



OFFICIAL REPORT
AITHISG OIFIGEIL

Constitution, Europe, External Affairs and Culture Committee

Thursday 5 October 2023

Session 6



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CONSTITUTION, EUROPE, EXTERNAL AFFAIRS AND CULTURE COMMITTEE
27th Meeting 2023, Session 6

CONVENER

*Clare Adamson (Motherwell and Wishaw) (SNP)

DEPUTY CONVENER

*Donald Cameron (Highlands and Islands) (Con)

COMMITTEE MEMBERS

*Neil Bibby (West Scotland) (Lab)

*Keith Brown (Clackmannanshire and Dunblane) (SNP)

*Kate Forbes (Skye, Lochaber and Badenoch) (SNP)

*Mark Ruskell (Mid Scotland and Fife) (Green)

*Alexander Stewart (Mid Scotland and Fife) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Angus Robertson (Cabinet Secretary for Constitution, External Affairs and Culture)

CLERK TO THE COMMITTEE

James Johnston

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Constitution, Europe, External Affairs and Culture Committee

Thursday 5 October 2023

[The Convener opened the meeting at 09:00]

Decision on Taking Business in Private

The Convener (Clare Adamson): Good morning, everyone, and a warm welcome to the 27th meeting in 2023 of the Constitution, Europe, External Affairs and Culture Committee.

Agenda item 1 is a decision on taking business in private. Are members content to consider in private a draft report on how devolution is changing post-European Union exit in this meeting and in future meetings, and to consider in private a draft report on pre-budget scrutiny 2024-25 in future meetings?

Members *indicated agreement.*

Pre-budget Scrutiny 2024-25

09:00

The Convener: Under our next agenda item, we will take evidence as part of our pre-budget scrutiny of culture funding from the Cabinet Secretary for Constitution, External Affairs and Culture, Angus Robertson. He is joined by Penelope Cooper, director of culture and major events at the Scottish Government. I welcome both of you and invite Mr Robertson to make a brief opening statement.

The Cabinet Secretary for Constitution, External Affairs and Culture (Angus Robertson): Thanks very much, convener, and good morning, colleagues. Thanks for the invitation to contribute to the committee's discussion as part of its 2024-25 pre-budget scrutiny and for the opportunity to make some opening comments.

I am a passionate supporter of the culture sector and the fundamental role that creativity and self-expression can play in everyone's lives. Along with the economic value of cultural exports for Scotland, the sector is crucial for our international connections, ambitions and reputation. However, we all recognise the challenges that the sector has experienced through the pandemic and the cost of living crisis. Its international engagement has been directly impacted by Brexit, which has led to financial fragility in parts of the sector. Support for cultural organisations has therefore never been more critical.

I appreciate that the sector is very concerned about what the future holds in respect of Scottish Government funding and support. The responses that I have seen to the committee's call for views on culture budgets make sombre and extremely stark reading. I recognise the strength of feeling that has been expressed by the culture sector this week about the funding for Creative Scotland. I will address that shortly.

I reassure members that I understand and appreciate the difficult situation that the sector faces. I have been discussing with my Cabinet colleagues the important role that culture can play across the piece, and I have been pushing for the best possible settlement for the sector for next year. However, none of us is under any illusions about the challenges that are faced with our public finances. To illustrate that, I note that, in the 2023-24 pay round, an estimated additional £785 million will be spent on pay compared with our original central pay assumptions. That includes the agreed pay deals for teachers, national health service agenda for change staff, doctors, junior doctors, dentists and those in the fire service, plus the

proposed offers for non-teaching local government staff and the police and the Scottish Government's two-year offer. The figure also includes pay assumptions on the deals for further education and the judiciary.

To enable enhanced pay deals, we have had to make difficult decisions in reprioritising existing allocations. However, as all committees know, there is no unallocated pot of money from which to fund higher pay deals or extra support for those in need. If the pay bill grows faster than our overall funding, it squeezes our wider capacity to maintain services. Every additional percentage point on a pay deal and every pound that we spend on measures to help with rising costs must be funded by reductions elsewhere in our budgets.

Last year, we prioritised funding for enhanced public sector pay deals to support those who need help most, and we spent over £900 million more than was originally budgeted. However, I recognise that the culture sector needs stability and the opportunity for longer-term planning and development. We are committed to developing a fair funding approach for the wider third sector, of which cultural organisations are a key contributor.

I have had to make very tough choices to balance my budget this year in the light of all those challenges, and it is with regret that I note that that includes not being able to top up Creative Scotland's lottery funding shortfall for this year. I know that the sector is frustrated by that, but it is worth highlighting that the Scottish Government has topped up lottery funding for five years, which is two years more than was originally agreed. That has meant providing an extra £33 million over the five years to Creative Scotland.

I discussed the issue with Creative Scotland's board last week, and I was grateful that the board agreed to use its accumulated funding reserves to avoid passing any impacts of the decision to its regularly funded organisations. I have assured the board that the funding will be provided next year, subject to the normal parliamentary processes, and I have discussed that with the Deputy First Minister.

We have an obligation to balance the Scottish Government budget each year and to prioritise funding in order to deliver the best value for every taxpayer in Scotland. Given the rising costs and pressures on budgets across Government—which are made more challenging as a result of United Kingdom inflation—we continue to work with partners to ensure that all public investment is used to deliver the maximum benefit for communities and organisations across Scotland.

This year, funding from the Scottish Government and partners across the country helped to deliver the 2023 UCI cycling world

championships. The event promoted the health and wellbeing benefits of cycling and drove wider economic and social benefits across Scotland. However, due to increases in costs, including through inflation, the total funding that was provided by the Scottish Government and partners to support the delivery of the championships is still being finalised. Final costs will be confirmed in due course, but they are of the order of £8 million. Prior to the completion of the event, Scottish Government funding was delivered through our major events budget. However, following the event's conclusion, any additional funding that might be required will be managed centrally by the Scottish Government.

The 2023-24 programme for government commits us to producing a plan to deliver improvements, including greater clarity and consistency in existing arrangements and a recognition of the third sector's strategic role in enabling the transformation and delivery of person-centred services to the people of Scotland. We will continue to build the case for multiyear funding, and we will explore the extent to which that can be secured in unpredictable economic circumstances.

Culture can also play a valuable preventative role in health settings. Evidence has shown that participation in cultural events and activities can promote lifelong health and wellbeing, reduce social isolation, increase resilience and confidence, and give individuals an increased sense of purpose and of belonging to their communities. As was announced in the programme for government, we will publish a refreshed culture strategy action plan later this year. The culture strategy will set out a vision that recognises the value of culture and its power to inspire, enrich and transform our lives and communities. Our action plan will set out the actions that we will take in response to the challenges that are brought about by the changed landscape.

