

**Constitution, Europe, External Affairs and Culture Committee**  
**Thursday 25 September 2025**  
**24<sup>th</sup> Meeting, 2025 (Session 6)**

## **Pre-Budget Scrutiny 2026-27**

1. The Committee will take evidence in relation to its [Pre-Budget Scrutiny 2026-27](#).
2. The Committee agreed to take a cumulative approach to budget scrutiny over Session 6, focusing primarily on the culture spending portfolio.
3. The Committee ran a pre-budget call for views from 25 June to 15 August 2025. The call for views received 37 responses, which are available to view [online](#). The Scottish Parliament Information Centre (SPICe) has produced a summary of the a summary of the evidence received and further briefing papers, which are included in the papers for the Committee's [11 September](#) and [18 September](#) meetings.
4. SPICe has produced a further briefing paper on the evidence received so far and the Committee's previous budget scrutiny, which is attached at **Annexe A**.
5. The Committee will take evidence from—
  - Iain Munro, Chief Executive, Creative Scotland
  - Alastair Evans, Director of Strategy and Planning, Creative Scotland

And then from—

- Angus Robertson, Cabinet Secretary for the Constitution, External Affairs and Culture Scottish Government
  - Lisa Baird, Deputy Director, Culture and Historic Environment, Scottish Government
  - Alison Byrne, Chief Executive, National Records of Scotland
6. Creative Scotland provided a [response](#) to the Committee's call for views, which is included at **Annexe B**.

**Clerks, September 2025**

## Annexe A

Constitution, Europe, External Affairs and Culture Committee  
Thursday 25 September 2025

### Prebudget Scrutiny

#### Introduction

This session the Committee has taken a consistent and cumulative approach to its scrutiny of the Scottish Government's budgets. The focus of the Committee's work has been on the culture aspects of the budget.

In the past two weeks, on [11 September 2025](#) and 18 September 2025<sup>1</sup>, the Committee has taken evidence from stakeholders.

This week, the Committee will be taking evidence from Creative Scotland and the Cabinet Secretary for Constitution, External Affairs and Culture.

The Committee issued a call for views over the summer. The questions in that call for views reflected the themes of the Committee's scrutiny of culture and heritage budgets this session. In addition, the Committee asked for views on the culture sectors' contribution to Net Zero and the Climate Change Plan. Members were provided a paper summarising the responses to the call for views in its [papers for the meeting on 11 September](#).

#### Budget process and timing

The Scottish Government's budget is normally introduced in December. However, UK Government's Budget is scheduled to take place on 26 November this year (it was on 30 October in 2024) and this may delay the Scottish Budget process.

The Scottish Government intends to undertake a spending review of both capital and resource spending and to publish this alongside the 2026-27 Scottish Budget. The Committee contributed to the previous resource spending review framework in 2022. In its [prebudget scrutiny report on the 2023-24](#), the Committee recommended that indicative level 3 figures should be provided for the period covered by the 2022 spending review – the Government did not do so.

#### Medium Term Financial Strategy and associated strategic documents

The Medium-Term Financial Strategy (MTFS) sets out the Scottish Government's expectations and broad financial plans and projections for at least five years ahead on a rolling basis and is informed by Scottish Fiscal Commission's Economic and Fiscal Forecasts, which are usually published at the same time. Both documents are intended to inform committees' pre-budget scrutiny.

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<sup>1</sup> At the time of writing, the Official Report was not available for the meeting on 18 September.

The [MTFS was published on 25 June 2025](#). The Scottish Fiscal Commission [published its updated fiscal and economic forecasts on 29 May, which were restated in a further publication published following the MTFS](#).

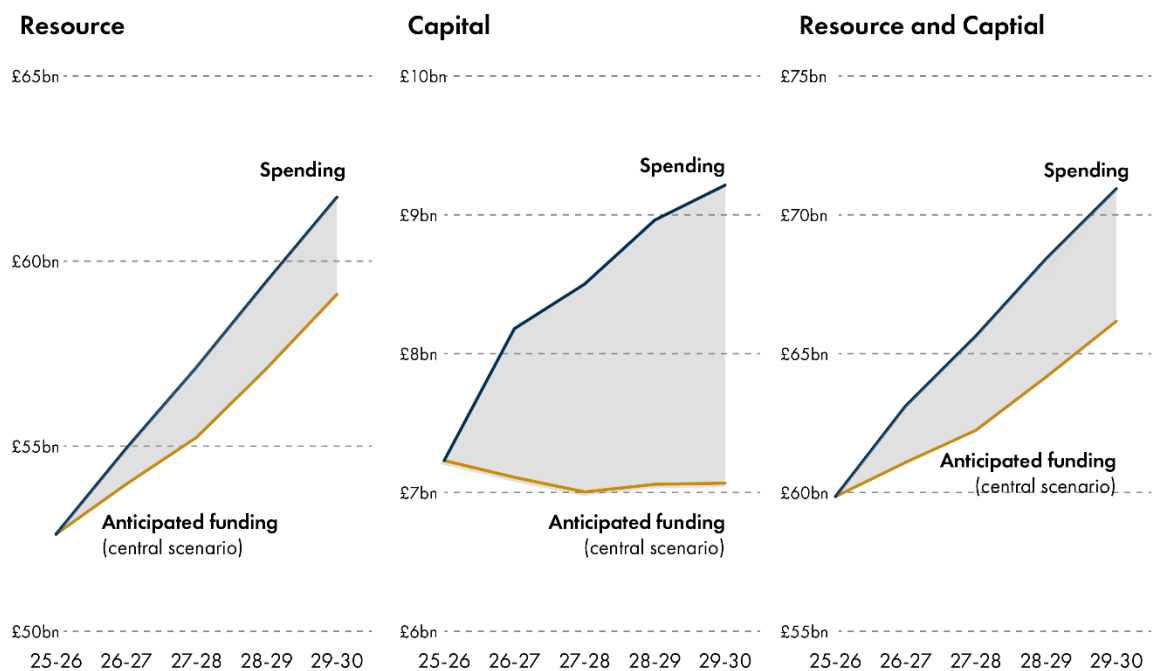
The MTFS sets out the Government's 'Three pillars of the 2025 Medium-Term Financial Strategy'. These are:

- Ensuring public money is focused on delivering government objectives, underpinned by reform and prioritisation to maximise impact.
- Supporting sustainable, inclusive, economic policies with the greatest potential to grow Scotland's economy, expand and broaden the tax base to fund public services.
- Ensuring a strategic approach to tax revenues, which considers the longer-term impact of our tax choices and competitiveness.

