



Official Report
Aithisg Oifigeil

DRAFT

Europe, External Affairs and Culture Committee

**Comataidh na Roinn Eòrpa,
Cùisean Taobh A-muigh
agus Cultar**

Tuesday 27 October 2026

Session 7



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Tuesday 27 October 2026

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EUROPE, EXTERNAL AFFAIRS AND CULTURE COMMITTEE

8th Meeting 2026, Session 7

CONVENER

*Patrick Harvie (Glasgow) (Green)

DEPUTY CONVENER

Senga Beresford (South Scotland) (Reform)

COMMITTEE MEMBERS

Colin Beattie (Midlothian North) (SNP)

Keith Brown (Clackmannanshire and Dunblane) (SNP)

*David Green (Caithness, Sutherland and Ross) (LD)

*Pauline Stafford (Bathgate) (SNP)

*Jenny Young (Central Scot and Lothians West) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Heather Anderson (Dundee City West) (SNP) (Committee Substitute)

Alastair Evans (Creative Scotland)

Jamie MacDougall (Scottish Government)

Màiri McAllan (Cabinet Secretary for Education, Culture and Gaelic)

Martin McGoldrick (Creative Scotland)

Iain Munro (Creative Scotland)

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament

Europe, External Affairs and Culture Committee

Tuesday 27 October 2026

[The Convener opened the meeting at 09:15]

Decision on Taking Business in Private

The Convener (Patrick Harvie): Good morning, everybody, and welcome to the eighth meeting in 2026 of the Europe, External Affairs and Culture Committee. We have to record apologies from Senga Beresford, Keith Brown and Colin Beattie. I welcome back to the committee Heather Anderson, who is joining us as a substitute for Colin Beattie.

Our first item of business is a proposal to take in private various items at this week's meeting and next week's meeting. Does the committee agree to take in private items 3 to 5 on today's agenda?

Members indicated agreement.

The Convener: Next week, we will consider a draft letter on pre-budget scrutiny, an approach paper for an inquiry into Screen Scotland, a draft response to the Senedd's Constitution, Justice and External Affairs Committee's inquiry into its interinstitutional relations agreement, and our approach to devolution oversight and an initial draft oversight report. Do we agree to take all those items in private?

Members indicated agreement.

The Convener: Therefore, it is likely that next week's meeting will be held entirely in private.

Pre-budget Scrutiny 2027-28

09:16

The Convener: Our main business is evidence from two panels of witnesses as we complete our pre-budget scrutiny. I welcome the first panel of witnesses, from Creative Scotland. Sadly, we are not joined by Iain Munro, its chief executive, but we are joined by Alastair Evans, its director of strategy, and Martin McGoldrick, its chief operating officer. Thank you very much for joining us.

I will start with a very general opening question. You will be aware of the evidence that we have taken—I am sure that you will have read or listened to the various responses that have been given to members' questions. What is your response to the evidence that you have heard and the arguments and questions relating to your work that the committee has considered in its pre-budget scrutiny?

Alastair Evans (Creative Scotland): Good morning. I thank the committee for the invite. Iain Munro sends his apologies—due to illness, he is unable to be here.

We are working with an uplifted budget in this financial year, for which I am very grateful, as is the culture sector. The bulk of the uplift is the additional £20 million in our multiyear fund, which is now fully funded.

I am sure that we will talk about funding levels, but, in relation to the evidence that other people have given to the committee, we recognise that £70 million of the £100 million that the Government has pledged has been allocated and that an additional £50 million throughout this parliamentary session has been pledged. We are grateful for additional funds for the culture sector, and we recognise that that money is being provided at a time of fiscal challenge. We think that there will be considerable demand for the funding, as the committee will know from the evidence that it has heard from colleagues across the sector.

I will pick out some of the things that we are working on as part of our refreshed strategy, about which we have spoken to your predecessor committee. We are making the case for capital investment in the sector. As the committee heard repeatedly, we need to consider funding for individuals. As you will be aware, we do a lot of focused work in communities, and that remains a priority. In relation to the development of creative industries, we have the strong example of Screen Scotland. We have strong investment propositions from other parts of the creative industries—most notably, from the games and design sectors—and we will work with the Government on that.

International engagement also remains a priority for us, and we will focus on that in the new strategy. Therefore, there are various calls on that funding, and I am happy to discuss any of those elements in detail.

It is worth saying also that we will be working on all those priorities in tandem with quite significant change at Creative Scotland. That includes a change in our leadership, not only with Iain Munro stepping down, but with our chair, Robert Wilson, coming to the end of his tenure. From the new year, therefore, we will be working with new leadership in a context in which we have significant manifesto commitments, and now programme for government commitments, to work through. We were happy to share more detail on our organisational development plan with the committee last week. All that is happening in the context of public sector reform and renewal, so there is a lot for us to work with at this point.

The Convener: Thank you. Members have a range of questions to raise about the substantive matters, but I will start with something a little more prosaic, in relation to the organisation's own running costs. The element of that coming from grant in aid seems to be higher than was shown in the budget for the current financial year. What is the reason for that, and is that picture likely to change or remain the same?

Alastair Evans: We have operating costs set as a budget line in the Scottish Government's culture budget. We also deliver a range of programmes directly through ring-fenced funds that come from the Scottish Government, for which there is a recharge. The differential that the Scottish Parliament information centre briefing has picked up on—I think that it is between £4.6 million and £7.9 million—is due to those recharges. Those come back to us for major programmes such as Culture Collective and the expanded festivals fund, which are new initiatives that we need to resource within the organisation.

The Convener: So the figure does not reflect a change in the expected operating costs outside those projects.

Alastair Evans: No.

The Convener: Okay, that is helpful—thank you.

We move to questions from Jenny Young, if she would like to start.

Jenny Young (Central Scot and Lothians West) (Lab): That is grand, thank you. I thank the witnesses for their opening statements.

In a previous evidence session, the Convention of Scottish Local Authorities reported a huge variation among local authority areas across the

country in accessing funding, which it thought was down to the variable relationships. Local authorities where there are strong relationships with Creative Scotland and other national bodies and organisations were very successful in securing funding, whereas other areas and communities in which, for a variety of reasons, those relationships were not strong or as well developed were missing out.

What is your reaction to that? Is it something that you have heard?

Alastair Evans: Yes, we have spoken about it, probably at committee—certainly every time that I have been here. We do not fund by algorithm across the country. As you know, we fund into all 32 local authorities, which present a very different picture across the country in terms of size, population and dispersal; the number of arts organisations and public venues and other offers locally, such as the commercial offer; and the level of development or maturity of organisations and artists in an area. We work very hard through funders fairs and other direct relationships to incentivise people to come into our funding, but we have variable success rates across all our funds, as we previously discussed. That includes multiyear funding; we have multiyear-funded organisations in 28 of the 32 local authorities.

We recognise that point, and we have a place, partnerships and communities team that works in partnership with many organisations, including COSLA, on the central local government group to understand local conditions and try to ensure that the coverage is as strong as it can be for communities across Scotland.

Jenny Young: For how long has the place partnerships group been in operation?

Alastair Evans: The central local government group is a fairly new initiative that came through with the culture strategy, but there were predecessor groups whereby local government worked with funders such as us to understand local territory. The place partnerships work is a longer-running programme—it has been in place for a decade and is currently being evaluated. We have worked with 17 local authorities in an intensive but longer-term way, in which we seed investment over a longer period, working with the local authority but often with many other local bodies.

The most recent significant initiative is the Culture Collective, which I have spoken about in previous evidence sessions. For this year, we announced a further round of 26 projects of socially engaged practice working in local communities around Scotland. Different approaches are taken for different places; it is quite differentiated. There is no set way of working

with a local area—that has to be defined by artists, arts organisations and communities in those areas.

Jenny Young: How are you measuring the progress of that work? You are quite right to say that this matter was raised with our predecessor committee many times, so it is a long-standing issue. You are also right to say that there may be issues in local areas with regard to the actual number of organisations that exist. Nonetheless, people everywhere deserve access to culture, and you are the national body and funded by the Government to deliver that.

It strikes me that you are in a prime position to take a strategic approach. Can you talk about how you are measuring the progress of that work to spread the funding and the opportunities across the country?

Alastair Evans: We do that in a number of ways, including through place partnerships and the Culture Collective, which are major programmes that we would seek to evaluate and are evaluating.

The committee heard from Matt Baker in a previous session; he has been doing strong work with the Scottish Government to look at models. We have his “Local Culture Scotland: Culture is infrastructure for place-based working” report, and it will be important for us and Government to look at that, alongside the evaluations of the place partnerships and Culture Collective initiatives, to see if there is a point where we can make a step change in our policy.

That is the bigger picture with regard to evaluation. We are seeing more, and more varied, applications coming through. That does not necessarily translate to success rates, but, through our programme of working at funders fairs and through direct conversation, we are incentivising applications into our funding. That does not always translate to the number of applications that we would hope to see from every area of Scotland. For the multiyear funding, for example, there were local authority areas from which we did not receive any funding applications. That would be another measure of success for us: if we could see, for some of our major programmes, full coverage and organisations coming in from around Scotland.

We also chart the financial basis of funding in local authority areas and of organisations that we work with. We seek to understand what the local authority position is in terms of funding, for example; we know that that has been decreasing in real terms. We work with local authorities and local venues to seek to shore up confidence in funding into local culture and matching the central

government funding that comes through our work and the work of others.

Jenny Young: Thank you. I am conscious that other members have questions on the “Local Culture Scotland” report, so I will leave that area to them.

The other area that I want to ask about relates more broadly to the flavour of the month, which is public service reform. I am particularly interested in head count and staffing in Creative Scotland. There were details in the papers about the shortfall in the money that you required from the Scottish Government and the money that you got to cover your staffing costs. Can you speak to the impact of that in the current budget year?

Alastair Evans: Yes, I can, and Martin McGoldrick might want to come in with more detail. We currently work to a head count of 141; that has been the figure, or thereabouts, for a good period—

Jenny Young: Are those full-time equivalent roles?

Alastair Evans: Yes—there are 141 FTE roles. Through that period, we have taken on quite a few new multiyear projects and we have more than doubled the number of organisations coming into that fund, so we are working directly with a greater number of organisations and with a greater number of funding applications. That may be where the pressure is being picked up, if there has been commentary on that. Martin McGoldrick can pick that up.