That commitment reaffirms my aim of placing culture as a central consideration across all policy areas and making it clear how it can deliver on a range of priority outcomes, such as improving health and wellbeing, supporting a thriving economy, raising educational attainment, tackling inequality and realising a greener future. It is more important than ever to work together to explore ideas such as sharing back-office functions, maximising income through philanthropy and—this is perhaps more important—enabling organisations to become more sustainable. In a time of limited resource, collaboration rather than competition will be of significant benefit to the wider sector.

The Convener: Thank you, cabinet secretary. There is a lot of food for thought in all that.

I will open with a general question. As you know, we have just published our report “Culture in Communities: The challenges and opportunities in delivering a place-based approach”. Your latter statements, about wellbeing and the opportunities for wider society through culture, are echoed throughout the report. When it comes to mainstreaming, how have your discussions gone with your Cabinet colleagues, and how will the budget, as set out, support those ambitions this year?

Angus Robertson: The conversation is live and on-going, and it will continue ad infinitum as long as the Government is committed to mainstreaming culture and realising across Government the full potential benefits of the culture and the arts sector.

We have not fully understood the potential of some aspects of that. As I have mentioned to people around this table in previous evidence sessions—I am sorry; I should at this point give a warm welcome to the new members of the committee, for whom this is my first evidence session—it is clear to most people that there are benefits that can accrue in health and education and perhaps in justice and other policy areas. Most people think, “Well, that might benefit patients in health settings, children or young people in education or prisoners in a justice setting.” However, it is not just those people who benefit; those who work in the health service, those who teach and those who work in our justice system benefit, too.

There are, therefore, real opportunities that we need to explore, but explore in the round. After all, if there are interventions that can help with mental health, anxiety and a range of things that impact on the workforce as well as patients, pupils and so on, there is hope to believe that they will not only be of intrinsic value to all the people who might be helped but have an impact—there is some evidence to show this—on working patterns in public services. Across Government, we need to understand that this is not only something that potentially has a cost but something that brings savings. I think that we all understand what the advantages beyond the financial ones are, but there is still a financial dimension to all this, and I look forward to working with my colleagues on helping people to understand that mainstreaming culture—or, say, introducing social prescribing—not only has a cost but brings a benefit that offsets existing outgoings.

The Convener: Thank you very much, cabinet secretary. I will now move to questions from the committee and call Ms Forbes first. She has indicated that she has a number of questions, so if

any member has a supplementary, I will bring them in at that point.

Kate Forbes (Skye, Lochaber and Badenoch) (SNP): Thanks, convener, and welcome, cabinet secretary.

Last week, we had Creative Scotland in front of us expressing, as it has in the public realm, some concerns about recent funding decisions. I have a few questions about that issue, and to start with, I want to go back to your opening statement, which contained a lot of information.

Just for absolute clarity, can you explain to us whether, as a result of recent decisions, any culture organisation has seen an unexpected change in its funding allocation for this year? How much information did you have and how much discussion took place with Creative Scotland before you came to any of the recent decisions? Finally, what are you promising in your statement with regard to the budget impact this year and in subsequent years as a result of some of these particular pressures now being managed corporately and centrally rather than by the culture portfolio?

Angus Robertson: Goodness—there was a lot in that.

First, with regard to the regularly funded organisations, I can do no better than quote Creative Scotland’s Iain Munro who, in his evidence to you, said that the use of reserves by Creative Scotland

“will enable us to maintain the payment for the RFOs as planned, without the cut being applied.”

He went on to say:

“given that this £6.6 million is a one-off and that we are using our reserves to offset it, we are protecting the balance of the reserves position to enable transition support, as far as we reasonably can.”

He then said:

“It stabilises the situation.”—[*Official Report, Constitution, Europe, External Affairs and Culture Committee*, 28 September 2023; c 2, 3, 4.]

That is Creative Scotland’s perspective, and I am immensely grateful for the collaborative approach that we are taking to dealing with the funding pressures that we are all having to manage. In effect, we have been able to ensure that there is no impact on Scotland’s cultural organisations as a result of the funding decision. There will be discussions about the finances for next year and the year after that; however, the commitment has been given with regard to the £6.6 million from this year, and it will be paid during the next financial year.

To those who might have been given the impression that a cut was going to be imposed on

cultural organisations as a result of this decision, I have to say that that is factually inaccurate. Indeed, I do not think that such a view is particularly helpful, given the wider concerns that quite rightly exist about the financial pressures on the cultural sector.

09:15

On the wider point, the first thing to reflect on is that the particular challenge right now is that we are coming to the end of a financial year in which there have been unprecedented additional cost pressures, which I have outlined and which included the funding settlements for pay. That means that money must be found elsewhere, but one has already allocated a significant part of the annual spend earlier in the year, so one is looking at a far smaller part of the budget and a reduced amount of money for the end of the year. That is why we are in a particularly challenging situation with in-year budget finance.

As you would expect from someone in my position, I must look at that and work out what the options are. The best way to explain that is to say that there are three dimensions to the funding challenge within the portfolio. The first relates to major events that are part of the portfolio, including, this year, the UCI cycling world championships. The common consensus is that those were an amazing success for Scotland, but they led to extra costs. The second part of the funding challenge relates to the £6.6 million final payment made to Creative Scotland within this financial year. The remainder of the challenge comes from the uncontracted remaining spend on culture. We must find solutions to all three things because they are not going to go away and we must face them. What are we going to do about that?

On the first part of that equation, although the final figure remains to be worked out, I have acknowledged that something in the order of £8 million will be required in relation to the UCI cycling world championships. Those events brought benefits across Scotland and across Government, and the Scottish Government has agreed that the cost should be borne across Government, rather than simply within the portfolio. That is a hugely significant decision for the portfolio, which is the second smallest in the Government, meaning that that amount would be very significant for our budget.

The second challenge relates to the £6.6 million end-of-year finance payment to Creative Scotland. The fact that Creative Scotland made the decision to use reserves means that that challenge on the Scottish Government budget, which is under significant pressure, is obviated, and that the challenge is also obviated from the point of view of

the regularly funded organisations that expect imminent payments. I understand that Creative Scotland is in the process of informing and assuring those organisations that they will be paid as they expected to be.

That leaves the final amount, which is the uncontracted spend for the rest of the year. Although there will be challenges, I am confident that, as a result of decisions made in the three areas, we will be able to ensure that we can fund areas across the culture portfolio that would otherwise have been under threat and where there would not have been the opportunity to use reserves.

That is the key thing to understand about trying to find a solution to funding pressures. None of this has been easy: it has involved colleagues in the culture sector working with Government to ensure that we can get ourselves into the best possible situation in a very challenging context. Given the pressures, I think that we have achieved a very good result.

Did I answer all your questions, which were packaged together?

Kate Forbes: I have a teeny follow-up question for clarity, and then I will stop.

The Convener: I will bring Mr Ruskell in and then come back to you, Kate, and ask Mr Robertson to take both questions together.

