrastructure is the beating heart of creative practice. Theatres, cinemas, concert halls and performing arts spaces rely on a combination of public subsidy and income generation.”

The Theatre’s Trust told the Culture, Media and Sport Committee that an “erosion of cultural infrastructure could have long lasting impact on access to the arts, careers in the creative sectors and the UK’s position as a world leader in this sector and as a major contributor to tourism.”

The AGER report recommended that regulatory frameworks should be reviewed, including at a local authority level. The focus of this recommendation was on industrial activity, however. The Scottish Government’s response again does not explicitly mention the role of licensing in the culture sector, particularly for small music venues.

The report of the Advisory Group on Economic Recovery also said that the cultural sector should “be given high priority in Scotland’s recovery plan”. Specifically, Scottish Government should—

- Support the sector to protect and adapt strategically important physical cultural infrastructure, with a strong link to apprenticeships in the construction and specialist industries to help develop new skills;
- Seek ways to increase public and private investment across the sector to allow it to recover and compete; and
- Work with the sector to create a National Arts Force, composed of freelance and gig economy workers across the sector, to work in schools, care homes and communities.

The Scottish Government’s response, to the AGER report, indicated that it considered the recommendations to be consistent with the aims and ambitions of the Culture Strategy for Scotland and noted the recently created National Partnership for Culture. In addition, it would establish a Culture Collective to “support the industry, by providing
opportunities and finance through commissioning freelance artists to perform in other situations whilst their traditional venues remain closed."

The Scottish Government’s response to the Advisory Group on Economic Recovery also stated that its strategy would have equalities and human rights at its heart. Some submissions noted that women and girls had been disproportionately impacted by the pandemic. The People’s Postcode Lottery’s submission argued that there should be a strong “commitment to promote and prioritise gender equality across all plans for recovery”. It also stated a recovery should “support the most marginalised and disadvantaged young people by ensuring that there is continued support for those charities delivering front line services to young people in greatest need.”

The Culture Strategy for Scotland was published in February 2020. A key difference between the Culture Strategy and the report of the Advisory Group on Economic Recovery is that the Strategy recognises the intrinsic value of culture as well as being “central to the future wellbeing and prosperity of Scotland – cultural, social, economic and environmental”.

The Scottish Government has established a National Partnership for culture. Its terms of reference includes providing advice on how to recover from the pandemic. The context of its work is explicit—

“The Culture Strategy for Scotland was published in February 2020, only a few weeks before COVID-19 restrictions began. Although the context for the Strategy has changed, its ambitions to strengthen culture and to transform and empower through culture remain central. The emerging political and social consensus is that urgent progress is needed to ensure that the sector’s renewal and recovery can, in turn, play its full part in ‘building back better’.”

The East Neuk Festival’s submission called for “a special ‘adapt and survive’ scheme to enable organisations like ours to identify, assess and realise any new opportunities to adapt their operation for the future.” Museums Galleries Scotland’s recent submission also recommended that—

“We look at how museums are currently funded and explore how that could look in the future to better support the sector to adapt to the changing environment in which they operate.”

The RSNO’s submission (June 2020) noted that social distancing will affect both the size of its audience and its orchestra. The RSNO however, identified its “significant digital growth” as an opportunity to widen its offer. It said—

“We can use this platform to continue to reach our loyal audiences, and take the RSNO into the homes of a new national and global audience, but only with vital emergency support for the performing arts and with investment in our digital infrastructure, an investment that will see a return in terms of reach, but also increased financial resilience longer-term.”

Ned Sharratt