The MTFS noted that there are expected fiscal pressures in both resource and capital spending with significant gaps between anticipated spending and funding. The charts below illustrate this.

### Resource and capital spending plans exceed anticipated resources in every year, and this gap increases to a total of nearly £5 billion.

Comparison of spending plans and anticipated funding for resource and capital spending: 2025-26 to 2029-30.



The MTFS referenced the [Fiscal Sustainability Delivery Plan](#) (also published on 25 June) and said that the Government expects to savings through the following actions:

- Reducing the devolved public sector workforce – expected savings of £0.1 billion to £0.7 billion per annum over five years.

- Wider public sector efficiencies and productivity, reform, and revenue raising, with savings growing from £0.6 billion to £1.5 billion per annum over five years.
- “Increasing public value” through prioritisation of budgets to maximise outcomes in line with the Scottish Government’s priorities. This work is expected to be set out in the spending review and the Government would expect to realise savings of between £0.3 and £0.7 billion per annum over five years.

On 19 June 2025 the Scottish Government published [its Public Service Reform Strategy](#). This set out the Government’s “commitments to change the system of public services - to be preventative, to better join up and to be efficient - in order to better deliver for people”. This strategy referenced the 2011 Christie Commission and acknowledged that its vision of public sector reform “has not been delivered to its full potential”. The PSR strategy identified how the Government will “tackle systemic barriers to change”.

## Scottish Spending Review Framework

In advance of the Scottish Spending Reviews expected this winter, the Government published a [Scottish Spending Review Framework as an annex to the MTFS](#).

This said that the approach to the spending review process will be “underpinned by fiscal sustainability” and that the Government will engage with stakeholders on plans. It said that the focus of the spending review will be “the best way to deliver against the four core priorities of government”. These are:

- Eradicating child poverty;
- Tackling climate change;
- Growing the economy; and
- Ensuring high quality and sustainable public services.

The Government stated, “we intend to prioritise where funding is deployed to ensure the greatest impact, using evidence and performance data to support this decision-making.”

The Committee will recall from the previous resource spending review framework that Budget Process Review Group recommended that Committees engage with the Government, public bodies, and stakeholders on the framework in order to influence the process.

## Current reviews

There are currently two reviews underway in relation to the Culture portfolio. One is an independent review of Creative Scotland. The other is a Scottish Government review which will look at the existing support for the sector and explore new ways the Scottish Government grow the overall funding pot for culture and diversify funding streams. This review will also consider what action can be taken to help the sector to navigate current and future challenges and make the most of opportunities for collaborative working.

## Creative Scotland Review

The review of Creative Scotland is currently taking place and being led by Angela Leitch CBE. The review is expected to report in November and will cover:

- Purpose and functions
- Structure and performance
- Governance and leadership
- Finances and distribution of funds
- Collaboration, relationships, and partnerships

## Wider review of the sector

In his letter to the Committee in [December 2024](#), the Cabinet Secretary said—

“The Government is also carrying out a review of how the culture sector is supported to maximise the impact of this significant investment. The review will look at public funding and working across the public, private and third sectors to grow the overall funding pot for culture, diversify funding streams and supporting the sector to become more sustainable and resilient in the face on ongoing challenges.”

The Cabinet Secretary gave further details of this work [in his letter to the Committee in March](#)—

“The review of how the culture sector is supported will not take the form of a traditional review but will adopt an action-orientated approach to develop thinking from the outset and demonstrate a range of new practices on the ground at pace.

“This ongoing programme of work will initially focus on two key areas: the delivery of [Museums Futures Programme] and the further investigation and development of innovative funding solutions as well as non-financial support for the sector based on existing and developing evidence of impact. ...

“Learning from the first year of the Sector Support Programme will inform how the Scottish Government works to optimise funding approaches and support the sector going forward. The factual evidence from this learning may therefore, inform elements of the Creative Scotland Review around effective approaches to supporting the sector going forward.”

As part of this work, the Government launched a survey in January. The Scottish Government’s Culture Sector Support Needs Survey gathered responses from over 754 individuals and organisations working in arts, heritage, libraries, and museums. The [Government published an analysis of those responses](#) in May 2025. The themes from this survey were similar to those found in responses to the Committee’s call for views, for example: welcoming public funding but questions over the application process, sufficiency, and project-based nature of public funding.

The [Government's letter of 4 March 2025](#) said, “the survey is only one part of the engagement process, and the results will be considered alongside the extant body of evidence available from extensive past and ongoing engagement with the sector, which will include the substantial evidence and recommendations provided by the CEACC Committee.”

## Key themes of the Committee's work

The [Finance and Public Administration Committee guidance to Committees on budget scrutiny for the 2026-27 Budget](#) stated—

“The pre-budget process [this year] presents an opportunity for committees to consider the impact of their scrutiny and recommendations across Session 6 of the Parliament, and whether there has been progress made against priority areas. This may be particularly relevant to those committees that have taken a session-long approach to pre-budget scrutiny, and/or have heard from regular stakeholders consistently. Given the timing, the outcomes of a reflective approach may provide a useful basis for consideration of the budget scrutiny process in committees' Session 6 legacy reports.”

The following sections highlight and explore the context of the additional money being invested in the sector and some of the key themes of the Committee's work this session:

- multi-year funding
- Strategic and cross-portfolio approaches to funding decisions
- Alternative funding approaches

Annexe A of this paper summarises the Committee's views and recommendations under these three headings along with the Government's responses on these topics in their formal response to the Committee's reports.

## 2025-26 Budget and expected increases in 2026-27

A key development this session has been a commitment from the Scottish Government to increase funding for the arts. During the [statement introducing the 2024-25 Scottish Budget](#) on December 19 2023, the Cabinet Secretary for Finance Shona Robison confirmed the Scottish Government commitment of “investing at least £100 million more in the arts and culture by 2028-29.” Responses to the Committee's call for views welcomed the increased funding to the sector.

In his letter to the Committee in [December 2024](#), following the publication of the pre-budget report, the Cabinet Secretary provided the following update on the progress of this funding commitment –

“The Government has clearly demonstrated its confidence in, and commitment to, the sector by proving a further £34 million in 2025/26 taking the uplifts to date to £50 million a year – halfway to the intended £100 million more annually by 2028/29 with an aim for a further £20 million in 2026/2027 subject to the usual Parliamentary procedures.”