Mark Ruskell (Mid Scotland and Fife) (Green): The nub of the concern from the creative sector relates to the demand on the multiyear fund that Creative Scotland has set up and the expectation that organisations that did not get approval for multiyear funding would be able to apply for a separate fund, which would come out of Creative Scotland's reserves, to provide more single-year funding.

How does the current set of decisions impact on that? Will Creative Scotland still be able to fund those organisations that have not been successful in achieving multiyear funding and are still very much on the brink and in need of that year-on-year funding to survive into the next financial year?

Angus Robertson: I absolutely acknowledge that that is where the concern lies. For those who are watching our proceedings who are hearing all this terminology around culture funding, the importance of multiyear funding is something that we all understand. It is a new approach that I think has cross-party support as the best approach for cultural organisations, and there is a wish to roll that out more widely to the third sector. It is a way of helping organisations to not have to apply every single year for funding and, instead, when a strong case is made for financial support, an organisation

would receive it for, in this case, three years. That will be to the benefit of cultural organisations.

As Mr Ruskell has indicated, that is a change from the current situation, and there is an expectation that many of our leading cultural organisations will be in receipt of multiyear funding. However, some organisations are concerned that they will not receive that, and Creative Scotland has been working hard to ensure that those organisations are still financially supported. That is the requirement for the use of Creative Scotland's reserves.

That is just the background to Mr Ruskell's point—

Mark Ruskell: I am aware of the background, and I think that many people who are watching this will have watched last week's evidence session and they will be in the thick of it with regard to putting in applications. I come back to the question, which is: what changes now?

Angus Robertson: Nothing changes. There is no detriment. Creative Scotland will be introducing its multiannual payment system next year, so it would not be calling on its reserves right now within this financial year to deal with the change to the multiannual funding system, and it will receive the £6.6 million, which is an offset from lost income in relation to the National Lottery, so we are stepping in to help Creative Scotland. We are doing that to a greater extent than we were expected to, and we will be doing so again next year. However, on the key point of whether that will have an impact on Creative Scotland's ability to introduce multiyear funding and to have the means at its disposal in the quantum that it was hoping for, it will make no difference. There will be zero detriment.

Neil Bibby (West Scotland) (Lab): Good morning. You will be aware that we have heard alarming evidence over recent weeks about the funding crisis that is affecting the culture sector. Even before last week's announcement, Creative Scotland was warning that up to a third of the 120 regularly funded organisations are at serious risk of insolvency in the short term and that more than half are financially weak.

Literature Alliance Scotland said:

"If Government funding was to be cut or remain at standstill it would be a disaster."

Museums Galleries Scotland talked about a

"hollowing out of museums services".

The association for culture and leisure professionals, VOCAL Scotland, said:

"the level of publicly funded cultural service provision has been depleted to the most basic level."

Prospect said:

"We are at the breaking point".

The Federation of Scottish Theatre said:

"continued lack of public investment ... may result in what could very easily be seen as a wilful demise of the culture sector as we know it."

Earlier, you mentioned that the Scottish Government is talking about a new culture strategy and vision, but the evidence that the committee is getting from multiple stakeholders makes it clear that, although there is considerable ambition from the Government, the levels of investment do not match that. We have heard you talk about the importance of the culture sector this morning, but there is a feeling that this is the very definition of setting the culture sector up to fail—having that level of ambition without making the investment. Are those stakeholders right or wrong?

Angus Robertson: I think that cultural organisations are right to describe the pressures under which they are operating. We have heard about that in previous sessions and I have given evidence to you on that before. We are well aware of organisations such as the Filmhouse, Dance Base and the King's theatre—which has had additional requirements—that have been flagging up that they are under significant financial pressure. We acknowledge that and that is why we have been working with Creative Scotland, which has been working—and continues to work—with organisations that are facing particular financial challenges.

I entirely acknowledge the evidence that has been given that there is a wish for culture to receive additional funding and, if I am able to secure additional funding for culture, that is exactly what I would like to happen. However, we also need to approach the funding and support of culture in other ways so, if it is possible for us to help in terms of commercial income to the cultural sector, we need to do provide that help and, if it is possible to secure additional support from philanthropy, we need to ensure that that is done, too. Right across the piece, we are focused on making absolutely sure that the Government provides the maximum funding that we are able to secure.

I refer Mr Bibby to our wider financial pressures. It is not as simple as saying that we would like more money and then, magically, more money appears. I think that he understands that, if we want more money for one area, it means that the cost needs to be borne elsewhere or, indeed, cuts need to be made elsewhere, so that is not a simple situation.

Having said that, I think that there is an understanding not just of the pressures that have been shared with the committee but of the

significant benefit that is accrued—not least to the Scottish economy—from the creative sector. Again, the committee has received evidence of the financial benefits that are brought from festivals—as a good example—and the screen sector, when measured against the amount of money that is invested from the public purse. There is a really strong financial case, as well as a really strong wider societal case, because of the role that culture plays in social inclusion, health and wellbeing and all of the things that are key priorities for the Scottish Government. We need to make sure that we match the ambition of all of those things with the funding that we can secure in extremely pressed financial times. If colleagues on the committee—and, indeed, in other parties—have particular suggestions about how that can be best achieved, I would be pleased to hear them.

Neil Bibby: Thank you for that answer. One area where the Government has not matched its ambition with investment is the £6.6 million—or 10 per cent—cut to Creative Scotland’s budget, which you promised not to proceed with in February, but have gone ahead with in September. The amount of money is vastly important to the sector but in the context of the overall Scottish budget, it is about 0.1 per cent. We know the benefits that the culture sector provides to the economy, health and the justice sector, as you have mentioned already. Are those just warm words? People who are watching this meeting would say, “Your acknowledgment of the benefits of the culture sector is plain, cabinet secretary, but you are cutting our budget at a time when we need that resource.” If you really think that the sector represents value for money and is of benefit to the wider society, not just the culture sector, why are you proceeding with every penny of those cuts?

Angus Robertson: The key word, which I have mentioned a number of times, is reserves. Not just in the culture sector but right across Government, there are parts of the public sector that are in a position to hold reserves, which are there for times of duress. If reserves will make a material difference to the extreme situation that we are in, frankly, they should be used, and that is exactly what is happening. It is really important to land the point, which I have made a number of times, that zero cuts are being passed on to regularly funded organisations in the culture sector, because reserves that are being used now will be replenished in Creative Scotland’s budget next year. I have also explained the rationale as to why there is a difference between the start of this year and the end of this year, given the massive additional and unforeseen pressures that have been brought to bear on public finances in Scotland.

09:30

To answer Mr Bibby’s question, the key point in all this is reserves. Creative Scotland has reserves—the Scottish Government has provided funding to it, and it has been able to build up those reserves. Given that, and my explanation about the three areas of particular pressure on the portfolio budget, if those reserves were not going to be used, that amount of money would then have counted against all of the remaining uncontracted spend in the culture budget. You can take it from me that if people’s concerns about Creative Scotland’s budgetary situation, even with the use of reserves, are significant, that approach would have caused concern in the culture sector of considerably higher order.