09:30

Martin McGoldrick (Creative Scotland): All that I would add is that that figure of 141 FTE staff has not grown, but a significant amount of work has been taken on. We are doing internal work on our target operating model to determine the best fit for the organisation in the short and the longer term. Much of that ties back to the revised strategic work that we want to do. The strategy has been paused while we await the new leadership, but we are working on the target operating model, and we will work with the Scottish Government on what that should look like.

Jenny Young: Do your staff work remotely, are they mostly based in Edinburgh, or are they spread out across the country? What is the rough spread in terms of numbers?

Martin McGoldrick: We have two office locations—one in Edinburgh and one in Glasgow—but we operate a hybrid model, so some people work remotely. There are touch points for people as they come in and out of offices. Staff will also work in local communities,

including as part of the place partnership work that Alastair Evans mentioned.

Jenny Young: Do you have a footprint? Do you have offices in local communities in more remote and rural areas?

Martin McGoldrick: No, we do not have offices in those areas, but we hope to tie in with any future work on hubs in local communities. We do not have such office spaces for operating cost reasons.

Jenny Young: That is helpful.

Alastair Evans: In some of the teams, we have quite a wide dispersal of staff. We have staff members on Skye, we have someone in Stornoway, and we have people in Fife and the south of Scotland. Because we operate a model that involves us having two bases and a hybrid working model, we are able to support people who can work in different parts of Scotland.

Jenny Young: That is helpful. More broadly, on public service reform, have you had discussions with the Cabinet Secretary for Education, Culture and Gaelic or the Cabinet Secretary for Public Service Reform about what that will look like for your organisation?

Alastair Evans: We have a culture sector cluster that we work through, which is the sensible way to do that type of work. We work with the set of culture agencies that sit in that tranche of Government. That involves regular wide-ranging meetings at which we talk about not only public sector reform but renewal and how we can make a difference across different public policy areas.

Those conversations are quite long standing, and we expect that they will develop in line with the Scottish Government's plans on public sector reform and how they relate to the sector.

Jenny Young: Has the Scottish Government told you what its plans for the sector are or what its proposals could be?

Alastair Evans: No, not at this point.

Jenny Young: That is helpful—thank you.

David Green (Caithness, Sutherland and Ross) (LD): Thank you for coming to the meeting. I appreciate the follow-up written evidence that you provided following our previous evidence session.

Let us kick off with the “Local Culture Scotland” report, which Jenny Young alluded to. First and foremost, will you give us a flavour of your reflections on that? What do you think about the local consortiums and the recommendation that £500,000 should be allocated to each local authority area? Of course, that sits in a context of uncertainty over public service reform and uncertainty about how those bodies would work in

collaboration with you. Would such an arrangement add value? Perhaps you could kick off by giving us your thoughts on that.

Alastair Evans: My first point is that it is great to see the thinking in the “Local Culture Scotland” report. We have been in contact with the members of that team throughout their work. In the context of the two evaluations that I mentioned, it is valuable to us to have that third piece of work by Matt Baker and his collaborators, who are all recognised experts in the field.

You are right to note that there is a wider context. The report makes an ask to the Government, which the Government will want to respond to. Most notably for us, if the proposal were to be followed through, it would require an evolution of the Culture Collective programme. You will note from the report that the funding for the proposal would come in part from funding that currently goes to Culture Collective.

Culture Collective is an important part of the work that we do for communities, but it is just a part. For example, there is the awards for all scheme that we run with sportscotland and the National Lottery Community Fund. There is the work that we do with multiyear-funded organisations, many, if not most, of which work in their communities; for some of them, it is what they do—it is their *raison d'être*—and many of them are new entrants to the fund. There is the youth music initiative, which stitches across to creative industries development. We have good oversight across Scotland's 32 local authorities of the different dimensions of the cultural and creative industries.

If there were any movement in that area, we would want to be absolutely sure that the approach was genuinely complementary and that it would not replace a programme with another programme, particularly in the context of public sector reform. That is how we are looking at it.

As you know, we are refreshing our strategy, and, partly in response to the independent review of Creative Scotland, how we work locally is one of the areas on which we will focus and look at models and options. We welcome the thinking in the report, and we will be looking at it alongside the Government, in particular in the coming months, when we see the evaluations of the place partnership and Culture Collective programmes.

David Green: That is helpful. The committee will be deliberating on our recommendations to the Government ahead of the budget. I was very taken by the “Local Culture Scotland” report. As I said to its author, there will be implications if the shape and size of Scottish local authorities change, and there might be a need to revise the proposal.

For our deliberations, will you help me to understand what the impact would be on the Culture Collective programme? You are right to highlight that it might be a case of moving funding from one place to another. What might the implications be for Creative Scotland of a recommendation to take forward the proposals in the report?

Alastair Evans: A number of options are laid out in the report. There are options for the proposed programme or group to be nested in other organisations—we are mentioned in that context—or it could stand alone. As far as I am aware, no organisation has been constituted at this point. There are options for structural mechanisms.

The role of cultural co-ordinator in schools has a history. That was before my time, but the Cabinet Secretary for Education, Culture and Gaelic has written to the committee to explain that. To us, that is a positive model, but we have people in Creative Scotland who are working in that way to link communities, local authorities and central Government, so there is a question about potential duplication.

We want to look at funding distribution. I know that it would be attractive to many local authorities to have a sum of that value coming to them. For some, the sum would be less than what they get at the moment. There would have to be calibration to need or demand and what is there already in communities. Some local authorities are at a place of maturity; some have retained their arts development officers and others have not. There is a range of situations, so, given the scale, whether a blanket approach works across all of Scotland would be a key question for us.

David Green: That was really helpful. The flat £500,000 fund was certainly a key element that we reflected on as a committee. You illustrate the different starts that authorities might come from. There should probably be recognition that some local authorities have a higher percentage of deprived communities. In the part of the world that I represent—the far north of the Highlands—there are challenges in delivering culture spend across a rural area, with the additional expense that sits within that. From your experience, is the proposed approach sensible?

Alastair Evans: Working intensively at the local level and in communities is absolutely a strong approach, and that is what we do at the moment, in working with partners. What is proposed is a different take on that or uses a different lens.

We do not tend to work with blanket funding at a set level, because of the different situations. Whether it is a matter of dispersal, rurality or travel costs, every local authority area and every region

has a different landscape and different challenges. What is proposed is not how we tend to work.

To respond to Jenny Young's point, there are also areas where less funding is arriving from central Government. The challenge is there for us.

David Green: I would like to touch on multiyear funding, which we have heard a lot of positive evidence on. Looking at my notes, I see that the programme now provides £74 million to 262 organisations, compared with 119 previously. That is certainly welcome, but the programme is due to end in March 2028. Could you speak about the timeline for making funding decisions after that cut-off point?

Alastair Evans: The committee will be aware that we went public last week with an invitation to submit expressions of interest in joining the multiyear fund. We have noted the difficulty that a three-year cliff edge presents for the sector; it involves significant jeopardy, and work is required to apply to us every three years. However, that is how we have worked and it is how cultural agencies and arts councils around the world tend to work.

We want to move to more of a rolling programme, which we are working to design. To do that, we want to understand the demand. The expression of interest is both for organisations that are not currently multiyear funded, to give us a sense of their interest in joining that cohort, and for current multiyear-funded organisations, to give us a sense of their interest in rolling funding—which we expect to be considerable—and to give us some quantum around that, rather than programme plans.

To give some sense of that, we would expect the £74 million that you mentioned to go up by 10 per cent by the end of the parliamentary session, which is purely inflation, so it is already looking like another £7 million will be required just to keep that group at the same level of funding.

We expect to elicit a significant ask. There will be significant interest. The approach gives organisations stability and strong planning horizons, and it helps them to develop partnerships, because they can point to money the following year and the year after.

By way of comparison, the same exercise for regularly funded organisations involved 119 of them, and we had interest from 360 organisations. From the 119, there was an indicative request for a 90 per cent uplift. That type of exercise tends to surface the ambition of the sector, and we are very conscious of that, but we need to do that for planning horizons. Next year, we will start to move in earnest on plans for the next iteration of multiyear funding.

David Green: Rolling funding would certainly be music to the ears of many of the organisations that we have taken evidence from, so that is certainly welcome progress.

Before I circle back to the point about inflation, I note that the review states that

“Multi-Year funding was cited as having pulled staff from their ongoing roles to support the assessment of applications”,

which is quite a significant aspect of your capacity. What are the implications of that for budgetary considerations?

09:45

Martin McGoldrick: I will touch on that point. When we get round to the next phase of multiyear funding, we are looking to implement a lighter-touch approach to applications if the organisations that are existing recipients—not potentially new ones—are performing well. From a continuous improvement point of view, we are learning from what has happened previously and from organisations to which we are speaking. That lighter-touch approach should not only make it easier for those organisations but make the process more streamlined and more effective for us to administer. The intention is that the process would not pull the same level of resource as it did previously.

David Green: That is a really helpful part of the review and, as I noted earlier, you have provided us with more information on it.

As I said, I will circle back to inflation. You have talked about operating in the context of an uplifted budget. Across the sector and elsewhere, the Scottish Government’s commitment to the wider culture piece is welcome, but before we beat our chests too much, I want to look at the existing picture. A lot of the organisations for which you provide funding—particularly organisations that are touring, not least in my part of the world—have higher national insurance contributions and higher energy and fuel costs. Could you give me a picture of what that financial health looks like in reality, in the context of the funding uplift, given the additional costs that we face in relation to inflation, which Mr Evans highlighted?

Alastair Evans: I can give some of that picture. You are right to say that it is challenging for many organisations. I will not go back too far but, as we came out of Covid, we provided a significant amount of emergency funding through the Scottish Government and other sources to keep organisations resilient. Those organisations emerged into a world where, if they were audience focused, they needed to work hard to incentivise

the return of audiences and to bring people to their work.

That has been quite a slow process, but income is now being earned directly through ticket sales, there is other income for productions, and there is ancillary income for the commercial offer. In percentage terms, that is returning to more or less what it was pre-Covid—40 to 45 per cent, for example, across the multiyear group. Our intervention rate averages out at about 25 per cent; it varies greatly across that group, but we are about a quarter of the income base for the multiyear organisations.

Trusts and foundations were a strong source for a period, particularly through Covid and the years afterwards, but that money has been harder to find, as have donations and sponsorship. The philanthropy picture remains difficult, and that is not only for culture—it is a difficult part of the jigsaw more broadly for third sector and community organisations, for example. However, it is good to see ticket sales returning to the pre-Covid level.