The Scottish Government has confirmed to SPICe that the commitment to increase funding by £100m by 2028-29 is based on the overall Culture line. This line includes the Creative Scotland, Other Arts, Cultural Collections and National Performing Companies budget lines. The majority of the additional funding announced so far has been provided to Creative Scotland (including Screen Scotland). Of the £34.9m of additional funding in 2025-26, £26.6m<sup>2</sup> is intended for Creative Scotland's multi-year funding, £2m for Screen Scotland. The National Collections received a £4.7m uplift and the National Performing Companies, £1.0m.

While the significant expansion of Creative Scotland's Multi-Year Funding programme was widely welcomed, several submissions to the Committee's call for Views raised concerns about the overall balance of new investment. Historic Environment Scotland noted that the increased funding "has not been evenly distributed across the culture portfolio". It said its core resource budget "has remained flat in cash terms," and that its grants budget "has not increased since before the pandemic." National Museums Scotland and the Scottish Library and Information Council similarly called for more even distribution across sectors and geographies. The additional funding has, largely been aimed at supporting organisations (rather than individuals) within the arts and screen sectors.

Alistair Mackie from the RSNO told the Committee on [11 September](#) that his orchestra's funding from the Government was roughly the same in cash terms as in 2008-09. (Col 32). He said that the wages for his musicians are too low and not competitive. (Col 30) Anne Lyden from National Galleries of Scotland said—

"The costs of the 35-hour working week, national insurance increases and pay awards effectively totalled £1.75 million, and that is something that we have had to take on board. In the budget that we were allocated for this financial year, there was an increase of 9 per cent, which totalled £1.75 million." (Col 15)

In February 2025, [SPICe published a blog looking at the additional funding for the sector, outcomes and its strategic intent.](#)

### **New and increased funds**

The additional monies from the Scottish Government is making a difference to the funds available to the sector. The list below provides some detail on where the new money is going this year.

- Creative Scotland multi-year funding  
An increase of £20m this financial year and an expected £20m next year.
- Additional £2m for Screen Scotland
- Culture Collective  
The Government intends to relaunch this programme with £4 million in 2025/26.
- Museum Futures programme  
£4 million initiative launched by the Scottish Government in partnership with Museums Galleries Scotland and the National Lottery Heritage Fund. Aimed

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<sup>2</sup> £26.6m includes £20m of new money and a "baselined £6.6m lottery shortfall".



at supporting the sustainability, innovation, and resilience of Scotland's museum sector, particularly in response to long-standing financial insecurity, short-term funding cycles, and rising operational costs.

- EXPO fund (for 14 festivals in Edinburgh and Glasgow)  
This year, the fund has awarded a total of £2.8m across 14 festivals, up from £1.7 million the previous year.
- Expanded Festivals Fund  
A new £1.8m fund available to festivals across Scotland.

## Multi-year funding

### Multiyear funding of directly funded organisations

The [2021-22 Programme for Government](#) committed the Government to providing 3-year funding settlements to “cultural organisations that we provide regular funding for”. The Government directly funds a range of organisations, including Creative Scotland, HES, the National Collections, the National Performing Companies, the V&A Dundee, SLIC and MGS.

The Committee has consistently asked the Government to make progress on this commitment during session 6. Annexe A shows that the Government's responses this session have been consistent: agreeing that such a funding settlement would be beneficial, albeit potentially difficult to achieve.

As noted above, there is a spending review expected alongside the budget this year. Given the separate commitment to increase culture funding, it is not clear to what extent the Cabinet Secretary's future budgets are mapped out in future years already.

A key theme of the Committee's Call for Views this year was around the benefits of multi-year funding. Respondents suggested that MYF would:

- Enable strategic planning and long-term impact
- Improve organisational stability and resilience
- Support community engagement and social outcomes
- Reduce administrative burden and uncertainty

The RSNO's submission said that multi-year funding would enable it to undertake “strategic development aligned to agreed cultural outcomes”. Museums Galleries Scotland's submission said:

“Short-term settlements and uncertainty around future budgets are preventing the sector from planning strategically, investing in long-term outcomes, or retaining skilled staff. This is contributing to real and immediate risk leading to reduced capacity, shrinking reserves, and the loss of key roles in learning, curatorial care, and community engagement roles.”

HES agreed, its submission stated:

“One of the most transformative actions the Scottish Government could take would be to move the sector away from annualised funding cycles and



towards a model of multi-year, flexible investment. ... Currently, the dominant model of short-term, often project-based funding restricts organisations to reactive, short-term thinking, limiting their ability to respond strategically to opportunities or challenges. By introducing three-to-five-year funding settlements, linked to clear strategic outcomes and sector-specific strategies, such as Our Past, Our Future, public investment could become far more impactful and enabling.”

Speaking to the Committee on 11 September, Tony Lankester said that multi-year funding is “exponentially more impactful than multiple single-year funding cycles.” (Col 4) At the same meeting, Anne Lyden from National Galleries of Scotland said:

“The annualised budget is a real challenge. It places constraints on projects from the design stage to tendering to construction. Trying to manage all that in a 12-month period is extremely difficult. Having funding certainty over multiple years means that you can start to plan. For us, that means that we can look at organising big international exhibitions and touring with them.” (Col 4)

### **Creative Scotland’s Multi Year funding**

Creative Scotland to conclude the funding programme in January 2025, allocating over £200 million to 251 cultural organisations for the next three years. This is the highest number ever to receive regular funding from Creative Scotland. Over half of these organisations received multi-year commitments for the first time, with existing regularly funded organisations seeing an average funding increase of 34% in 2025/26, rising to 54% from 2026/27.

A wide range of organisations who responded to the Committees call for views expressed support for the Scottish Government’s increased investment in Creative Scotland’s Multi-Year Funding programme, and the additional investment in culture more broadly.

Last week, Lewis Coenen-Rowe from Culture for Climate Scotland said that he welcomed the relaxation of the application of Creative Scotland’s international criteria for funding. This, he said, had enabled more small community-based organisations to obtain support.

Nevertheless, some respondents indicated that many organisations received less than they applied for and raising concerns about sustainability in the face of rising costs. The Federation of Scottish Theatre (FST) reported:

“Many of our members were funded to 70-80% of what they had applied for, having already only applied for what they saw as the essential funding required over the next three years. This is unsustainable, and negatively impacts other aims such as Fair Work. Although it is a significant increase in funding and growth to the portfolio overall, for many previously-funded organisations it amounts to another three years of standstill funding or even cuts when adjusted for inflation.”