We have managed to get ourselves into a situation where the Scottish Government is recognising that when there are major events and the potential for additional associated costs, those should be borne across Government. That is a really good result for culture. With regard to Creative Scotland’s situation, without detriment to or impact on regularly funded organisations—they have reserves, and that position will be maintained next year—we have the best potential outcome, given the three challenges, that we could have. I am pleased that we have managed to get there.

The short answer to Mr Bibby’s question is that reserves are the difference. They are there for difficult circumstances, and those are what we find ourselves in financially at present.

Neil Bibby: As the cabinet secretary said, reserves are there for difficult times. The Campaign for Arts has said that they are there for emergencies, but not emergencies created by the Scottish Government as a result of the funding decisions that it has made. There is huge anger out there. A petition has been launched, which has been signed by 13,000 people. We have had the Equity union outside Parliament, and members of the cabinet secretary’s own party are very concerned about the cuts.

Cabinet secretary, you have mentioned that the finance secretary and the Deputy First Minister have made a commitment that funding will be restored next year. What is that worth? Given that you have reneged on your promise this year over funding, why should anyone in the culture sector believe that you are going to introduce it next year?

Angus Robertson: I have given assurance—

Neil Bibby: You gave an assurance in February.

Angus Robertson: I have given the assurance to the Creative Scotland board. It has accepted my assurance, and it has been prepared to use the

reserve. It has accepted my assurance; whether I can persuade Mr Bibby to accept it is clearly a different question.

It is absolutely my pledge that Creative Scotland will see the £6.6 million that it is now releasing from its reserves restored to it. I understand why that is important, for the reasons that I gave earlier in relation to multiyear funding. That is something that will go ahead next year.

Neil Bibby: People accepted your assurance in February, but that turned out to not be worth anything—literally. Is the commitment for next year a gold-plated commitment?

Angus Robertson: It is, yes.

Neil Bibby: Are there no get-out caveats that you want to tell us about now?

Angus Robertson: No.

Keith Brown (Clackmannanshire and Dunblane) (SNP): I will say a bit about the bigger picture. Mr Bibby read out a lengthy list of quotes, but he did not quote any of the evidence that we heard about the cause of the issue being not the Scottish Government but inflation, Brexit and huge increases in energy costs, all of which were itemised. There were also quite a number of positive comments, as well as the fact, which was quite surprising to me, that in Scotland, some parts of the sector have higher wage levels than those in London. I mention that for context.

One thing that I find a bit murky is that the tenor of today's evidence is very different from what we heard last week. Crucially, in relation to the issue of reserves, which is central to a lot of this, I asked Creative Scotland whether a single penny of the reserves had derived from the Scottish Government, and it said no. That seems to be at odds with what you said, cabinet secretary.

From what I read in the evidence, the Scottish Government has continually topped up a reducing level of funding from the national lottery. For clarity, is it your view that the Scottish Government has contributed to the reserves, which are quite legitimately being used in this situation?

Angus Robertson: The funding that has been given to Creative Scotland in relation to the reducing level of national lottery payments has undoubtedly assisted in its being able to accrue reserves, which have most recently totalled £17 million, and I acknowledge that that is clearly important to the organisation. Mr Brown is right to say that, although the commitment of the Scottish Government to step in to bridge the funding gap was foreseen to be for three years, we have maintained it for five years.

We have already explored a bit the importance of multi-annual funding and the positive impact

that it will have on the culture sector—it is what the sector and the Scottish Government want. However, that involves a huge transition programme from Creative Scotland, working on behalf of the culture sector in Scotland, and Creative Scotland needs to know that it has the resources in place when that process kicks in. As I have said a number of times from a number of angles, Creative Scotland will have the funding that it expected and requires to have in place to be able to do that work.

The global culture budgets of the Scottish Government are a separate issue but, as I have said, I will approach that subject with my colleagues in Government to ensure that we have the best possible settlement. The fact that Creative Scotland has been able to build up reserves reflects the fact that it has received funding from the Scottish Government in addition to the moneys that have been lost from the reducing amount from the national lottery.

Keith Brown: I have one final question. If we accept, as some of us do, that we have had 13 years of austerity and reducing budgets and that a largely fixed budget is apportioned to the Scottish Government depending on what happens elsewhere in the United Kingdom, we can see that those 13 years are really starting to have an effect. As I mentioned earlier, one thing that we heard from the organisations last week was that the increasing costs are sitting alongside relatively standstill budgets.

In addition to the assurance that you have given that nobody will receive a cut—it is really important to get that message out—will you continue to keep your eyes open and to focus your efforts on anything further that can be done to help individual actors in the sector to deal with the extraordinary pressures that they currently face, not least in relation to energy costs, although we have also been hearing about talent loss, with talent going to London especially?

Angus Robertson: Mr Brown is absolutely right to bring up the fact that the pressures that the Scottish Government bears in relation to its constrained income and constrained ability to do anything about it are matched by the constraints that the culture sector is feeling. There is inflation in general but, as I am sure that many will have told you, inflation is significantly higher in parts of the culture sector than in general. There is the impact of higher heating costs, and the list goes on for cultural organisations. That means that there is a double whammy: the ability of Government to do everything that it would like to do is constrained, and the culture sector—cultural organisations, venues and everything else—has a significantly constrained budget.

We have not even mentioned yet the impact that Covid has had, not only on the finances of those organisations but on societal attitudes towards going out, attending major events and so on. Those are massive shocks, which the Scottish Government fully acknowledges.

We are trying to do everything that we can to ensure that the funding is in place, given that extremity. Some of the organisations are in the public realm, although a great number are not but, where we can intervene, it is essential that we help as many organisations, venues, festivals and so on as we can to keep their heads above water and to thrive as we recover from Covid.

We also need to acknowledge that there are changes in the ways in which people are enjoying cultural offerings and differences in the ways in which events are planned, funded and undertaken, and we need to work with everybody in the culture and arts community during this period of change and uncertainty. We need to give as much assurance as we possibly can, which is why it is important that, when there is going to be no detrimental impact on our major arts funding body, because it has reserves to use, people hear that and we do not add to the wider concerns that people rightly have and that we need to deal with.

Alexander Stewart (Mid Scotland and Fife) (Con): Cabinet secretary, the creative sector has always been resilient and we have all acknowledged that. In your opening statement, you said that there was frustration with the process. I suggest that that frustration is at least enragement.

Creative Scotland has reserves, as do many organisations, and they are there for a potentially rainy day. It is very much a rainy day today. You have acknowledged that the reserves have saved the day for many organisations, and you indicate that there will be no detrimental impact on them. However, we have heard in evidence during the past few weeks that many of those organisations are still struggling to manage. They have talked about a perfect storm, and that has been discussed many times in the past.