We have done regular surveying on cost pressures, as have others. We know that the things that you mentioned—paying staff and doing so alongside the commitment to fair work—are part of that. We know that environmental measures, which the sector is very committed to, often come with costs. Organisations are grappling with a range of costs—you mentioned fuel, energy and heating costs, and some costs relate to climate damage, which we have a newish programme on.

In the background, there is capital, which we have spoken about previously. We know that we have an ageing asset base. Even buildings that have been refurbished or those that were built through lottery investment from the 1990s are needing work, and others are much older than that, as you will appreciate. That is a concern for organisations in accessing capital funding. We do not have any open capital funds, aside from our small buildings adaptation pilot, and that is a concern for organisations around the sector.

David Green: The point about capital funding, in particular, has been well reflected in the evidence. That was a helpful picture.

Pauline Stafford (Bathgate) (SNP): I thank the witnesses for their evidence this morning. I will start by referring to my entry in the register of members’ interests, as I am a sitting councillor in West Lothian Council.

Mr Evans, you said in your opening statement that the organisation is going through a period of significant change in leadership, at the same time as refreshing your strategy, in the context of wider

public sector reform and an uplift in funding. Are you confident that the progress that you are making, at the pace that you are making it, can continue through the transition period? Are you doing anything to ensure that it continues? That question is possibly for Martin McGoldrick.

Martin McGoldrick: Thank you.

We are working on a transition plan. We have a transition plan in place for Mr Munro and the chair of the board stepping down. There is an ongoing recruitment exercise for a new chief executive, which I think is shortlisting at the minute. In the intervening period, I will assume some of Mr Munro's responsibilities in my current role as chief operating officer; we will transition the accountable officer responsibilities to me for that period.

We will also lean more on the expertise of our board. The transition plan will be a standing agenda item at every board meeting, and we have allocated board members to specific priorities in the transition plan to ensure that we maintain stability and continuity on the things that matter to the sector through this period.

Pauline Stafford: That is great to hear.

My next question is about the "Local Culture Scotland" report, which Mr Green has covered. The authors of the report argue that the current arrangements are insufficiently joined up, and they identify a lack of connection between national and local funding and strategy, and a lack of local influence over that.

Their suggested model would see a local co-ordinator in every one of the 32 local authorities. However, in the context of local government reform, we are now in a situation where we are discussing what a local authority looks like. Do you see any opportunities in what the Scottish Government has already put forward in relation to having wider, strategic and larger areas with ultra-local representation? Are there opportunities there for plugging some of the gaps that you mentioned in relation to geographic and demographic accessibility in the arts?

Alastair Evans: It is hard to tell at this stage because the proposals are at a high level. How they would play out in individual localities would be in the detail. However, looking at the structures, in itself, gives us an opportunity to ensure that we are thinking about culture in those conversations.

One of the points that we have often made at this committee over the years is that Creative Scotland is not a statutory partner in community planning, and we would like to be. That would strengthen the links that the "Local Culture Scotland" report picked up on. The fact that we are not a statutory partner means that, although we are often at the table when conversations on

planning are taking place, we do not have to be, and we do not have to be invited. It is not about only us; in many cases, there would be better representatives than Creative Scotland at that table. However, it is important to ensure that culture is in those conversations.

We also want culture to be represented in the conversations about local government. We want it to be represented in and of itself, but also because we know and appreciate the wider socioeconomic, wellbeing and health impacts that it can have if it is joined up in a local area and, equally, at a national level.

Pauline Stafford: We would probably all agree that that is the direction that we need to move in. Our predecessor committee talked a lot about having cross-portfolio spending, if there is an opportunity. The question is how we get people to move in that direction.

My main question is about the open fund and multiyear funding. The submission to the committee from Culture Counts acknowledged that

"Recent increases in Scottish Government's culture spending have had a positive and stabilising"

effect on the sector, but that, as you said, much of that is

"not being felt by individual artists".

Culture Counts has recommended that, for the 2027-28 budget, the Government looks to set a dedicated grant-in-aid allocation for Creative Scotland's open fund. Is that something that Creative Scotland would welcome? Do you have a figure in mind for what that should look like to meet anywhere near the level of demand for the fund?

Alastair Evans: First, I will give a sense of the demand for the funds. Tracing back to Covid and our emergency funding, it has surfaced very positively for a lot of artists and creative practitioners that there is a route to funding. We do a lot of work to publicise the funds and incentivise people to apply. Demand has been extremely high. Since about 2023, the individuals' fund has had a 30 to 40 per cent success rate. We do not feel that that is high enough, because we often have to say no to individuals—and organisations, in the case of the organisations' fund—who have submitted excellent applications. We are able to give some feedback, but, in reality, those are good applications, and people can reapply. We would like higher success rates.

We fund both funds from our national lottery funds, which is an extremely important part of the funding mix for us—we will receive £33 million to £34 million in our budget this year. Having Scottish Government money in that mix would be positive, but we are aware of all the asks on that funding

from various parts of the sector. We have a range of other funds that support individuals. One example is the visual artist and craft maker awards, which we run in collaboration with local authorities.

I will quickly address an issue that has come up in evidence to the committee, which is about money going to multiyear, and not individuals. A significant part of the expenditure supports artists. Last year, well over 2,000 residencies, 4,000 direct commissions and more than 30,000 events for artists, including professional training, came through that route. It is much more symbiotic—there is not as much of a divide as if we were separately funding organisations and individuals. It is very positive to see that.

Even if we compare like for like, as organisations moved into multiyear, there were 27 per cent more opportunities for artists. Support for artists went up through that process, which is positive. We appreciate that it does not reach all artists—we hear that regularly from organisations in the visual arts, such as the Scottish Contemporary Art Network. That will be an area of priority for us as we develop the next iteration of our strategy.

Pauline Stafford: So it is not an either/or situation.

I want to pick up on the recommendations that you are considering for the open fund, for example making it more streamlined and proportionate. What progress are you making on open fund applications? Obviously, that is a separate issue from the amount of funds.

10:00

Alastair Evans: I can kick off on that. With such success rates, we must make really fine-tuned decisions between very good applications. That means that we are always looking for enough information to be sure that we take the right decision, can give the right feedback and provide assurance on the spending of public funds.

We have heard through the review that applicants would like shorter forms and a more streamlined process, so we are absolutely committed to working on that. Digitisation is part of the answer, but, when it comes to our operating costs, that is costly. We have a rolling, sequenced programme of digital transformation, but we are also looking at all the information that we need to ask people for, with an eye also on ensuring that we have really good intelligence about the sector. Asking applicants and the sector is the key way in which we generate information and insight in order to be able to advocate for the sector and respond to inquiries from MSPs and others. We must maintain high levels of intelligence, but find the right balance in that equation.

Pauline Stafford: We heard evidence in a previous session that the number of self-employed artists is decreasing quite significantly. Are you seeing that trend at the moment, and can it be stopped in some way?

Alastair Evans: Much has been written in research reports on the position for freelancers, who are not necessarily self-employed. Part of the difficulty in getting a handle on the numbers is that freelancers are not a category that sits neatly in economic statistics. However, there are possibly more freelancers in the creative and cultural sectors than there are anywhere else in the economy, which brings precarity to the situation, which we are aware of. Many of our fair work efforts are targeted in that direction, to ensure fair pay and conditions for everyone in the sector.

I have heard arguments about whether the number of self-employed artists is growing or reducing. It is hard to put a finger on the answer. It is a large group of people, and they are well networked and are working with SCAN and others, so their voices are being heard. They are warmly receiving messages such as about the intention to pilot the Scottish artists minimum income. The Government is clearly hearing those voices and is looking elsewhere—to Ireland, in that instance—to understand what can be done for that community of artists.

Pauline Stafford: My final question is about the difference between the open funds and the minimum income pilot. There has been really good data on the return on investment in Ireland. Do you have any data on the open funds and what return on investment is in that regard?

Alastair Evans: We could provide that information to the committee, because we monitor all our awards, as you will know, and we tend to work across social, cultural and economic impacts and measures. I am happy to provide that data to the committee.

We would know, for example, audience numbers for events and how they change. Those funds cover professional development, which allows people a period of time for skills development or to work on their next programme of work. Some of those impacts are harder to get at, but we work on those as well.

Pauline Stafford: It would be interesting to see that information.

Heather Anderson (Dundee City West) (SNP): There are two areas that I would like some more information on. The first is multiyear funding. I should declare that I was previously a director of Dundee Contemporary Arts, and I am also a friend of DCA. I lived through the trauma of the application process for the three-year multiyear

funding that we very successfully achieved. I am glad to hear that you are thinking of a rolling programme, given the sheer logistical wave in having a cliff edge for hundreds of organisations every three years.

I want to get a sense of how actively you are monitoring the impact of those three-year-funded, or multiyear-funded, projects and how proactively you are advising them on their progress so that they have some idea of how likely they are to be reconsidered. Martin McGoldrick said that a lighter touch would be taken, but you can take a lighter touch only if you are acutely involved in how well they are doing at the moment. So, that is my first area of inquiry.

Martin McGoldrick: We are regularly in contact with multiyear-funded organisations, and they submit information to us on a quarterly basis, I think that I am right in saying—

Alastair Evans: With an annual statistical return.

Martin McGoldrick: We look at that information and the plans for the future, and that is how we hope to take a lighter-touch approach with existing organisations. With those that are not struggling, are not in financial difficulty or are not involved in a variety of other measures, we hope to take a lighter touch when they apply, because we recognise that it is a complex process. We want to work as proactively as we can with organisations to streamline the process for them and make it more effective and efficient for us to administer.

Heather Anderson: I assume, then, that you will be making organisations aware if they are not doing as well as they should be.

Martin McGoldrick: Yes.

Heather Anderson: The other change with multiyear funding relates to the fact that the original application would have been based on a certain level of other funding support—from local authorities, say—and there is concern that, over the period of the three-year award, local authority funding might be reduced. Are you working proactively with local authorities to encourage them to maintain their initial level of investment?

Martin McGoldrick: Alastair Evans might be able to say a little bit more on that.

Alastair Evans: We always keep a close eye on that sort of thing, because investment from the centre can lead local authorities to reconsider their own investment. We make it very clear to local authorities that part of the confidence that we have in investing in any organisation comes from the partnership funding that they are able to bring to the table. We feel that partnership funding with local authorities is very positive, because they are

one of the conduits for understanding communities and community needs in an area, and we are at pains to make that point.