Some organisations were disappointed that Creative Scotland appeared to prioritise the number of organisations funded over the depth of support. SCAN commented:

“The increases emerged after decades of chronic underfunding for Scottish arts organisations. Whilst the uplift to Creative Scotland was positive, unfortunately the governmental indication to increase the organisational portfolio for Creative Scotland's Multi-Year Funding Programme (MYF) has resulted in many organisations receiving less than they ‘asked for’ in a difficult economic environment. This larger cohort has also been impacted on Creative Scotland’s capacity to support its MYF organisations as Creative Scotland itself as an organisation did not receive additional resource.”

Several organisations who responded to the Committee’s call for views expressed frustration at the delay in announcing MYF decisions, which, they argued, created uncertainty across the sector.

The application process was described by some as resource-intensive and stressful, particularly for smaller organisations. The Work Room highlighted the emotional and administrative toll saying that the process “was extremely depleting.”

In terms of the outcomes anticipated from this fund, Creative Scotland said—

“Together, the organisations in this portfolio deliver cultural and creative work of quality, breadth and depth to audiences across Scotland and internationally and the portfolio is more representative of Scotland’s geography, diversity, people and communities than ever before. All this underlines Scotland’s reputation as a thriving creative nation where culture is valued and developed for all.

“Importantly, the portfolio also provides significant support to Scotland’s local and national economy, through direct employment, by creating opportunities for freelancers, and by supporting individual artists and creative practitioners of all types who are so vital to the success of the sector.”

The Open Fund for Individuals is funded through lottery money and can support a period of research, development and/or delivery of creative activity for up to 24 months. Creative Scotland noted that demand for the Open Fund for Individuals is high saying “35% success rate for applications to our National Lottery Open Fund for Individuals in Q1 of 2025/26”. [Creative Scotland’s Annual Plan for 2025-26](#) said that it will “increase the funding allocation for our Open Fund for Individuals, responding to unprecedented levels of demand in recent years.”

In the responses for the Committee’s Call for Views, freelancers and individual artists expressed concern about their position within the funding landscape. The reduced cap of the Open Fund for Individuals—from £100,000 to £50,000—was criticised. The Scottish Artists Union described the fund as “an even more demoralising lottery for artists,” with many applications rejected due to oversubscription.

The Committee may wish to explore with Creative Scotland how it maximises the impact of its funding by balancing the level of funding with the number of organisations it funds, and the level of funding provided to individuals and organisations.

## Strategic approach to funding, including cross-portfolio funding

A key theme of the Committee's work this session has been the extent to which the distribution of resources are matched to strategic aims and prioritised to maximise desired outcomes.

The First Minister gave a [speech at the Edinburgh International Festival Hub on 31 July 2025](#). In it, he expressed support for the cultural sector and highlighted its contribution to society. He said that he would like to see cultural organisations, large and small and from across Scotland succeed. He spoke about innovation in funding models, including philanthropy and local authority support. Mr Swinney invited stakeholders to share ideas on how to better support emerging artists and creative businesses.

The [Scottish Government's December response to the Committee's prebudget scrutiny report last year](#) said that the announcement of additional funding is "rightly fuelling debate around priorities for culture". The Cabinet Secretary said that "the Programme for Government 2024 sets out what will be the main focus of the Government's strategic activity as we seek to place the sector on a more sustainable footing." The [2024-25 PfG](#) (p22) highlighted:

- The reviews of the sector and Creative Scotland
- Work on how best to support Scotland's festivals
- Support Screen Scotland

The Government's December response said:

"This reform, review and partnership work seeks to deliver transformational change across the sector, and this will take time and commitment from all partners working to achieve over a number of years. These commitments build on both the Culture Strategy Action Plan and the International Culture Strategy, with a renewed focus on those areas where positive change will make the greatest long-term impact."

## Policy development in this area this session

The Committee will be aware that review, consultation and discussion on the strategic direction for culture sectors has been ongoing through the session.

The actions in the 2020 national culture strategy included to establish the National Partnership for Culture (NPC). The NPC's role was "to continue our national culture conversation and advise Scottish Ministers on matters affecting and affected by culture in Scotland". The NPC was also "tasked with establishing a measuring change group to inform progress towards realising the national outcome for culture and the delivery of the culture strategy." The NPC published its report in March 2022. It [made recommendations](#) under five workstreams: Education and Learning; Community and Place; Health and Wellbeing; Fair Work and Data and Evidence. The NPC described its recommendations as "a starting point from which to move towards government providing a more strategic and connected approach to supporting culture in Scotland."

The Scottish Government [responded in September 2022](#). The response was broadly supportive of the recommendations. It often sought to link the recommendations to existing programmes of work. The response also noted that (at that time) work was underway to develop a new culture strategy action plan.

In December 2023, the Scottish Government published a [refreshed action plan](#) for the 2020 culture strategy. The action plan is organised under four chapters and three of the chapters relate directly to the three 'ambitions' in the 2020 strategy. The action plan also includes a chapter on 'Resilience' and [a summary of actions](#).

On 20 June 2024, the Cabinet Secretary provided [an update on the action plan in a letter to the Constitution, Europe, External Affairs and Culture Committee](#). Among other things this highlighted:

- Exploring and developing alternative and additional income streams
- Officials working with colleagues in skills policy to ensure that creative skills are fully considered in the development of new national skills planning processes
- The establishment of a Culture Sector Fair Work Task Force and two cross portfolio groups: Culture and Health Working Group and Culture and Creativity in Learning Groups
- Accepted the recommendations of the Empire, Slavery and Scotland's Museums group
- Published Inspiring Connections: Scotland's International Culture Strategy 2024-30
- Along with COSLA, ran a Culture Value Summit in May 2024

The Cabinet Secretary concluded:

"The Scottish Government has achieved a significant amount in the first six months since publication of the refreshed Action Plan. Discussions with partners about where our collective priorities lie and how resources should be targeted across the sector in the next five years are underway and will undoubtedly result in the acceleration of some planned actions and, consequently, the deceleration of others to match available resource."