There is real fear and anxiety that the sector is on the brink, and the deeds and actions of the Scottish Government have not helped that anxiety and other difficulties of the past few weeks. We would not have seen the demonstrations, petitions and so on if the sector believed that everything in the garden was going in the right direction. That is not the case. People in the sector believe that they are under attack and under threat and that they are fighting for their survival.

In the past few weeks, I have asked questions about the strategies, the working groups and the action plans that the Scottish Government has put

together. Those plans all seem to show that there is a desire to support and be involved, but the deeds that we have seen do not seem to marry up to that, and I think that that is where the sector's frustration comes in. The sector needs reassurance and, at the moment, it is not getting it.

At this week's demonstration, someone asked whether you made a mistake by not putting the money back, because they could not believe that we would be at this stage.

Angus Robertson: I welcome Mr Stewart to the committee. When he met the people outside the Scottish Parliament, I am not sure whether he brought up, by way of reassurance, the avowed commitments of Creative Scotland and its reserves. I do not know whether he took the opportunity to reassure people that there would be no detriment, which was in the public realm at that stage. It is important that, when we are in receipt of the facts, we all make sure that we use them to assuage concerns that are less well-founded. I think that we have been able to do that today in relation to Creative Scotland, its funding and its use of reserves.

I totally acknowledge the wider anxieties and concerns. Mr Stewart has definitely given me food for thought about how we report on the considerable efforts of our organisations, whether it be Creative Scotland, Screen Scotland or others, which have been working tirelessly with organisations that are suffering distress. I certainly would not want any impression to be created that there is a lack of intervention, concern or impact from our agencies that are assisting. I put on record my appreciation for everybody who is involved in that.

09:45

Maybe the issue is in the nature of the matter. We are often talking about commercial organisations that have been getting into difficult situations, and not everybody wants such information to be in the public space, but I give Mr Stewart the absolute assurance that there have regularly been game-changing interventions. Scottish Government-funded public organisations are assisting the cultural sector to get through these difficult times.

Mr Stewart has mentioned the culture strategy and updated documents. Where possible, we can provide case studies about, insight into and understanding of the assistance that has been provided to help venues, organisations and individual artists to continue to work in the sector. There is a challenge—it certainly applied during Covid and it remains for some—of people making decisions about whether they want to or can remain active in the culture and creative sector.

We need to do everything that we can to give people the best support to do that.

Mr Stewart definitely leaves a thought with me that I will take away. I will be happy to update the committee on how we can inform all members about the interventions that are making profound impacts. That would be beneficial. The committee has heard from Iain Munro and Isabel Davis; I have no doubt that they will be back and I am sure that they would be happy to provide you with the information that they can provide, because they are doing the heavy lifting in all this, which I am very appreciative of.

Alexander Stewart: You identify that the sector is managing and progressing and that there have been interventions, but some individuals who we have taken evidence from expressed fear and anxiety that things could not remain the same. The culture sector needs to adapt and has adapted. I talked about the resilience that we already have, but there could well be casualties, and people have indicated that casualties are occurring in some communities.

The issue is how to achieve a balance that ensures that we have this phenomenal world-leading sector that punches above its weight and all of that, which we have heard about time and again. Organisations can find financing from other sectors, support mechanisms and sponsorship, but the stability that the Government provides is vital. You must acknowledge that confidence in the Government has been dented by recent events.

Angus Robertson: I completely agree with Mr Stewart, in as much as he says that things cannot remain the same. Things around us are changing and we need to react to those changes and ensure that our cultural organisations and our cultural funding organisations are best placed to deal with those changing circumstances.

I am sure that Mr Stewart would not want to create the impression that changes are not taking place in cultural organisations or their funding. We have discussed multi-annual funding this morning, which is a demand from the sector, is supported by the Scottish Government and is being introduced by Creative Scotland. That will lead to a set of wider questions about how bodies that are not part of the multi-annual funding system can have the stability that they want.

What I am trying to say is that change is the only constant in all this and we have to find the best way through that. I am gently trying to make the point that, given the anxiety that exists out there, it is really important that, where there is certainty of funding and finance is assured, we do everything that we can to help people to understand that that is the case.

I have provided evidence to the committee this morning about particular funding challenges with major events. We have been able to secure progress on that issue, but we will have to return to it and find the right funding mechanism across Government for it. Scotland has an excellent reputation in that regard. Mr Stewart was right to talk about Scotland being world leading, and one area in which we are world leading is major events, as we saw with the cycling world championships. We have other events coming up, including major footballing events, so we must ensure that the funding mechanism across Government is in place.

Creative Scotland is assured of its funding situation through the use of reserves, and the regularly funded organisations are being informed that they will get the support that they expected to get. There is no detriment there.

On wider non-contracted spend, we are now in the significantly better place of being able to provide the stability that Mr Stewart has quite rightly underlined as being so important to the sector.

Alexander Stewart: On the issue of stability, a number of organisations have discussed on a number of occasions the ring fencing of funds for culture as being a way to protect or enhance their situation. What are your views on that?

Angus Robertson: In general, as we know, one person's wish for ring fencing is seen by another person as an instruction to those who should be able to make those decisions. We hear that at the Local Government, Housing and Planning Committee a lot, do we not? The pendulum of public opinion swings on that. To an extent, there is already budgetary ring fencing. If we look at the budget lines in my portfolio, we see that there are different ways in which festivals, for example, are supported.

I have always been open minded to good ideas, whether from the culture sector or from the committee, whose reports are excellent—I say that not just because I am appearing before you. I say to colleagues, and especially to colleagues from other political parties, that, if there are genuine suggestions about how things could be better organised, I appeal for people's input on such matters. I have to sit here in the hot seat and answer to what we are doing in Government, and I appreciate that Opposition colleagues need to do what they do. However, there is no monopoly on common sense.

I am very interested in what we can learn from other jurisdictions and other countries about different funding approaches for the creative and arts sector. In the past, we have brought up ideas

such as a percentage for arts, which is a potential new funding stream.

We must acknowledge the tremendous benefit that we derive from philanthropy. Last week, I was at the opening event for the new galleries at the National Galleries of Scotland. That project was significantly supported by Scottish Government funding. The galleries are world class; I encourage all colleagues to go if they have not yet been there. A lot of the key supporters of the project were at the event, and I was struck that—although one would not know this, because they do not advertise it—they are incredibly generous to, in that case, the National Galleries of Scotland, but we could say the same thing about their generosity towards the V&A Dundee, Celtic Connections and any number of things. Much more needs to be done in the philanthropy space not just to work with people who are so generous but to say thank you to them, because we need to work in partnership to ensure that we provide the maximum resource.

We also need to be aware of the significant financial support that comes to cultural organisations and venues from outwith Scotland. I am thinking of people from the Scottish diaspora, among others, who contribute really generously.

There is more that we can do in that space. If Mr Stewart has any new ideas in that respect, I would be delighted to work with him on them.

Alexander Stewart: Thank you.