I think that Mr Munro mentioned this at a previous committee meeting, but we have written to some local authorities, seeking clarity on some of their spending plans. As this is the quarter in which authorities usually have live consultations, we might see something more in November and December and into January about reductions in cultural spend, and we will be trying to understand the situation there.

We are very alive to understanding the funding position of all partners, not just local authorities. However, we know that local authorities are under pressure. They have a statutory requirement to make adequate provision for culture and leisure, but that has a broad definition, and we have to be vigilant in that space.

Heather Anderson: COSLA has talked about protecting funding for culture, but we do not have any powers in that respect at the moment. Given the incredible pressure that local authorities are under, ensuring a sort of partnership agreement for future funding is probably the best route.

My other area of questioning relates to your strategy, which is being renewed. It talks about hoping that

“More people from all parts of society access, participate in and value a range of artistic and creative activities”

and that

“Art and creativity are recognised by people at home and abroad as a central part of our nation.”

I know that you have just gone out to tender for research on frameworks of impact, but how do you discover and evaluate who is participating in artistic activity? How are you asking the multiyear-funded organisations to track their audiences? I know that it is a very difficult thing to do, but what steps are you taking to ensure that you are making progress and having an impact on widening access and ensuring that art and culture reach every bit of our community?

Alastair Evans: I will go into some detail on that, but not too much, I hope. We are absolutely committed to our spending delivering public value for all. We understand that different mechanisms will deliver different configurations of that, which is why we work with open funding, multiyear funding and targeted funding and with our partnerships. We track audiences and try to understand more about where they are coming from and their demographics.

Your question goes to the heart of one of the difficulties. It is not too difficult for us to know the numbers, but in order to understand the

demographics, we have to ask for surveying, and we ask many organisations for that. Those organisations might be asked for different information by different funders, trusts, foundations and local authorities, so there is a potential burden that we need to balance. However, we need to understand whether our funding is reaching everyone in society.

Postcode data is used for that work, and comparisons can be made based on the Scottish index of multiple deprivation. At some of the lower levels, it can be quite a stubborn problem to reach some households and provide access to culture. We are also aware that not everyone accesses culture in their local arts centre. People also participate at home or through grass-roots or individual pursuits, so we have surveys that try to pick up that element of creativity.

There are a range of ways in which we gather that information, which also helps to shape our targeted work so that we understand where those areas are. We try not to call them cold spots because, as I said, there are potentially very rich cultural lives in those areas. It might just be that they are not showing up in the statistics.

That work also helps us to understand where we might work through Culture Collective or similar programmes with local communities. We fund organisations such as Creative Lives and networks such as Culture, Heritage and Arts Assembly Argyll and the Isles. That kind of information is a bedrock in targeting our work.

Heather Anderson: Do you have any evidence that you are broadening the impact? If so, what evidence do you have?

Alastair Evans: We can see that, over a longer period, we are marginally bringing down some of the barriers in relation to the Scottish index of multiple deprivation. I think that all public bodies struggle with really getting into communities where there are a range of persistent issues relating to deprivation. Beyond that, however, we are covering all the bases across Scotland. We do not now have huge variations in levels of attendance and participation by geography, although we know that groups from different backgrounds and different socioeconomic groups have different ways of interacting and they might not be doing so at the same level.

In summary, there is some movement. It is difficult to chart it in detail, but multiyear funding is an aspect of that. A number of community organisations are coming into the portfolio, getting funded and providing arts and culture to their communities, but there is more work to do. I think that any public body would say that to the committee. It would be complacent to say that

there is not more work to be done to reach everyone in Scotland.

Heather Anderson: I very much welcome the fact that it is such a conscious ambition and you are really working to achieve that.

Has the frameworks of impact work now gone out to tender? What is the timescale for that?

Alastair Evans: It is now out there, and we will be working through that over the next six months. We want to engage with some of the new thinking that is out there about not just focusing on economic impact but trying to build social and cultural impacts into some of the models.

It is not purely about gross value added, jobs or turnover. Those measures are important and we will continue to work with them, but that will be in order to understand the linkages between the health of the economy and wider social and cultural health. That is also core to the Government's ideas on the wellbeing economy and the way in which it is seeking to refresh the national performance framework to focus much more on a holistic notion of wellbeing. We want our work to align with that focus, and we want to bring in the best thinking that we can to help us to do that.

10:15

The Convener: I will pick up a bit more on the fair work issues that you discussed a few minutes ago. We have talked about that in the past, and there was also the independent task force report that was produced last December, the best part of a year ago. It would be reasonable to say that a lot of the recommendations in that report, such as the creation of a charter and a delivery board—I cannot remember the exact form of words that was used—would not directly have a big budgetary impact. Even the fund that was proposed in the report was on a fairly modest scale.

Would it be fair to say that, if the effort to improve fair work practices were to be successful, that would have a clear indirect impact on Creative Scotland's budget? If we are going to raise working standards across the sector, some part of the increased budget will inevitably need to fund that. That is not a criticism, but it is the reality. To what extent is Creative Scotland already changing its practices in relation to what it expects funded organisations to bid for in order to achieve improvements in fair work conditions? Is it a reasonable expectation that some part of the increased funding trajectory, rather than an increased volume of work, will be what delivers those improvements?

(Alastair Evans:) What you described already happens. There are requirements on funded

organisations to pay the real living wage and also to have worker representation, and there was a period in which several organisations were working with historic budget levels but were expected to bring those things in, which could have involved costs if that needed to be set up. Those organisations have now been able to reflect such costs in multiyear applications for the 2025 round, and the costs are reflected in the open fund and other applications.

We require all funded organisations to demonstrate the fair work principles, and we have recently extended that approach to national lottery funding. That funding is provided by Westminster through the Department for Culture, Media and Sport, so it is not a direct requirement, but we want parity across the sector; we do not want there to be two systems.

The task force report was delivered in the context of change, because there was an employment bill going through Westminster, and there are now initiatives coming through such as the freelance champions that have been appointed by Westminster. I am sure that the Scottish Government will take note of that and, when it responds to the report, try to understand how the landscape has changed since it was published.

In my experience, most organisations that we work with are paying the real living wage, but in circumstances at the margins, such as when people move out of education into working for an organisation, or when organisations are set up as special-purpose vehicles in the screen industry and then expand, we work in that space to ensure that fair work aspirations are being fed through.

It is not really a zero-sum game to pay people better rates and ensure that there is security in their roles in the workforce because, for the most part, the impact on the levels of funding that we can offer will be marginal. However, there will be gains from having a secure workforce that wants to stay in the sector rather than leave it—as we saw happening to some extent during and after Covid—with confidence that their welfare is being addressed and that systemic issues are being considered by national agencies such as us. That would be a big win for the sector, and it is what we and our partners are working on. Many of the organisations in the sector are working on that themselves. They also hear those things from their staff, and they want there to be good terms and conditions and to have good working conditions for their teams.

The Convener: Have decisions been made about the task force's recommendations, such as the creation of a fair work fund? Is that under active consideration?

Alastair Evans: I believe that the Government is still considering all the recommendations—I catch up with it regularly on such issues. A new administration has come in and is looking at the picture, and I understand that it is getting towards a response. There have also been bigger evaluations going on. You may be aware of the Government-wide evaluation on the fair work first policy, which was published one or two months ago. I am sure that the Government will want to be cognisant of that before responding.

The Convener: As there are no final questions, I thank both of you for your time. We will suspend the meeting for a moment, and we may be able to resume with the second panel of witnesses a bit earlier than expected—we will aim for about five minutes from now if the witnesses are available.

10:21

Meeting suspended.

10:26

On resuming—

The Convener: We continue our pre-budget scrutiny with our second panel of witnesses. We welcome Màiri McAllan, the Cabinet Secretary for Education, Culture and Gaelic, who is joined by Jamie MacDougall, the Scottish Government's deputy director for culture and historic environment. Cabinet secretary, would you like to make some opening remarks?

The Cabinet Secretary for Education, Culture and Gaelic (Màiri McAllan): Yes, but I will be brief to allow time for questions and in view of the letter I wrote to the committee, which has already introduced some themes. I am very pleased to appear at the committee for pre-budget scrutiny.

In general, I reiterate that our commitment to supporting investment in the culture sector for its intrinsic value, its economic benefit and the positive outcomes it creates for wellbeing, health and education is abundantly clear. At a time of continued strain in public finances, in this financial year, we are delivering an additional £20 million in funding for culture as the next major step in honouring our commitment to increase funding by £100 million annually by 2028-29.

This year's budget takes the total increase in the culture budget to £70 million since 2023-24 and follows a record increase of more than £34 million in 2025-26. That is the biggest rise in culture funding in the history of the Parliament outwith Covid recovery funding. That means that, although cost pressures continue across the sector for individuals and organisations in relation to energy, materials and national insurance contributions and the cost of touring and exporting that Brexit,

among other things, has created, we have continued to increase investment in both national and local activity. We do so because we recognise the inherent value of culture as well as the critical role that art and heritage play in our economy and society.

In particular, I highlight the breakthrough approach to multiyear funding, which Scottish Government funding increases have allowed Creative Scotland to take forward. I have put it on the record before, but it bears repeating that 262 cultural organisations now benefit from the stability of multiyear funding, which is more than double the number that were in receipt of funding under the previous grant-based arrangements.

I also highlight our museum futures programme, which is investing and combining expertise to offer financial and non-financial support to museums throughout Scotland. Our expanded festivals fund is helping to create a platform for festivals right across the country to excel. Again, it is worth noting that around a third of the organisations receiving multiyear funding are running a festival somewhere in Scotland.

It is worth highlighting the Culture Collective and Creative Communities programmes that continue to offer very local delivery of culture in a way that specifically breaks down barriers to participation. I cannot mention that without mentioning the youth music initiative and Sistema Scotland projects, which demonstrate the value that culture can bring, inherently and to the Government's other objectives—most notably to eradicate child poverty. These are just some examples, and they sit alongside increases for Screen Scotland and the V&A in Dundee as well as others.

10:30

On capital, by way of introduction, we continue to invest in our capital estate through our commitment to the art works project and the Dunard centre, among many others. That is despite the fact that the capital block grant is projected to reduce by around 5.7 per cent in real terms between this financial year and 2029-30.