[Inspiring Connections: Scotland's International Culture Strategy 2024–2030](#) was published in March 2024. Some of the actions in the international strategy would be difficult to measure, (for example: where the Government committed to considering an issue, or to continue to work with agencies or other partners.) Some of the more concrete actions set out in this strategy included that the Government will:

- undertake a feasibility study into the development of a support service for cultural export and exchange.
- map out key international cultural networks and platforms and seek to understand where there is potential to support further development of Scottish engagement within them.

- support the implementation of the recommendations of the Empire, Slavery and Scotland's Museums report, including championing the development of bespoke national guidance for repatriating objects acquired unethically.
- work with partners to develop a detailed theory of change for capturing impact from policy actions associated with the strategy, tracking progress, and supporting adaptation, building on the outcomes framework outlined [in the strategy].
- work together to strengthen communication channels between Scotland's national cultural organisations and Scottish Government external relations policy functions to allow for closer collaboration and early engagement when international activity is being planned.
- establish a sector reference group to support delivery of this strategy and ensure that the cultural and creative sector has ownership and opportunities to shape work under it.

The timescales and reporting arrangements for the actions set out in the Action Plan, the international strategy and the "reform, review and partnership work" the Cabinet Secretary referenced in his letter last December is not clear. What Creative Scotland's role is in advising and delivering on these pieces of work is another area that the Committee could choose to explore.

## **Direct links between funding and strategy**

In the responses to the Committee's call for views, several organisations expressed a desire for funding to be tied more directly to strategic outcomes.

The Culture Strategy and the Action Plan seldom include references to expenditure. The 2020 Culture Strategy provided some examples of existing funding for the V&A and Screen Scotland. The action plan referenced existing and future funding provided to MGS to support the work on Empire Slavery and Scotland's Museums.

The International Strategy included a section on Resources which set out the context of the expected increase in funding for the sector. The International Strategy included the following two actions under this section:

- The Scottish Government will make the case for international cultural activity and the actions outlined in this strategy in budgetary processes, working to secure resource to support delivery.
- The Scottish Government will review existing funding for international cultural activity in the light of the principles and activity outlined in this strategy to ensure it remains coherent and appropriate to the current context.

The [main Scottish Government Budget 2025-26 paper did not reference](#) the Culture Strategy (nor the aims of the strategy), the Action Plan, nor the International Culture Strategy.

The Committee may wish to explore the process by which the Scottish Government and Creative Scotland develop strategies which match the resources available and link funding decisions to those strategies.

## Cross-portfolio working

The contribution of culture to a range of outcomes is another theme that has arisen in the Committee's work this session.

Annexe A summarises the Committee's recommendations and the Government's responses in this area. The Government has tended to indicate that informal discussions across government were taking place. For example in response to report prior to the 2022-23 Budget, the Cabinet Secretary indicated that he would hold a series of conversations with fellow Cabinet Secretaries in the complementary areas of education and skills; health and wellbeing; economic development; and net zero. The following year, he said that he was working to develop closer cross-portfolio relationships and a short-life working group had been set up. The year after the Cabinet Secretary suggested he was actively engaging across government.

There are significant amounts of money across portfolios that contribute to arts culture and heritage. For example, the Government funds local government and, through the Scottish Funding Council, funds higher and further education, including the Glasgow School of Art and the Royal Conservatoire of Scotland. Nevertheless, the Committee may wish to explore with the Government what progress has been made this session in developing further links across national and local government to support prevention and better outcomes. In [2023 the Committee recommended that Creative Scotland could play a greater role in community planning processes](#); the Committee may wish to explore with Creative Scotland how it supports cross portfolio working at local and national levels.

Last week, Rachael Browning from the Art Fund suggested that there could be more joined up working between the museum sector and Creative Scotland. This is within the same portfolio. How the different public agencies and directly funded organisations within the Cabinet Secretary's portfolio (e.g. National Collections, National Performing Companies) work in ways that are complementary and joined up is another area the Committee may choose to explore.

In the Committee's call for views, there was widespread support for mainstreaming culture funding across government portfolios, but progress has been described as uneven. Glasgow Life suggested that "little progress has been made towards mainstreaming culture across Scottish Government portfolios. HES urged a "whole-of-government approach" to maximise return on investment. COSLA/SOLACE stated—

"Whilst there are great examples of specific early intervention activity within the culture and leisure sector, such as social prescribing, there is no consistent funding or ability to scale-up, is often time consuming and activity is largely at a very local level."

In its evidence session on 11 September, witnesses described how their organisations contribute to a range of public outcomes beyond the cultural sector,

including education, health, regeneration, and tourism. Examples included dementia-friendly programmes (NGS), community singing (RSNO), social prescribing pilots (HES), and outreach to schools (RSNO) and hospitals (NGS). While they acknowledged some progress in recognising these contributions, they suggested that funding and policy structures remain largely siloed. Tony Lankester from the Edinburgh Fringe said—

“We are asking the Government for two things to help to facilitate and amplify what we are doing. We would like something along the lines of a culture-as-prevention fund or awareness campaign... Secondly, we would love culture-related key performance indicators to be embedded across portfolios.” (Col 11)

On 18 September, Alison Nolan from SLIC said that there is a need to develop research and data that would better identify the impact of the sector on a variety of outcomes.

Ms Nolan also said that investing in libraries can support “culture-led regeneration”. The week before, Anne Lyden from NGS referenced work on a new Art Works facility. She said—

“One of our main drivers for that is the completion and delivery of the art works facility, which will be located in north Edinburgh. That is part of a regeneration project in an area of the city that has been underserved historically. We know that providing more access to the collection—which, ultimately, belongs to the people of Scotland—can lead to positive health outcomes, but we need the funding to be able to complete that project. Our fundraising will help to complete it, but we need the Government to commit to following through in that regard” (Col 9)

On 18 September, the Committee heard that libraries are often collocated with a variety of services, e.g postal services and access to digital services.

### **Links with other strategies**

There tends to be linkages and common themes across the strategic documents in the culture and heritage sector. Links to cultural strategies from other parts of the Government have proved difficult to identify and terms searches on the Scottish Government’s website have not surfaced any examples. This does not necessarily mean that the culture and historic environment sectors have not been involved in the developing strategies or policies across different parts of government, both local and national.

A key theme of the work of the committee in relation to the contribution of culture to health outcomes. This was also a theme in the Committee’s call for views and a number of respondents referenced the [Scottish Government’s Population Health Framework 2025–2035](#) published in June 2025. This has a focus on prevention and a holistic approach to wellbeing. The First Minister’s foreword said—

“As much as 80% of what affects health happens outside the health and care system. The NHS is just one part of the whole system – local government,



public agencies and a range of sectors and organisations – that must have a laser focus on preventing ill health. We will achieve this by tackling its causes to make Scotland a place where more people live longer, healthier lives.”