Donald Cameron (Highlands and Islands) (Con): Good morning, cabinet secretary. I do not need to tell you how fragile the culture sector is in Scotland, and for lots of reasons. Last year, the committee's report described what was then a "perfect storm"—I think that those were the words that we used. The evidence that the committee has heard since then—and particularly in the past month—has been stark and almost universal in its description of the anxiety that those in the sector feel.

One person who gave evidence to us was Liam Sinclair of the Federation of Scottish Theatre. I will read what he told us at length—and I apologise for doing so. He said:

"A material issue since the last time the committee took evidence ahead of the budget relates to the journey through the Parliament that the Scottish Government took the culture budget on last year. It would be difficult to overstate the erosion of faith and trust among our members that resulted from that journey. The culture budget was cut—albeit that funding was reinstated—which left people feeling less clear than they should have been about the vision under which we are all operating for the delivery of cultural services in Scotland."—[*Official Report, Constitution, Europe, External Affairs and Culture Committee*, 21 September 2023; c 6-7.]

That evidence was given before the events of last week. Can you understand that people rightly view this as a promise made and then broken? Also, can you understand the irreparable damage that the decision has done to trust in the Scottish Government, before we even get to the financial impact?

Angus Robertson: My key reflection on Mr Cameron's observations is that, to use his own words, the evidence was given before last week. It was given before the assurances by Iain Munro of Creative Scotland on the use of reserves; it was given before the assurances that have been given to the regularly funded organisations; and it was given before this evidence session, in which I have repeatedly given clarity on the zero detriment point in relation to Creative Scotland's funding.

I view that issue separately from the particular concerns being expressed about the significant challenges that are faced by venues, of which theatres form a big part, and I know that Creative Scotland is working with venues and theatres to ensure that we are able to do everything that we can so that they can continue to operate into the future. There are some aspects of that that do not fall within the powers of the Scottish Parliament. I worked very hard with the theatre sector on the issue of tax reliefs for venues, which is a UK Treasury matter, and we were successful in increasing the timescale for the operation of tax exemptions for venues, including theatres, which I know is materially important to venues' ability to continue trading. We must be alive to that pressure and to others, too, and I look forward to continuing to work with the theatre sector in that respect.

The key point in Mr Cameron's question, though, was that the evidence that he cited was given before all that. It is important that we reflect on the assurances that Creative Scotland and I have given, and the self-evident fact that there is no detriment to Creative Scotland's ability to fund the regularly funded organisations, which will be receiving the funding that they were expecting in the next weeks.

Donald Cameron: Thank you for that answer but, with the greatest of respect, I do not think that people will be reassured following this session and, indeed, the session last week. People will not believe that there is "no detriment", as that is certainly not the picture out there.

I will ask about reserves. We are not talking about 10 per cent of Creative Scotland's reserves being used; we are talking about almost 40 per cent of its reserves being used. That is a huge proportion of its reserves. What I do not understand is that, in February, when John Swinney made a commitment to reinstate the £6.6 million to Creative Scotland, he said that that was

precisely so that it did not have to replace grant funding. He said:

"I will provide Creative Scotland with an uplift of £6.6 million for 2023-24 to ensure that its reserve funding can supplement, rather than replace, grant funding."—[*Official Report*, 21 February 2023; c 14.]

However, a mere seven months later, that position has been abandoned. Perhaps the cabinet secretary can explain why.

Angus Robertson: I am sure that the convener would not want me to repeat the evidence that I gave in my opening statement about the changed financial circumstances and the additional pressures on the budget, although I would be delighted to do that if Mr Cameron wants me to. Mr Cameron was here and he heard that. If he needs to hear it again, I would be happy to share that with the committee.

Mr Cameron asserted that organisations will not be assured. Is he saying that the regularly funded organisations will not be assured when they receive their funding? That would surprise me. Creative Scotland is informing its regularly funded organisations that they will be receiving their funding in the next few weeks as planned. I imagine that the organisations are significantly assured, even if Mr Cameron is not.

In relation to the difference between the start and the end of the year, that should be obvious to any fair-minded person. I appeal to people's fair mindedness in understanding the extreme financial pressures and to appreciate that, given that we are at the end of the year, we are getting closer to the introduction of the multiyear funding of the regularly funded organisations.

It is for Creative Scotland to explain its funding mechanisms, and I have no doubt that you will ask the organisation back to the committee to give evidence. One way or another, the organisation will have been beginning to need to draw down its reserves in order to spend on its multiyear funding of organisations. The commitment has been given that they will be provided with that funding in the normal way next year, so there is no detriment in relation to the reserves and funding that are available for Creative Scotland when it manages the transition for regularly funded organisations.

Donald Cameron: I will ask about Scotland's international reputation. You have already given evidence that Scotland is world leading. However, last week, the committee heard about the damage that the Scottish Government's funding decisions are doing to our international reputation. We have heard about organisations that are unable to go on tour because of a lack of funding and about Scotland being outstripped by touring groups from other countries. Francesca Hegyi of the Edinburgh International Festival told the committee that a

number of European festivals were so concerned by the distress that had been caused by the financial position that they offered to put together what I think she described as an aid package for the Edinburgh International Festival this year. Do you accept that our reputation has been damaged?

Angus Robertson: I accept that Scotland has an extremely high international reputation when it comes to culture. I would not want to contribute in any way to undermining that. The festivals this year have been extremely successful—it would not be right to create an impression that they have not been the success that they have. Only last week, I was sitting in a room with sizeable international participation, where all attendees were praising Scotland's cultural sector—in that context, it was fine art and the National Galleries.

If we make a comparison with international funding, it is absolutely true that there is more that we could do in Scotland. That is why we are developing an international culture strategy to ensure that we are working together. That includes our regularly funded organisations, major festivals and cultural organisations with international outreach. Some of those are supported and funded by the Scottish Government; some are not. Some are funded to a greater extent; some are funded to a lesser extent.

We must ensure that we are doing everything that we can for Scotland's international reach. I know that there is significant ambition in relation to touring; I accept that. I look forward to the continuation of the extremely successful touring by different orchestras and theatre companies. It is really important that we acknowledge the pressures that organisations, including festivals, are under—and I will meet the Edinburgh International Festival to discuss that soon—but we must not inadvertently find ourselves in a situation in which we undermine our international reputation. There is a balance to be struck.

Kate Forbes: I have some more general questions. At the beginning, you helpfully outlined the fact that, when one line in the Scottish Government budget goes up, another must fall. That is a basic fact of maths. All members hear lots of calls for increased funding for things such as the NHS and local government, all of which are legitimate. When was the last time that someone came to you and said, "Here is an idea for increasing the budget line for culture. Take it from here."?

Angus Robertson: I can say with 100 per cent certainty that I have not received any communication from any other parliamentarian or party to suggest that. I have heard calls for this or that to happen, or for more of this or that, but there have been zero suggestions that funding could be

found elsewhere to deal with funding pressures in culture.