In this portfolio, we will continue to take those matters forward, alongside support for our national performing companies, a new offer of a traditional music NPC and ambitious capital projects such as the art works project. To give you another example of a capital project, we have recently made a commitment to invest on a conditional basis in the People's Palace and winter gardens in Glasgow.

The Convener: Thank you, cabinet secretary. It is probably fair to say that, at the moment, not every cabinet secretary has the happy task of coming to Parliament and talking about a rising budget, and I have no doubt that you will have a

lot to say about the positive impact that you believe that that will have. There is a strong cross-party welcome for the rising culture budget, but a rising budget can be almost as controversial as a falling one, and the number of demands and suggestions of priorities will always exceed what is available. Can you talk about the main strategic choices in relation to what an increased budget can achieve but also the limitations that will remain?

Màiri McAllan: Yes, absolutely. I will draw out two particular areas that we have been able to invest in this year and reflect on how those might develop. First, multiyear funding is absolutely a breakthrough approach. Whether it is in culture or any other area across the Government, calls for the certainty of multiyear funding are well understood, because that gives people the opportunity to plan and creates freedom from annual cycles of managing applications.

However, Creative Scotland has just opened calls for interest for our next round of multiyear funding from 2028, and we need to think carefully about how we not only continue but improve the process. The review of Creative Scotland will underpin any changes that we might see in that regard. One of the review's recommendations was that Creative Scotland should become more of a development organisation, so one of the big questions that we must address is how the multiyear funding offer supports that. For example, does multiyear funding encourage or support organisations to diversify their income and consider how to achieve sustainability in the long term? That will not be appropriate for everybody. However, as I said, given that budgets are tight, we need to work out exactly how the multiyear funding offer advances the sustainability of organisations.

I also draw on the example of the museum futures programme. I am cognisant of the pressures that museums across the country are under, whether those relate to running costs or the estate. The museum futures programme is a novel approach, because it not only provides cash support but equally provides support in kind and expertise. By coming together with Museums Galleries Scotland, Scottish Government and the national lottery, we are trying to create something that is bigger than the sum of its parts.

To respond to your question, one consideration is whether, across the culture sector, there is more that could follow a model such as the museum futures programme, which brings expertise together with funding and offers strategic support for organisations to manage their future sustainability.

A rising budget is very welcome and there is no shortage of calls upon it. United Kingdom

Government changes, particularly in relation to capital, might affect what we are able to do, but my objective is to try to use that resource as effectively as possible to support organisations, whoever they are, or individuals, to gain sustainability for themselves and, therefore, to not always rely on injections of support from the Government.

The Convener: A strong argument that comes across in the Scottish Government's approach to culture and in the evidence base that a lot of other organisations present is that culture is not a standalone portfolio but is deeply connected to the state of Scotland's economy, health and wellbeing, and education—in some ways, culture engages with every portfolio. There is a notion that, through activity that happens elsewhere, other portfolios contribute in some way to cultural goods and to priorities that sit in your portfolio, such as increasing cultural participation. Do you see the potential for that to express itself in financial terms?

Màiri McAllan: I absolutely do. Those conversations and that work are already ongoing. For example, if I am having a conversation with an organisation—I will not specify which one—about a significant capital investment that it requires, I will say to it, "Well, here is how I can engage with you in respect of the culture budget, but this is also very clearly an economic regeneration project and, therefore, we should engage with the economy directorate and with a regeneration capital grant." That blending of funding streams already exists.

There are also examples where cultural organisations and funding are clearly understood by the Government to be furthering a health or social outcome. For example, I mentioned the youth music initiative—I have in front of me the information that it reaches more than 450,000 children and young people annually, the majority of whom are in high-deprivation areas. That is alongside Sistema's big noise programme, which generates an estimated £9 of social benefit for every £1 invested by breaking the cycle of intergenerational poverty in our communities. Those two organisations, if I am correct, were also part of the fair funding pilot, which is led by the Cabinet Secretary for Social Justice and Housing as a way of supporting multi-annual investment in different organisations. There is already a clear understanding of how ongoing work in culture, funded by this portfolio, is achieving aims elsewhere.

We could probably do more in health. I was recently looking at the 2025-26 report from the chief medical officer, who says:

"Creativity is core to our humanity. For many, art and culture help make life 'worth living.' Arts and cultural activities can support the management and prevention of mental and physical health conditions, as well as increase

health-promoting behaviours."

I do not know whether the committee has heard that already. He goes on to advocate for expanding public health strategies beyond clinical care to recognise the cultural aspect, too.

To round this off, the work is very much already happening—budget lines are already interlinked and supporting different outcomes—but I wonder whether we could still do more in health. I think that the chief medical officer understands that.

The Convener: The CMO certainly engaged significantly with our predecessor committee in the previous session on those issues.

I move to other members, and I will start with Pauline Stafford.

Pauline Stafford: Thank you for your opening statement, cabinet secretary. Mainstreaming and cross-portfolio funding for culture have been talked about for decades, and I think that everybody in this room agrees with your comments about the impact on health and wellbeing. You have given some concrete examples of where progress has been made on the matter. What do you think are the main barriers? We absolutely appreciate the benefits that we in culture can bring to something such as health, but is that reflected both ways and in other sectors? Although I hate using the word "silo", are there still barriers to breaking down those silos?

Màiri McAllan: Yes. We could always do more. It would be foolish of anyone sitting in my position to say that, because concrete examples exist of where progress is happening, we could not do more—of course we could.

We have to be clear—and you will have got this very clearly from your pre-budget scrutiny—that one of the greatest barriers that we face is the availability of public funding just now. It is not in plentiful supply, whether at local, Scottish or UK Government level. That has been a plague on public finances for most of my adult life, and the situation has been getting increasingly strained. That will be a big hurdle. However, we can overcome that by making the case for preventative investment. I intend to continue to do that. I have already pointed to Sistema and the youth music initiative, but I have a range of other examples: the Scottish Chamber Orchestra Craigmillar residency; the Scottish Ballet time to dance dementia programme and dance for Parkinson's Scotland; the Scottish Opera breath cycle programme; and the Scottish Maritime Museum support for people who are affected by substance misuse, poor mental health and social isolation. The organisations that we are funding in our communities already see it as part of their offer and their duty to attend to the health and wellbeing

needs of their communities. However, things such as annual grants do not necessarily lend themselves to good planning, which is why moving to multi-annual funding has been so helpful.

Pauline Stafford: Thank you for that. Those are really good examples. Scotland's Singing for Health Network is an underutilised opportunity for us.

In the previous session, we heard from Creative Scotland. I asked about the opportunities that it might see in the public sector reform agenda, especially in local government reform. It mentioned that, for local place planning, it is sometimes at the table but sometimes not. In local government reform, is there anything structural or are there any opportunities for culture when it comes to meeting need and opening access across the country, so that we do not have, in Creative Scotland's words, cold spots—albeit that it said that it was not keen to use that term—when it comes to reaching as many people as possible with the benefits of culture?

Màiri McAllan: I do not mind using the term “cold spots”, but I do not want them. I want to make sure that nowhere is left behind in cultural participation. Through the suite of what we fund, I am confident that there is activity throughout Scotland. However, there will be varying degrees of that, and we need to work on overcoming that situation.

There are certainly opportunities in the PSR of local government, which is just one part of public sector reform, albeit that it is self-contained. That is one of the reasons why we commissioned the “Local Culture Scotland” report from Matt Baker and colleagues, from whom you have taken evidence and who have done an excellent piece of work and put to the Government something that is a radical departure from the way in which things are organised just now—including, as you know, funding to local authority areas, a local co-ordinator and non-competitive approaches. I am considering all that just now, but that report and our desire to have its recommendations implemented indicate that we know that improvement can be made, while always respecting local authority decision making within legal structures.

Pauline Stafford: I think that colleagues will pick up on the “Local Culture Scotland” report, so I will leave that for now; however, we had a really good session with those people.

In your letter to the committee, prior to this meeting, you referenced a report that you had done with the British Council, exploring whether a dedicated cultural export service might be worth establishing. That was in relation to an action in the international cultural strategy. Is the Government

seriously considering that, and what progress are you making?

Màiri McAllan: A number of reports have come in as I have been in post, or have concluded just prior to my taking it up, and I am keen and am working with my officials to make sure that we have concrete responses to those in short order. The report on export is one of them. That was completed only a couple of weeks ago. I attended its launch with the British Council. It was an excellent report. I welcomed the fact that it set out very clearly the offer but recommended different degrees of approach that the Government could take, recognising that, for example, an export office takes time to build. We asked for the commission so that we could have the advice, because we understand that more export is needed.

We had a really good launch event, which was attended by lots of industry experts who discussed the options with me in a sort of round-table approach as I went around the tables to hear their views. There is a question about whether we should focus on music from the outset, as there is a view that music is quite advanced and is ready to go, with the right export structures, or whether we should take a broader approach. We need to work out those kinds of things, but we are actively considering all of the issues.

10:45

Pauline Stafford: I attended the “Meet the Irish” event at the Edinburgh festival in the summer, which was organised by Culture Ireland, which is the Irish state agency that is responsible for promoting Irish culture. I think that the worldwide success of Irish literature and the footprint that it has shows the strong impact that Government funding and leadership can have in that regard.

My final question is on the upcoming European Union-UK summit on 20 November. Has the Scottish Government had any interaction with the UK Government to advocate for the UK being part of Creative Europe and, in the future, AgoraEU given the importance of that for exporting Scottish culture?

Màiri McAllan: Yes, absolutely. That is a good point to raise, and it came up at the event that I was discussing when we launched the report. We are advocating for that and for the closest possible relationship with the EU now and in the future, regardless of what happens with regard to how we respond on export. You mentioned AgoraEU, which is something that we are working on. We are making representations to the UK Government on a number of other areas, not least broadcasting, especially given recent developments in relation to, for example, the BBC Scotland channel.

However, on the discrete point that you raised, the answer is yes, we are doing that.

Jenny Young: Cabinet secretary, when you were here in early September, I raised with you the issue of the national performing companies. In the context of pre-budget discussions, I want to share with you some of the detail that Liam Sinclair from the National Theatre of Scotland shared with us when he attended the committee about a month ago. Talking about the discussions that took place in the previous parliamentary session, he said:

“There was an indication that a funding uplift for the national performing companies would be provided within the timeframe of the previous parliamentary session.”