This framework made some references to culture, including applying “learning from the Fairer Funding pilot” – this pilot included some cultural organisations. The framework also referenced the role of the Community and Voluntary Sector and said that the Government would develop a National Social Prescribing Framework for Scotland, but did not reference culture, heritage or arts organisations directly. These indirect references were under the “Places and Communities” section and the framework referenced 12 relevant policies and strategies in a “non-exhaustive” list. There was no reference to any strategic document in the culture or heritage sectors.

## **Alternative funding approaches**

This session, the Committee has consistently made recommendations to the Government on innovative approaches to funding. The focus of the Committee’s recommendations has varied a little from year to year, but have included:

- Small grants
- Percentage for the Arts scheme
- Use of funds raised through visitor levies
- Role of the private sector, and how public funding can support this

There has been progress on the third bullet. The Bill that led to the [Visitor Levy \(Scotland\) Act](#) was introduced by Shona Robison MSP in May 2023 and it gained Royal Assent in July 2024. [City of Edinburgh Council](#) announced that it will introduce a levy from 24 July 2026 onwards. [Other local authorities](#) (e.g. Glasgow City Council) have also agreed visitor levies are actively considering doing so.

The Cabinet Secretary’s responses to the Committee this session indicate that the Government has been in the process of considering the Percentage of the Arts Scheme for a number of years. The Committee may wish to seek an update on this work from the Scottish Government as well on how it envisages maximising private investment in the arts and culture and the work undertaken on this issue to date. Similarly, the Committee may wish to explore with Creative Scotland how it leverages private investment as well as how it has explored other innovative funding mechanisms this session.

## **Suggestions on funding approaches**

Alternative funding models, respondents suggested a wider range of different approaches, including:

- Visitor Levy
- Percentage for the Arts scheme
- Matched Funding/Crowdfunding/Community bonds
- Endowment Funds
- Admission charges for non-residents

Witnesses at the meeting on [11 September](#) outlined a range of funding mechanisms that, they suggested, could support greater financial stability and flexibility across the cultural sector.

Tony Lankester from the Edinburgh Festival Fringe Society described the “Keep it Fringe” fund as a successful example of a microgrant scheme that removes administrative barriers and targets support directly to artists.

Mr Lankester also suggested that revenue from the Visitor Levy could be reinvested in the cultural sector, particularly festivals, which contribute significantly to tourism. (Cols 5-6) This was echoed by witnesses on 18 September. Rachael Browning suggested that a proportion should be ringfenced for cultural institutions.

Anne Lyden from National Galleries Scotland proposed exploring microloans and repayable investment schemes to provide early-stage capital and called for borrowing powers and carryover flexibility similar to those available to institutions in England. (Col 6)

Alistair Mackie from the RSNO advocated for the development of endowment funds, supported by match funding, to build long-term financial resilience. (Col 7) He suggested that an endowment fund would be an attractive proposition for potential donors. He estimated that a fund of around £10m for his orchestra could translate to around £500k -£1m in revenue funding (Col 20-21), which would be a 5%-10% return.

On 18 September, Tamara Rogovic from the Scottish Artists Union referenced the Basic Income for Artists scheme, including the pilot scheme in Ireland. The Basic Income for the Arts pilot in Ireland is a government-funded research programme that began in August 2022. It provides €325 per week to 2,000 artists and creative workers, aiming to support their practice and reduce the financial precarity often associated with the sector. The grants in the pilot therefore provide an annual income to each participant of around €16,900 a year and the total annual grants will be around €34m a year. The pilot comes to an end in February 2026 and the [Irish Government consulted on the future of the scheme in August](#). The Irish government has undertaken an evaluation programme on the scheme, which has reported positive outcomes for participants. For example a report published in [May 2025](#) found positive impacts in participants’:

- Income security
- Artistic output and quality
- Professional growth and opportunities
- Mental and physical health
- Collaborations and partnerships

This year the Scottish Government agreed to allow HES more flexibility in carrying balances of earned income into future financial years. In exchange, HES saw a c£2m reduction in its grant in aid from the Scottish Government in 2025-26. HES also received a £2m increase in its capital budget. SPICe sought further details of the new model from Government officials. They confirmed that the grant in aid would fall “by £2 million annually over the next 5 years up to 2028/2029”. Paragraph 50 of

the [new framework document agreed by the Government and HES](#) says that if HES' income exceeds projections, it may spend that in-year without seeking approval from the Government. Furthermore the framework document says, "where such additional income could not be spent in-year by HES,[it can be] transferred to the Historic Scotland Foundation". The Historic Scotland Foundation is a separate charity (SC032044) which acts as a conduit for the receipt legacies and donations for the purposes of supporting the work of HES; the charity considers proposals for funding from HES and may approve grants. Essentially, HES will be able to donate surplus in any given year arising from earned income to this separate charity and it will, with the agreement of the charity, be able to draw down on those funds in future years. Colleges can use a similar model.

The Committee may wish to explore with the Scottish Government whether this model has been considered for other bodies in the cultural sectors.

## Climate Change/Net Zero

The Climate Change Plan (CCP) is a strategy document which outlines how the Scottish Government intends to meet emissions reduction targets across all portfolio areas and sectors of the economy. Parliament is currently approaching its scrutiny of the next CCP which will cover the period 2026-2040. [The Net Zero, Energy and Transport Committee will be leading on this work](#), but other Committees will have the opportunity to feed into this.

The Committee asked three questions on this topic covering, the sector's operational emissions, how funding streams better support culture and heritage organisations to contribute towards net zero outcomes, and the role of the culture and heritage sector in shaping and informing public attitudes on climate and sustainability.

Some of the themes in the responses were:

- Sector is actively implementing emissions reduction measures.
- Challenges in retrofitting historic buildings.
- Strong support for greater capital investment to achieve goals.
- Cultural sector is seen as key in shaping public attitudes and policy scrutiny.

SPICe published a blog, [Climate change and the Constitution, Europe, External Affairs and Culture Committee – Arts and Culture](#), in April. This looked at both Arts and Culture and the Historic Environment. The key issues identified in relation to Arts and Culture were the direct and indirect emissions from the sector. This means both the emissions from the sectors own operations as well as audience members' emissions from, in this case travel.