Kate Forbes: That leads to a follow-up question. Clearly, the bulk of the budget is set by block grant and is fixed, and we are all very aware of the economic challenges, including inflation, energy costs and the fact that our economy is not growing with the speed that we would like to see. I was really struck by Creative Scotland's written evidence that culture is a huge economic driver. From memory, the gross value added cultural contribution has increased by 62 per cent since 2010, while the Creative Scotland workforce has increased by 9 per cent. That fact tells its own story about culture as an economic driver.

What can be done in the coming years to continue supporting the culture sector in making that massive contribution? How do we ensure that that contribution is recognised as widely as possible?

Angus Robertson: There is a lot in that. The first thing is to acknowledge the scale of the hugely significant economic benefit of the culture sector. We must do all that we can to ensure that that success continues, which is about Government providing the funding that it is able to. However, it is also about creating the circumstances in which the culture sector can thrive and be sustainable on its own terms. We must ensure that there are parallel funding streams.

One of the areas that I am most optimistic about, because of its new significance to the wider economy, is the screen sector. Film festivals have been successful since their inception: we know that the Edinburgh international film festival goes back to the late 1940s. What is new is that we have moved beyond having a comparatively small-scale screen sector making occasional films, along with work at the BBC, STV and, increasingly, Channel 4 and others, to having a burgeoning wider screen sector.

We have gone from not having a single large-scale studio, despite appeals for famous Scottish actors to open them in the 1980s and 1990s, to us now having studios across the country, with more to come. As has been borne out by Screen Scotland's report, we have got to a situation in which the value of screen—this figure is from memory, but I think that it is right—is nearly £650 million GVA, with a trajectory for it to be worth more than £1 billion by 2030. That has a massive positive impact on our economy, and we want to do everything that we can to support that. We want to make sure that that brings benefit everywhere in Scotland, and we need to embrace the opportunity that it will give for a new generation of people to find employment in those sectors.

Previously, in those sectors, we exported our talent and did not have the financial benefit of it being here. We need to acknowledge the value of—and do everything that we can to support—the established and successful parts of the cultural economy and the newer bits of the wider sector. That is a really good example of where, compared to the level of value, the intervention through Scottish Government funding—via Screen Scotland, with the likes of its production growth fund—is minuscule in comparison with the wider value that is accrued to the Scottish economy.

The challenge is to make sure that we provide funds in a way that helps sustainability, growth and new starts and, at the same time, is what is required for more established events, including festivals, at a time of change. That is exactly the kind of thing that I am interested in discussing with colleagues in the festivals sector, to make sure that things are as successful as they can be.

Kate Forbes: I will comment rather than ask a question—feel free to comment in return. The sector is also a bulwark against depopulation, because situating organisations such as MG Alba outside the central belt—and not even on the mainland—at a time of growth attracts huge numbers of people to the islands who might not have otherwise lived in the islands. It is not just about that stark national growth but about the disproportionate impact on our islands.

Angus Robertson: I have two things to say about that; the first is a wider cultural but also linguistic point. I am well aware of the fragile nature of Gaelic-speaking Scotland, Gaelic-speaking communities and the importance of one's community being reflected in one's language, whether that is in terms of television, radio or the wider arts. We have support that helps provide television and radio in the Gaelic language and has an impact on different communities—there are the BBC studios in Inverness, Stornoway and elsewhere.

Secondly, I draw people's attention to other organisations that are really important in that respect. We should also acknowledge that some of that is difficult to capture in metrics, although it should not necessarily be so. Last night, I was at an event to celebrate two years of success for the Culture Collective, which is supported through Creative Scotland, which is funded through the Scottish Government. I do not know whether you have ever taken evidence from it, but it provides hugely important funding for freelance creatives to practise their art in communities across Scotland. When one walked into the reception last night at the Scottish Storytelling Centre, there was a map of Scotland with a little dot showing where each of those people was from, and they were from right across Scotland. There was testimonial evidence

of what they have been able to do and the impact that they have been able to have. We have already talked a little about health and wellbeing and other things that are really important for better governance and living in a better society.

To my mind, what those people do is critical, not only in enabling their arts to be practised in their communities, but to our mission of making the interventions that we want to make. There was one person who said that he was the only person he knew who worked in culture in the community that he lived in. That reflects the fact that, in some parts of the country, some people find themselves in that less-than-optimal situation. The good news is that we now have two years of experience of funding people so that they can operate as creative freelancers across Scotland. A lot of good stuff is happening, and more can be done. That gives me an opportunity to congratulate the Culture Collective on the wonderful work that it has done.

10:15

There is much around the challenge of depopulation that we need to think about. We must ensure that our cultural institutions throughout Scotland continue to be supported, and if there are ways in which we should be doing more of that, particularly within our different linguistic communities, I am keen to support that.

The Convener: I echo your comments about the Culture Collective, which was a key contributor to our report on culture in communities. I fully support your comments in that regard.

Mark Ruskell: The budget for your portfolio is minuscule compared with that for many other portfolios. It is several orders of magnitude smaller than that for health. That poses challenges, particularly when your portfolio includes responsibility for major events on an international stage involving big, multimillion pound budgets, as well as responsibility for culture, the budget for which is primarily about funding the incredible organisations that exist in our communities and all the benefits that they deliver.

It feels as though there is a tension there with regard to funding. What you have announced today suggests that there has been quite a major shift in thinking within the Government about how major national events should be funded. Could you explore that a little more? It feels as though that shift is partly to do with lessons that have been learned from hosting the UCI world cycling championships, which I agree were a fantastic success. Are there other factors to bear in mind in that context?

Angus Robertson: Mr Ruskell mentions a number of key facts, one of which is the size of the

portfolio's budget relative to that for the rest of Government. Another is the fact that there are certain responsibilities within the portfolio that have wider Government benefit. He is right to say that the responsibility for major events is one of those; responsibility for the census is another. Although the census falls every 10 years, there is a significant risk of financial displacement within a small portfolio if one has such a major responsibility without necessarily having specific funding. In the past, interventions have been made to provide specific support for the likes of the census.

What the Scottish Government is doing is a really good example of its recognising the cross-Government benefits that major events can bring. There will be wider discussions about how that should be approached in future. One of the side-effects of Scotland becoming as successful as it has been in recent years with major events is that we need to think about how we do all of that. I do not think that anyone wants there to be a displacement effect within the wider portfolio, which includes, as well as culture, external affairs. To go back to Mr Cameron's point, the culture portfolio includes our ability to project, among other things, our cultural offering to the rest of the world, so it is really important that we maintain all those different areas of the portfolio's work so that we can do what we are trying to do to promote Scotland domestically and internationally.

No doubt, there will be conversations about how we make sure that we have a cross-Government approach to major events, but there is an acknowledgement that one of the benefits of major events working hand in hand with the culture directorate in the Scottish Government is that a lot of people in the civil service who work in culture are extremely talented in the organisation of events, whether those are cultural events or wider events that are hosted in Scotland.