Obviously, that uplift did not materialise. He went on to say that

“all the national performing companies are projecting a level of deficit budgeting for next year.”—[*Official Report, Europe, External Affairs and Culture Committee*, 29 September 2026; c 24.]

It was not all bad, as he also said that the performing companies understand that £30 million is forecast to be provided in the 2028-29 financial year, but he spoke in some detail about the impact that deficit budgeting is having for them in the immediate term. He has been encouraged by comments that you have made since becoming cabinet secretary and, I am sure, by discussions with others.

In your discussions with the Cabinet Secretary for Finance, have you made the case for that investment to be brought forward to the 2027-28 budget?

Màiri McAllan: Thank you for mentioning the national performing companies. We had an exchange on them before, and it bears repeating that, although there was no uplift in this financial year, there were uplifts in the two years previous to that. However, I completely understand the national performing companies’ calls for greater investment, in line with the Government’s increased funding. I cannot remember whether we put this on the record the last time we spoke, but there are detailed, ongoing conversations between senior officials and the national performing companies that are focused on understanding their needs, some of which the committee has heard, and on the pressures in developing business cases for what they might need and want in the coming years. Those conversations are very well advanced. I will take all of that into discussions with the finance secretary about the totality of the budget.

Jamie MacDougall, can you say a little more about the conversations that you have been having?

Jamie MacDougall (Scottish Government): I am sure that Liam Sinclair raised this when he was at the committee, but, to repeat, my team and I have been having in-depth conversations with the five performing companies individually and collectively to understand where their pressures are. We are looking not only at the core grant that we give them but at areas where they face rising costs, such as touring—at the moment, we have an international touring fund, which is heavily oversubscribed. There are also increased costs relating to, for example, companies that are based in Glasgow coming through to Edinburgh. Those are issues that a lot of organisations in the sector face at the moment.

We are pulling together all of the evidence from those discussions and I have committed to producing advice for ministers and the cabinet secretary to feed into the upcoming budget. We are also considering whether we can look across the next three years to give the companies future certainty.

Jenny Young: I am interested in the suggestion that the uplift will be provided in the 2028-29 financial year. I appreciate that your predecessor probably arrived at that decision, but what was the logic behind it? It is well known that the national performing companies have been told that they will get an uplift in 2028-29. Is there a particular reason why the uplift will be provided in that year rather than in 2027-28 or, indeed, 2029-30?

Màiri McAllan: Nothing has been set in concrete yet. As Jamie MacDougall said, discussions are ongoing as part of the budget process. He might be able to provide more insight, but, in my view, it is just about profiling. We have a commitment over a number of years, and we must be clear on the extent of the rise that we can provide each year. That comes against a backdrop of changes to UK Government funding and other funding. It is a matter of profiling and considering the other asks across the board in the portfolio.

Jamie MacDougall: The 2028-29 financial year is the final year that is covered by the commitment that the previous First Minister made. As the cabinet secretary outlined, we have already provided £70 million and it is a case of profiling the final £30 million across the spending review period. That is why the funding lies in 2028-29. From our discussions with the national performing companies, we know that they understand that. We are working through a revised profile of support for them not just for next year but for 2028-29 and the year after that.

Jenny Young: I am particularly interested in what you have said about multiyear funding. Liam Sinclair made that point in his evidence to the committee on 29 September. Multiyear funding will

flow to some organisations and some parts of the sector. I appreciate that that is a challenge for the Government, given what the convener said about a rising budget presenting challenges, with everybody wanting a piece of it. Could you elaborate on where we are with the discussions on potential multiyear funding for the national performing companies?

Màiri McAllan: As Jamie MacDougall said, that issue forms part of our discussions on the current pressures and how they will play out in the coming years. I will receive advice on the extent to which we can adopt multiyear funding.

Jenny Young: When you were in front of the committee on 8 September, we discussed the commitment to a new national performing company—a sixth one—for traditional music. It is fair to say that, in their evidence to us, the national performing companies warmly welcomed the proposal, but they and others have expressed concerns about funding and whether the same pie will be cut in six instead of five. I am interested in hearing your view on that.

On 29 September, a representative of the Traditional Music and Song Association of Scotland gave evidence to the committee. She was broadly positive about the general idea of another national performing company, but she said:

“People do not know why that was in the manifesto, to be honest—that was a common comment. We do not know where it came from.”—[*Official Report, Europe, External Affairs and Culture Committee*, 29 September 2026; c 39.]

She was particularly concerned about the intention. She appreciated the recognition of traditional music, which is really important, and I am sure that many people across the sector would warmly welcome such recognition.

I appreciate that, when we met on 8 September, those discussions were at an early stage, but you have said in your written evidence that you have had further discussions and that you want to be “creative” in what the proposal might look like. Will you respond to those comments from the Traditional Music and Song Association? As your discussions develop, what is your intention in relation to what the national performing company is supposed to be about?

Màiri McAllan: On your point about the reasoning behind the proposal for a national performing company for traditional music, it is a considerable anomaly that we have national performing companies for theatre, orchestra, opera and other things but not one that reflects the traditional music and songs of our nation. That is the simple justification and reasoning behind it. It is to offer parity to something that is defining of music and performance in Scotland. I should not

like to go on any longer without traditional music having such parity.

That is not to say that the new company fits tidily into the model that the other performing companies occupy. We have been very clear from the outset that I am open minded about what it could do. Although we have had, as part of Celtic Connections and otherwise, orchestras of traditional musicians coming together, perhaps that is not necessarily what is best for that sector, which is more diverse and does not traditionally operate like that. The sector is already quite well established when it comes to its forms and performing. However, we need something, and we need it to be right and authentic.

We have been doing a couple of pieces of work already. I held a round-table meeting with a significant number of industry experts to take their views. Certain points came through as being very important to them, such as the need for infrastructure for the sector and for the artists. They feel that that is lacking just now and that the proposal could really support improvements in that regard.

Equally, those experts were very clear that traditional music is a diverse sector that looks very different to others. There is also the question of where traditional dance and craft sit, beyond music. We held that round table and all those views were collected.

We also had an open survey to collect as broad a spectrum of views as I could. The survey closed on 30 September and was very well responded to, so we will collate all that information.

I think that there is very strong justification for the development of the new national performing company. I am open minded about the form that it takes and I am very keen that it is authentic and helpful to the sector. I want to see traditional music sit alongside opera, orchestra, theatre and others as part of Scotland’s significant offer.

Jenny Young: Thank you. That is helpful.

Who did you consult prior to making the announcement? I appreciate that it was a manifesto commitment. You obviously had not consulted the Traditional Music and Song Association of Scotland, but I appreciate that there are other organisations. Who had been consulted?

Màiri McAllan: I have spoken with individuals in the Traditional Music and Song Association of Scotland who are supportive of the proposal. I appreciate that you are quoting one, and that is the beauty of—

Jenny Young: I should say that the representative was not unsupportive of the

principle, but she wanted a bit more detail as to what it was supposed to achieve.

Màiri McAllan: That is understandable. For the most part, in all candour, people have been very supportive but very keen that it take the right form. That probably sums up most people's views—it certainly sums up mine.

For some time, there have been calls to put traditional music on a footing similar to that of the other performing companies. As a Government representative, I am not here to talk about the manifesto or party engagement on the development of a manifesto. My job as a Government minister is to implement the manifesto, and I am developing the policy now with close consultation with the sector.

Jenny Young: Do you have a timescale as to when you might have a firmer idea of a proposed operational structure and of when the company might begin to operate?

Màiri McAllan: Not one that I can give you with any certainty today. As I said, that consultation just closed at the end of September, and it was well responded to. We need to take time to go through the detail of what people have told us, and I will be able to update the committee with more details.

Jenny Young: That is really helpful.

There is one other area that I want to touch on. In a lot of the written evidence, and in some of the evidence that has been given in person, concerns have been raised about the impact of reductions in local authority funding on cultural organisations and cultural activity in local areas. That has led to some organisations calling for cultural services or cultural activity to be made a statutory service within local authorities. I put that to Councillor Maureen Chalmers, who is the COSLA spokesperson for community wellbeing, on 6 October. I am concerned about that proposal, and she seemed to share that concern. She said:

"A statutory requirement for provision is fine as long as it is fully funded and comes with the funding to successfully implement it."—[*Official Report, Europe, External Affairs and Culture Committee*, 6 October 2026; c 35.]

Do you share that concern? I am concerned about saying that everything is statutory if local authority funding remains there or thereabouts—there might be a small uplift, but it remains broadly similar—because local authorities are grappling with huge challenges in public finances, as are Governments, as you said.

I do not think that it is realistic or fair to give the public an expectation that those services will definitely continue, although we want them to. Do you share COSLA's concerns that, if we were to make all those activities and services statutory, it

would add a further unmanageable burden to local authorities?

11:00

Màiri McAllan: That is an interesting point. Whether we are legislating for cultural services or anything else, the Parliament needs to be clear that we can make legislation but, without the infrastructure, the funding and the people on the ground to deliver it, it is not automatically realisable. That is what COSLA is reflecting, which I do not disagree with. Some aspects of culture are already statutory. Recently, I met Councillor Maureen Chalmers in her COSLA role and we discussed the "Public Libraries: Beyond Adequate Recommendations" report and what is already required of local authorities in delivering library provision. We have also committed to a culture bill and are developing its content. Questions about what is and what is not on a statutory footing could be considered in that primary legislative vehicle. There are challenges with legally requiring certain things if we do not have the infrastructure to deliver them. That is where Matt Baker's work and the local culture report comes into play.

It is worth saying that there is no Government, local or national, for which the prevailing economic circumstances are not a considerable challenge. That is definitely the case for local government. However, I have to put on record that this year's budget provided a real-terms increase of £15.7 billion for local authorities. Therefore, I would advocate that culture and cultural spend has to be an important part of that for councils.

David Green: I will pick up on local government funding. You have just raised libraries, and you are clear in your letter that library funding is primarily a matter for local authorities. I appreciate that you have just mentioned the uplift in the last budget, and we are looking forward to the upcoming budget. What assurances can you provide to the committee about discussions that you have had with the Cabinet Secretary for Finance about the holistic approach to local government funding? Although we can focus on culture funding, which you are responsible for, we both recognise, particularly from the evidence that we have heard, that the holistic approach is much broader with regard to local government and that cross-portfolio work is being done.