[Creative Scotland's Climate Emergency and Sustainability Plan](#) was published in April 2022. This set out Creative Scotland's aim to "work and influence to increase public engagement with climate change by encouraging and empowering the culture and creativity sector in Scotland to become a positive force in the fair and equitable transformation of Scottish society towards a zero-carbon, climate ready nation." The Appendix to the plan listed 62 actions, almost all of which were scheduled to be finished by 2024-25. In April 2024, Creative Scotland published [Environmental](#)

[Sustainability Review 2023/24](#). This provided an update on the actions in the sustainability plan. At that time, 16 actions had been completed, 23 were in progress, and 24 had not been started.<sup>3</sup>

In the foreword to the 2023/24 review, Iain Munro said—

“The implementation of the Plan amplifies the key role that culture and creativity already play in helping address the climate emergency, both in terms of the actions being taken and the ability for creative practice, in all its forms, to tell the story of the climate emergency, to influence and inspire others to take action.”

On 18 September the Committee explored the tension between a strategic desire to maximise audiences from Scotland and beyond and to tour internationally and the climate impact of travel. Lewis Coenen-Rowe from Culture for Climate Scotland said “it is tricky that Edinburgh’s festivals are dependent on international visitors” and that there are “difficult questions” around this. He also stated that there are questions around international touring, highlighting some approaches where international tours are only undertaken where it provides “added value”. In terms of touring in Scotland Mr Coenen-Rowe highlighted “village hall tours” as a way to take shows to the audience to reduce audience travel.

The International strategy includes the following action:

“The Scottish Government and public bodies will engage with work domestically and internationally that seeks to develop environmentally sustainable models for international cultural engagement and will consider what steps can be taken to support organisations to assess and balance environmental impact against the value of proposed activity.”

Mr Coenen-Rowe also said that it is difficult to develop metrics on the impact of work intended to engage the public and to engender “support for climate policy”, it is hard to develop data on the impact on emissions. One of the actions in Creative Scotland’s Climate Emergency and Sustainability Plan is to “work with specialists (e.g. think tanks, academia) to develop effective evaluation of Creative Scotland’s, and the cultural and creative sector’s, contribution to Scotland’s wider work on climate change – i.e. how it has contributed to transformational change in society, including climate justice”.

Historic Environment Scotland has a strategic leadership role for supporting the Historic Environment across Scotland. At the meeting on 11 September, Alison Turnbull from HES said that it has committed to a 33.6% reduction in emissions by 2028 and is embedding climate action into its operations. She also said that HES is piloting solar panels at Edinburgh Castle and plans to launch a retrofit centre to support the adaptation of traditional buildings. She said:

“Scotland cannot meet its net zero targets without tackling the issue of its historic buildings. We estimate that 80 per cent of buildings that will be in use in 2050 are standing today, so, with sustained capital investment and skills

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<sup>3</sup> There was an additional action listed in 2023/24 review.

support, heritage can be an enabler for Scotland's just transition ... Retrofit creates green jobs, but it is also essential for housing stock. Investment in retrofit connects to skills and supply chains as well." (Col 26)

Members may wish to explore progress on Creative Scotland's Climate Emergency and Sustainability Plan and how Creative Scotland is providing strategic leadership and evaluating its performance in this area. Capital funding is forecast to be under pressure over the next five years; the Committee may wish to explore what plans the Government has in relation capital investment in the culture and historic environment sectors.

**Ned Sharratt, Researcher (Education and Culture), SPICe**

**Date: 19/09/2025**

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## Annexe A: Summary of recommendations and responses this session

This annexe is intended to allow members to track how the Government has responded to the Committee's recommendations under three themes: Multi-year funding, strategic and cross-portfolio approaches to funding, and alternative and innovative funding approaches.

Members will understand that the Committee's prebudget reports were produced in the autumn before the period covered by the relevant budget. For example, the report on the 2022-23 budget was published on 1 November 2021.

### Multi-year funding

#### 2022-23 Budget

[The Committee's prebudget report](#) welcomed the Scottish Government's commitment in the [2021-22 Programme for Government](#) (p107) to 3-year funding settlements for the cultural organisations they provide regular funding. The Committee recommended that, wherever practical, multi-year funding is passed on to the groups and individuals being funded, who should also receive 3-year settlements.

The [Scottish Government's response](#) said that (the then) forthcoming Resource Spending Review (published in June 2022) will out the Government's intentions to develop and publish multiyear portfolio spending plans by the end of May 2022.

Creative Scotland confirmed its intention to develop a multi-year funding approach from April 2023, and the upcoming resource spending review\* will support that aim. The funding for Creative Scotland in the 2022-23 budget will enable the transition to this new approach.

#### 2023-24 Budget

The [Committee's prebudget report](#) recognised the difficulty of providing multi-year funding in current fiscal context but recommended that level 3 figures should be provided for the period of the Spending Review alongside the 2023-24 Budget.

The [Committee's report on the Resource Spending Review Framework](#) (March 2022) recommended that the aim to redirect funding towards preventative approaches should include considerations of a more systemic approach to multi-year funding of scalable culture projects supporting health and wellbeing.

The Committee's view was that a shift towards multi-year funding would allow greater progress to be made in mainstreaming culture across all policy areas.

[In the Government's response](#) to the pre-budget report the Cabinet Secretary said he was "keen to conclude some work on multiyear funding, even if economic uncertainty means that the figures for later years can be at most only indicative".

## 2024-25 Budget

[The Committee's report](#) considered that delivering multi-year funding settlements for the cultural organisations the Scottish Government directly funds to be a crucial component in providing the sector with a longer-term view of how it will be supported, thereby increasing sectoral confidence. The Committee raised concerns that there had been limited progress to date on the Scottish Government's 2021 Programme for Government commitment to “invest in much needed stability for the cultural organisations that we provide regular funding for, by agreeing 3-year funding settlements, to allow them to plan for a sustainable recovery”.

The Committee welcomed a commitment to provide multi-year funding envelopes alongside 2024-25 Budget, but recommended that these envelopes should be provided to level 3 in order to provide greater certainty of future funding for organisations.

The [Scottish Government's response to the Committee](#) said that the Cabinet Secretary recognised “the need for organisations to have some sense of the planning horizon”, but noted the difficult fiscal environment.

## 2025-26 Budget

[The Committee's prebudget report](#) reiterated its concerns about the lack of progress made towards the commitment made in 2021 to agree 3-year funding settlements for the organisations funded directly by the Scottish Government.