There are reasons why major events work closely together with culture. The question is whether the funding model is fit for the place that we now find ourselves in, having had that good experience of major events. Since the Commonwealth games in 2014, we have seen really large, world-class events and we have the aspiration to do more. Therefore, we must make sure that we have the right mechanisms—funding is a part of that—to be able to do that.

Mark Ruskell: What do you see as the role of the UK Government in funding those major events? We have discussed previously that despite the UCI world cycling championships being a major success, there was really no funding from the UK Government for what was ostensibly a Great Britain event. Do you see a way of working with the UK Government that could bring

in more partnership funding from that side for other events that are still to be bid for?

Angus Robertson: I am always open to working with authorities furth of Scotland. In the case of the world championships, British Cycling was a wider UK organisation with which we worked very closely and very well to deliver an event that involved a GB team performing at an event in Scotland that was funded through the Scottish Government. We have to work our way through. Sometimes, Scotland competes internationally as an independent country; in other cases, it competes in a wider GB or UK context. There will always be a discussion with UK authorities and UK Government partners about how we can do all of that.

However, as we debated in the chamber the other day, if funding is to be provided in areas for which devolved oversight is in this place, there is an as yet unresolved issue about the ability of parliamentarians to scrutinise how all that works. The committee will have me in—I cannot remember how many times I have given evidence and I will happily continue to do that—but it is now par for the course that UK Government ministers refuse to give evidence to this Parliament, even though they are becoming ever more involved in devolved areas, and not always in benign ways. Where we can work together, however, we will, such as through the home nations' approach to the forthcoming footballing events. We will be working with other Governments in the UK, the Government of the Republic of Ireland and the footballing authorities. As we have shown with other events, we are more than capable of doing that and we want to do that in the future.

The Convener: I am conscious of time because we have another agenda item to get through this morning. We will have a final question from Mr Bibby.

Neil Bibby: A number of times, you have cited inflation as being the reason behind the decision to cut the £6.6 million. There are huge cost of living and inflationary pressures that affect the Government and many people in the culture sector, too. When the promise was made to provide that essential funding of £6.6 million, inflation was running at 10.4 per cent. Over the past few months, it has fallen to 6.7 per cent. I want to be clear that that remains far too high. If inflationary pressures were the reason for reneging on the promise, why was it made in the first place, when inflation was at 10.4 per cent? When did it become clear that you would not be able to keep the promise? Was it a promise that, deep down, you knew that you could not keep?

Angus Robertson: Those are, frankly, unnecessarily pointed questions from Mr Bibby. He has been here since the beginning of the

session, so he heard me draw attention to not only the inflation rate but—this is mission critical in the context of having a serious approach to funding culture—the appreciation of the additional pressure on the Scottish budget due to pay settlements worth an additional £785 million. That significant amount of money brings additional pressure to bear on the Scottish Government budget.

In reference to Kate Forbes's question, it is the additionality of the costs of the likes of pay claims—I am not talking about inflation, which means that you can buy less—that squeezes the Government's budget and that has the impact of displacing our ability to do everything that we would want to do. That is a really very basic public administration and finance point.

Unless somebody wants to be serious about explaining how one deals with that pressure by finding money from elsewhere, one must broach the pressures that one is having to face and deal with them. It seems to me to be eminently sensible that if one has the ability to use reserves such that one does not actually cut—that is, end—funding for organisations, that is the best course of action. If Mr Bibby would prefer to cut culture budget lines in areas where there are no reserves, he has to explain how to do that. I have not heard that from anybody thus far.

We find ourselves in circumstances that, again, any fair-minded person would acknowledge are significant and extreme. Given those pressures, where there are reserves that can deal with a situation in extremis and can then be recompensed to ensure that on-going financial and planning purposes are fulfilled, it seems that that is the prudent, sensible and sustainable decision, which we are making. If not, one is talking about ending financial support for cultural organisations, which I am not prepared to do.

Neil Bibby: I am aware of the pressures. The point is that you were aware of the pressures in February when you made the promise.

Angus Robertson: I was not aware of £780—I am sorry, let me get the number right. I do not know whether Mr Bibby was aware of £785 million in additional pressures, because I was not. That has happened since the time that he refers to. Again, I make my point about fair mindedness and the acknowledgment that that is an additional and new pressure. Nobody had a crystal ball about the extent to which funding settlements would be pursued. I also draw colleagues' attention to the fact that they have not all been resolved, so there is the potential for additional pressures above and beyond budgeted measures.

One has to make decisions on the basis of the facts as we find them now, towards the end of the

year. Now that we are at the end of the financial year, I and my colleagues are doing everything that we can to ensure that there is not a cut to Creative Scotland's ability to fund the regularly funded organisations. As we have heard repeatedly at this committee—as, in fact, this committee heard last week from Iain Munro himself—there will not be detriment to the regularly funded organisations through Creative Scotland's budgetary processes. Beyond that, the uncontracted spend right across the culture sector that otherwise would have had to face massive cuts is now not doing so.

The Convener: Mr Brown has indicated that he wants to come in with a very small supplementary question—if it can be taken in two minutes, Mr Brown.

Keith Brown: It will require only a yes or no answer, if the cabinet secretary can do that.

Of the members of the committee, I think that I and the convener have been here longest. In the 16 years that I have been here, I have never heard a proposal from an Opposition party to increase the culture budget.

As we are duty bound to look at other ways in which we could increase the budget, I asked the witnesses last week whether they could provide any evidence of that from comparative devolved areas. However, the examples that they provided—from Canada, Korea, Quebec and Catalonia—are not really comparable. If the Government has any information from other devolved areas, as akin to Scotland as possible, and how they do this, it would therefore be useful if it could provide that to the committee.

Angus Robertson: We will look, but I do not think that we will find it. The big difference between all the places that Mr Brown outlined and Scotland is their financial ability to raise income in a way that the Scottish Government does not have. I have heard claims in the past couple of days about how Scotland has the most powerful devolved Parliament in the world, which is frankly not true. A number of the places that Mr Brown mentioned have significant powers beyond Scotland's in order to secure the financial means to deal with situations in a time of extremis. Scotland is extremely constrained in our budgetary powers and ability to find additional moneys in times of financial distress.

That is why, in this context, it is mission critical to understand that where we have reserves in the public purse, so to speak, if and when we reach a rainy day when we really need the funds to get ourselves through difficult times, we are able to use them. That is exactly what we have done, and we have done it in a way that will not provide

detriment to, in this case, Creative Scotland. That is a good thing.

There is a wider issue going forward, and no doubt the committee will have me back for further evidence sessions about the budget in future years. I will be delighted to hear from MSPs of both governing and Opposition parties if there are serious proposals to increase, in this case, the culture budget, including from where the money will come. I have not heard that once in my time as culture secretary.

The Convener: On that note, we have to draw the session to a close.

I thank the cabinet secretary and Penelope Cooper for their attendance.

10:31

Meeting continued in private until 10:52.

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