Màiri McAllan: The local government settlement is important to my portfolio for the culture aspect that we have been describing and because education, which is the other part of my portfolio, occupies a significant chunk of the money that local authorities receive and spend from their grants. The holistic approach to the local authority settlement is important to my portfolio, and I am engaging with conversations about that.

I ought to have mentioned in response to Ms Young—and it is relevant for this conversation—the need to offer flexibility to local authorities, recognising the constraints and their desire and obligation to support cultural activities in order to complement what national Government is doing. I would not like it if national Government investment increased and local authority investment decreased as a result; we simply cannot have that.

I would point to things such as the visitor levy. The legislation provides local authorities with the flexibility to introduce a levy if they think that it is appropriate to do so and at a rate that they think is appropriate as a means to support local tourism and connected activity in their areas.

David Green: You were frank in your opening evidence about the climate in which we are in. The £100 million uplift is certainly welcome. However, I note from the National Theatre of Scotland's submission that its grant is around 24 per cent lower in real terms than it was in 2016-17. It alluded to energy costs and national insurance costs absorbing the uplift. Can you give us a real picture of how much of the £100 million uplift will be absorbed by the additional costs? That will help us understand the actual footprint of the impact of that additional money.

Before you do that, though, I would like to refer you to some evidence that we received from St Magnus International Festival, which noted that national policies and strategies do not always reflect the realities of rural and island areas, particularly in the context of budgetary decisions. I have put this issue of rural proofing of funding to you before, but can you address it again and tell us about any deliberations that you have had with colleagues on whether greater merit should be given to rural proofing by the Government, along with a wider reflection on what is being absorbed across the brief?

Màiri McAllan: It is difficult to give—certainly orally—an assessment of how each of the different constituent parts has gone up and the impact of prevailing costs. As I said in my opening remarks, I understand the pressures that are bearing down across the board. If energy prices were not as they are, if national insurance contributions had not gone up and if we had not left the EU—my goodness—the funding increase would have made a much more significant difference than it has.

I do, of course, monitor the impact. I appreciate that I am probably labouring the point, but it is important to highlight that the number of organisations across the country that are now receiving three years-worth of funding certainty is more than double those receiving grants from Creative Scotland. That makes a huge difference

with regard to the spread across the country, including rural areas, the certainty that those organisations now have, and the work that they can plan to do over the three years.

I would refer you again to the museum futures programme. Again, I do not want to labour this, but I think that that is about added value and saying, “We have this much money that we can use, so let us use it to drive strategic improvements”. Let us use it to bring the National Lottery, the Heritage Fund, the Government and Museums Galleries Scotland together, combine expertise and work closely with the leaders of our museums to think about ways in which they can innovate out of the difficulties that they are undoubtedly facing.

In short, we are fortunate to have these increases, and they will make a considerable difference. They would have made a greater difference if we did not have these prevailing economic headwinds, but I think that we can use the funds in innovative ways so that they are more than the sum of their parts and can provide sustainability for our organisations.

David Green: I come back to the evidence from the witness from St Magnus International Festival, who told us that

“Scotland is a hugely rural and island community”—[*Official Report, Europe, External Affairs and Culture Committee*, 29 September 2026; c 35.]

which, of course, we will all recognise. He also said that, all too often, organisations

“encounter policy, structures and reports in a context that does not always make sense to us and does not feel as though it has had input from”

that particular part of the world. Again to labour the point about rural proofing, I just wonder what more consideration you have given to that issue since you were last at the committee in early September.

Màiri McAllan: Again, it will be different across the different funding streams. I expect that, when Creative Scotland considers the support that it might give to an organisation facing particular challenges because of a rural or island setting, that will be reflected in its application for support and in the support that it gets. Do you see what I mean? The organisation can advocate for funding to meet the increased barriers that it faces, and I expect that Creative Scotland to take that into account in deciding whether to fund the organisation and by how much.

Equally, the expanded festivals fund has provided a degree of support and certainty to festivals that happen, as you have rightly identified, right across Scotland. Jamie MacDougall has just pointed out to me that more than a third of the multiyear-funded organisations—95 in total—deliver their work

across all parts of Scotland. I can highlight a number of examples such as the National Piping Centre, Art in Healthcare and the Scottish Book Trust; sector development organisations such as Craft Scotland, the Federation of Scottish Theatre and Traditional Arts and Culture Scotland; national youth organisations such as Scottish Youth Dance, Scottish Youth Theatre and the National Youth Orchestras of Scotland; and others that are perhaps based in one place in Scotland but which get funding to operate nationally and therefore have that spread.

I will just close by saying that the need for—and necessity of—culture to reach every corner of the country is very important to me. As well as expecting that to be taken into account by those who consider funding applications, I will continue to consider how I can support parity across the country.

David Green: Perhaps there will be an opportunity to have further conversation on the rural proofing aspect.

Let us touch on the “Local Culture Scotland” report, which you alluded to earlier. It contained a recommendation on building local consortiums across the 32 local authority areas. Of course, if the Government gets its intentions down the track, we might not have 32 local authorities—they might be different shapes and sizes. You might need a second iteration of the report to better reflect local government reform.

The report proposes £500,000 for each local area. We recognise that local authority areas have different levels of deprivation. I come back to my point about different costs for rural and island communities. Can you give us a bit of an insight on your thinking with regard to the report, particularly given the upcoming budget? Is the proposed scheme one that you want to push further?

Màiri McAllan: As I said earlier, I met Matt Baker and his team to go through the report and ask them some of my initial questions on it. We are now in a period of considering the recommendations and how we take them forward, so I will be able to give you more detail in time. For now, there is much in the report that I welcome.

It is worth saying that we commissioned the report because we understand that there is a need for change. I am a huge proponent of local community-driven arts and culture activity, and I really like much of what the report recommends in respect of co-ordinators, guaranteed funding and moving away from laborious administrative tasks that hold back teams of volunteers and individuals from doing what they want to do in their communities.

There is much that I like in the report, although, given that we are talking about public money, there are some things that I need to consider. As you would expect, I need to be absolutely sure that there is accountability in how money is granted and used. I do not want that to be over the top and burdensome, but I need to have assurance that it is working and that, as you mentioned, the divergence in capacity in communities is understood. We all know, as MSPs, that there are some very well-organised communities and some who need the infrastructure to do something.

There are, therefore, issues of accountability, ensuring that the scheme reaches everybody and the variation in local capacity. There is also the issue of funding and, as you say, understanding exactly how best that could work in the context of PSR. However, I have committed to Matt Baker and his team that I will come back to them as quickly as I can on each of the recommendations.

David Green: The report has come up with a model based on the 32 local authorities. Is the Government confident that it will be able to take any of that forward, given that there is uncertainty about what local government will look like in the next few years?

Màiri McAllan: I do not think that the fact that the report speaks to the current set-up will prevent us from understanding how it could apply in a reformed local government set-up. The core issue is not that there are 32 local authorities, but that the scheme gets to a local level with a degree of certainty and local autonomy. Whatever we arrive at in respect of PSR in local government, that can apply.

David Green: With PSR more broadly, proposals for local government reform are incredibly important for the wider cultural brief. The Government has not put a figure on what those reforms might cost, but the think tank Common Weal estimates that the reorganisation might exceed £2 billion.

I highlight that because the Government is introducing significant plans in the cultural sphere. I recognise the PSR culture cluster. We had a discussion earlier with Creative Scotland, which has yet to see the full detail of the proposals that the Government may bring forward with regard to PSR and the culture brief. Can you give us any flavour of what those proposals might look like and what the budget considerations might be? We know that reform is incredibly costly.

11:15

Màiri McAllan: Reform undoubtedly costs money, but inaction also costs money. As I am sure that I said when I was last at the committee, on the question of PSR, for me, it is very much

about better outcomes for people, with potential efficiencies as a result, rather than leading with the need or the desire to save money. I do not see it in that way.

The culture cluster has been on-going for some time, so there should be a well and readily understood view of what PSR means in culture, and examples of it are emerging already. I apologise, as I cannot remember whether we talked about this last time, but—by way of example—Historic Environment Scotland's new financial framework introduces a degree of flexibility, commerciality and the ability to invest with greater freedom than it has before, which has allowed the Scottish Government's grant to decrease. For me, that is a good example of PSR; so, too, is Screen Scotland being a separate organisation outwith Creative Scotland. I point to that as an example of public service reform not being about cuts or fewer organisations. Where it makes sense for the population of Scotland and, in the case of Screen Scotland, where there is the opportunity of significant GVA, we will create new organisations as well. It is about the right fit.

PSR is an on-going exercise in culture. PSR related to local government is a separate matter, but it will of course affect culture as well.

David Green: I have a very brief question, and then I will have one more question after this, if I am allowed, convener.

Do you recognise that there is a cloud of uncertainty about what the costs of reform will look like, which makes it difficult for Opposition MSPs in Parliament to scrutinise the proposals that you are bringing forward in the budget? We know that reform will cost money. Do you appreciate and recognise that uncertainty? You have asked us to engage constructively across the chamber, and I think that we are trying to do that. However, if we are to bridge that gap, you will need to give us more assurances. Will you recognise that?

Màiri McAllan: Yes. Absolutely.

I should say that, when I was reflecting that there should be a well-understood view of what culture PSR looks like, I was referring to the organisations that have been part of the culture-cluster discussions for some time now, and not to parliamentarians. Allow me to clarify that.

Of course there is uncertainty. On the local government question, the approach that the Government has taken, and that the First Minister and the Deputy First Minister have led, is about not coming to the discussion with local authorities with a predetermined view on how we think that it should be and simply ploughing ahead with that. It is very much about a discussion. I suppose that, naturally, there is some uncertainty. However, that

period of intense discussion will come to an end, and we will be able to socialise more the shared views of what the next stages are.

David Green: I will turn to my last question.

The Parliament had a constructive debate about Scotland's creative economy before the recess. A lot of common ground was found. In particular, we had a bit of dialogue around the games industry, which could certainly help in Scotland's growth space. I recognise that the letter to the committee sets out support for a number of different areas, and I know that there has been a bit of debate about where gaming sits. However, there is no mention of gaming or, indeed, of the comedy sector, which has engaged all of us as committee members. Can you give a bit of recognition to those spaces?

Màiri McAllan: Yes, absolutely. When it comes to letters to the committee, I am sure that you understand that, if I were to try to list everything, it would be awful and you would never be done reading the letters that I wrote to you. However, I will take the point and try to make sure that they are more at the forefront of what I am saying.

To give you some reassurance, since I was last at committee, I have met both the Creative Scotland board and the Historic Environment Scotland board. At the former, there was a very good discussion about gaming, comedy and other opportunities for creative industry growth. There was also a discussion about how screen has been so successful. As we work to allow that to take off, we discussed what the next area that needs our attention is, and gaming was mentioned in that regard.

David Green: Thanks for putting that on the record. I appreciate it.

Heather Anderson: I refer members to my entry in the register of members' interests. I am a serving councillor on Dundee City Council.

My questions are around the direct funding that the Scottish Government provides to the performing companies and to the V&A, in particular. As a Dundee councillor, I very much appreciate the support for what is a very ambitious and impactful museum of design, with 2.6 million visitors and £300 million income generated. I would like to hear your views on the Scottish Government continuing to provide direct funding to the performing companies—I think that Sistema is on the list—and the V&A. Will you maintain that independent position?

My follow-up question is about evaluation of impact. We have discussed how Creative Scotland is trying to find new ways to reach all the different communities across Scotland and how it is evaluating the impact of that. I would like to hear a

bit more about how you evaluate the impact of the funding that you are providing directly.

Màiri McAllan: I will start with the first point, about direct funding. I am pleased that you have raised the example of the V&A in Dundee, which I was keen to do in my opening remarks. It is an outstanding organisation, and I have been a great fan and enjoyer of the V&A since before I came into post. Since becoming culture secretary, I have seen cutting-edge work at the V&A, and that makes me so proud to visit it, to see the beautiful regenerated area at the waterfront and to appreciate the wonderful array of exhibitions that the museum puts on.

Most recently, I was there for the Scottish fashion graduates arts show, which was outstanding. We were very lucky to have there some of Scotland's most successful fashion graduates of recent years, who went back to support this year's graduates. I cannot recognise the V&A thoroughly enough.

That is reflected in our providing increased funding to the museum. We know that significant national and international activity is required to sustain something of the V&A's scale and offer. I am very proud to be able to support it with that—and likewise the national performing companies.

That leads me to your second question, about monitoring impact. With education and culture sitting side by side in my portfolio, I am keen to understand the impact of culture in our education system and our schools. The work of Scottish Opera and the National Theatre with our young people is outstanding. I have mentioned the number of young people reached by the youth music initiative and organisations such as Sistema. I can see the support that the museum futures programme has offered to museums across the country that are facing really difficult situations. I have sat down with heads of museums, and they have told me about how that programme—which has combined funding and expertise—has helped them to think very differently about how they approach sustainability into the future.

When it comes to our expanded festivals funding, I can see the footfall, ticket sales and economic value to the local area. For example, the HebCelt festival has been doing extraordinarily well in recent years and has been contributing so significantly to the local area. I applaud it for that.

We monitor the impact of different pots of funding in different ways, but we keep a very close eye on it. For example, we are evaluating year 1 and the first half of year 2 for the museum futures programme to ensure that we do the right things in the future.

I cannot pre-empt future budgets, but having all that information helps me to make the case for continued support.

Heather Anderson: I am sure that the V&A will appreciate your warm words.

We spoke to witnesses from Creative Scotland earlier this morning, and I asked them about how they are evaluating the ongoing performance of multiyear-funded organisations and about how proactively Creative Scotland was obtaining information and giving feedback to them on whether they were achieving their aims. Would you consider multiyear funding for the directly funded organisations, and could you engage with them more proactively on how well you think they are doing in relation to their ambitions and impacts?

Màiri McAllan: I reassure you that we keep a very close eye on the impact of public funding of any kind—through whichever means and to whichever organisation. I always think that there is a balance to be struck between the absolute need for prudent spending of public money and close reporting on impacts—not only so that, not least, we can be nimble and change to enhance the impact, but so that Parliament can hold us to account for how public money is spent.

Equally, different organisations have different capacities. What is required will be very different at one end of the spectrum—for example, the V&A—than at the other end, where, for example, an individual is applying for funds to finish their album. I want to ensure that there is proportionality in what we expect from freelancers, artists and voluntary organisations, through to significant organisations, such as Scotland's premier design museum.

In answer to your question about multiyear funding, as we have reflected before, as a Government that has had to work with annual funding from year to year, we are very understanding of how difficult and limiting that can be. A strong case has to be made for multiyear funding being required, and we consider it. Jamie MacDougall has already talked about the discussions that he has been having with the performing companies about it.

The Convener: I will pick up on a couple of themes that have been touched on. Several members touched on local authority funding, and strong concerns were expressed in evidence that we heard prior to the recess. You have said clearly, in relation to both aspects of your portfolio—culture and education—that the local government funding settlement matters a great deal to you. I take that seriously and I respect the point that you have made.

However, we all know how the conversation goes. The Government will say, in any particular year, that it has done the best that it can for local authorities. Local government will respond by saying that one year's increase has not made up for previous years of below-inflation settlements and that it does not keep pace with inflation or rising demand for local government services. The Government will respond by saying that that is impacting on all of us, including on national Government budgets, and that it is a very difficult time. We all know how that goes.

I do not have the precise form of words that you used, but you were very clear that you do not want to see rising culture spending from the Scottish Government budget displacing local government spending. You said that you do not want to see that impact, but that is what is happening. Local government spend on museums, galleries and library services has remained relatively stable in real terms in the past few years. Those elements of local government spending probably have fixed costs, but the other culture and heritage spend in local government has seen a very sharp decline, particularly in the provisional outturn for 2025-26. That shows a reduction of nearly a third in real terms since 2022-23, and almost all of that cut is in that one year. There was a very minor decline in 2023-24 and again in 2024-25, but 2025-26 sees a sharp decline. We are seeing what you said you did not want to see.

Màiri McAllan: First, everything that you narrated at the start of your remarks is absolutely the case. There is a tussle between local authorities feeling that there is greater demand and less spend, and the Scottish Government pointing out that a real-terms increase is a real-terms increase—that it is an above-inflation increase and that it is £15.7 billion this year. All of that is right. Sometimes those things can seem as though they do not reconcile, but that is what local and national Government have to deal with.

I accept that local authorities are independent corporate entities that have autonomy in how to use that Scottish Government funding and what to apply it to. That comes back to Jenny Young's question about what is statutory and what is not. In a leadership position as the culture secretary who oversees an increasing national budget, I can say firmly that I do not want national investment to be undermined or displaced, or underinvestment of any kind at local authority level; nonetheless, it remains up to local authorities to decide their spending.

I can say with clarity that I do not want those things to happen because we would lose the additionality. We talked with Mr Green about how rising costs already affect additionality; I do not want it to be affected any more by the diversion of

funding away from culture at a local level. Scottish Government and local government funding should be complementary. I know of councils throughout Scotland that are working really hard to invest in their cultural estate and activities. As culture secretary, I want to stand alongside them and ensure that, together, we can offer additionality in our communities.

11:30

The Convener: I expect there to be strong agreement across the committee and the Parliament about what you have said that you want to achieve. I do not want the aspirations that exist in the culture portfolio to be put at risk in the way that I have described, but the reality is that, objectively, it has been shown to be happening for 2025-26. Is there any reason why you or we should be confident that the same pattern will not emerge when we see the outturn figures for 2026-27?

Màiri McAllan: We must remember that we are not talking about the Scottish Government and one other organisation but about the Scottish Government and 32 councils that are dealing with different requirements in their areas, different portfolios of cultural and heritage estate and different needs in their communities. Therefore, different approaches and challenges will exist, and it will be up to local authorities to account for how they have invested in culture and heritage in their areas, recognising that doing so is not only about the arts but about all our other objectives. Local authorities must be held to account for how they spend.

I will keep trying to make the very best of the increased investment that the Scottish Government is making available and I will engage with COSLA and others to ensure that fundings are complementary. The ultimate goal is to have complementary national and local fundings towards cultural outcomes. However, I cannot go as far as trying to dictate to local authorities how to spend their funding.

The Convener: I am sure that you would not wish to dictate to local authorities, and I do not think that we would want you to do so, but I am asking about your expectation. You have told us what you do not want to see, which is increased national spending displacing cuts at local government level. Do you expect to see that?

Màiri McAllan: It will be different according to the prevailing conditions in each local authority area. I will do my best to work with COSLA—as I said earlier, I recently met the community spokesperson and culture conveners throughout the 32 local authorities to seek to avoid that situation. I will do my part in that; I ask that local authorities do theirs, too. I reiterate that I know that

many authorities throughout Scotland are doing their very best to invest in culture and heritage in their areas. Ultimately, we will get the most out of that increased spend if we can make funding complementary.

The Convener: I want to pick up on some of the previous panel's comments. I am not sure whether you were able to hear the Creative Scotland witnesses, but we touched on fair work a little. I made the point that although not all the independent task force recommendations have a significant budgetary implication, one of them does: the creation of a fair work fund.

The Scottish Government's website still says that there will be a Government response to the task force's report in the autumn. The Government's definitions of seasons are notoriously flexible. Has a decision been made about those aspects of the task force recommendations that have budgetary implications, such as the creation of a fund, and could you tell us when autumn ends?

Màiri McAllan: What I can tell you, convener, is that, as you know from your experience in Government, seasonal commitments can flex. It is still very much my intention that that work should be published as soon as possible, and I understand the committee's desire to see it. However, I am not waiting for the outcome of that report—indeed, you will appreciate that the commitment to pilot a minimum income for artists is a significant part of that work and we are taking that forward right now.

I apologise that I did not see Creative Scotland's session, but really critical parts of the Creative Scotland review recommendations play into the fair work task force's recommendations, so I want them to come together as well.

It is only appropriate that I put on record that employment law is reserved. Therefore, we continue to advocate to the UK Government on intellectual property, artificial intelligence and all the other matters that affect creatives in relation to fair work.

I intend to publish the report as soon as I can. Although I cannot pre-empt the outcome of the budget, all those aspects are part of the thinking that will go into that work.

The Convener: We certainly look forward to hearing the Government's response to the report and understanding the extent to which decisions for the coming financial year's budget will play into the implementation of its recommendations. It will be easier to understand those budget decisions if we can see them in the context of a response to the report.

It looks as if there are no final questions, so you get nearly 25 minutes of your day back, cabinet secretary. Thank you very much for your time. We finish a bit earlier today because we are slightly depleted in numbers. With that, we move into private session.

11:37

Meeting continued in private until 12:20.

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