The Committee noted the Cabinet Secretary's commitment to revisit the multi-year outlook in the next Medium-Term Financial Strategy and recommended that the Scottish Government provide greater clarity and certainty to the culture sector following the UK's Spending Review.

The Committee noted that Creative Scotland's application process for multiyear funding was seen as unduly burdensome, having required significant resources within the sector which could have been better directed elsewhere.

[The Scottish Government's response](#) welcomed Creative Scotland's plans to introduce multi-year funding from 2025-26. The Government set out £20m in the draft budget for the multi-year funding programme in 2025-26 and aims to provide a further £20m in 2026-27. It did not address the wider point of multi-year settlements for other directly funded organisations.

## Strategic approach to funding, including cross-portfolio funding

### 2022-23 Budget

The Committee's report noted the Cabinet Secretary's view that the upcoming resource spending review would provide a significant opportunity to align budget choices with the National Performance Framework because it would be multi-year and most outcomes will not be delivered in the space of a year. The Committee recommended that the resource spending review should include detailed



consideration of how budgetary decisions could support the mainstreaming of culture across the Scottish Government.

The Committee also recommended that this should be an outcomes-based process based on the health and wider social benefits of cultural activity and that there should be a much greater emphasis on embedding the culture strategy across the Scottish Government.

The Scottish Government's response committed to starting a series of conversations with fellow Cabinet Secretaries in the complementary areas of education and skills; health and wellbeing; economic development; and net zero. This was intended to identify areas of collaboration and action to inform the portfolios' part in the multi-year resource spending review. The Scottish Government said that it intended that this work would inform the outcome of the spending review as well as a longer-term cultural recovery plan. It also highlighted the then forthcoming report of the National Partnership for Culture, which was established to support the Government to take forward the 2020 Culture Strategy.

### **2023-24 Budget**

The Committee's report on the resource spending review framework recommended that there needed to be "a reappraisal of what is considered as health spending", and that this should include consideration of the contribution of investment from budget lines beyond the culture portfolio and, in particular, from the health budget. Specifically, the Committee said that there needs to be consideration of the contribution which preventative spend in areas like the arts and other cultural activities makes towards health and wellbeing.

The Committee sought an update on progress in embedding culture in its plans for a wellbeing economy including through a legislative approach and on the progress of the short life working group of culture and health directorate officials which intended to agree a clear set of actions for collaboration.

The Scottish Government's response said that it had been working to develop closer cross-portfolio relationships, including with health and social care services and was committed to continue prioritising that. It stated that the short-life working group had met in recent weeks and committed to working on joint actions. Committed to providing more information on the work of the group in the Culture Strategy Action Plan Refresh.

### **2024-25 Budget**

The Committee's report expressed concern that there had been "no indication of progress made by the Scottish Government on our recommendations on mainstreaming culture across portfolios and developing cross-portfolio funding for culture". The Committee noted that the Cabinet Secretary had told the Committee in 2021 that he was progressing this work by starting a series of conversations with fellow Cabinet Secretaries, but that in September 2023 the then First Minister told Conveners Group that the Cabinet Secretary was progressing this work by "in the first instance, taking forward a number of bilaterals" with fellow Cabinet Secretaries.

The Committee recommended that there was a need for much greater urgency for the Scottish Government to make substantive progress towards cross-portfolio funding for culture. The Committee urged the Scottish Government to set out detailed plans for the steps it will take to achieve tangible year-on-year progress on this when it publishes the Culture Strategy Action Plan.

The Committee recommended that public funding must be supported by a long-term strategic approach in order to underpin the leveraging of private investment. The need to restore confidence in the sector extends to donors and sponsors.

In the Scottish Government's response, the Cabinet Secretary stated that he was actively engaging across government to mainstream culture in policy-making, prioritising health and wellbeing initially. He said that this work would result in cross-policy and sector working, knowledge-sharing and increased resilience.

### **2025-26 Budget**

The Committee said that the Scottish Government needs to take a strategic approach to the delivery of additional funding for the culture sector, and should focus on maximising the impact (including on the economy and wellbeing) of the significant investment in the sector.

The Committee noted that in its budget scrutiny over the two preceding years, it had asked that the Culture Strategy Action Plan (which was published in December 2023) provide a clear and strategic sense of how the Scottish Government is working to ensure the sustainability of the sector. However, the Committee noted that the Action Plan did not reflect the Government's commitment to increase investment in the sector by £100m by 2028-29. Therefore, the Committee recommended that there remained a need for the Scottish Government to set out a strategic framework for supporting the prioritisation, and maximising the impact, of additional funding. The Committee recommended that the forthcoming review of how the sector is supported would provide a useful opportunity to respond to this need."

The Scottish Government said that it understands that the sector is looking for clarity regarding future funding and how the £100m will be rolled out beyond the next year. The Government said that its planning assumption was to aim to provide a further £20m in 2026-27.

The Government said that the review of how the culture sector is supported is intended to maximise the impact of the £100m investment. It said that the review will look at public funding and working across the public, private and third sectors to grow the overall funding pot for culture, diversify funding streams and supporting the sector to become more sustainable and resilient in the face on ongoing challenges.""

The response noted that the sector was interested in how additional funding would impact on existing strategies and that the Government continues to hold "ongoing discussions with partners about where our collective priorities lie and how resources should be targeted across the sector". It said:

"This reform, review and partnership work seeks to deliver transformational change across the sector, and this will take time and commitment from all

partners working to achieve over a number of years. These commitments build on both the Culture Strategy Action Plan and the International Culture Strategy, with a renewed focus on those areas where positive change will make the greatest long-term impact."

Committed to providing an update on the delivery of the Culture Strategy Action Plan at the end of the 2024-25 reporting year.

## **Alternative funding approaches**

### **2022-23 Budget**

The Committee's report suggested that the pandemic offered an opportunity to explore new perspectives. It welcomed the Government's commitment to prepare plans for cultural recovery and not to return to the status quo ante.

The Committee recommended that the Scottish Government work with the sector to embed innovative responses to the pandemic which are sustainable over the longer-term. This should include national and local agencies working with the sector to build upon a more collaborative approach with a shared focus on achieving outcomes. It also said that funding mechanisms should be directed at achieving outcomes and a process for ensuring that public funds achieve those outcomes is required.

The Committee said local authorities and Creative Scotland should work more closely with the third sector in sharing good practice in relation to the funding process for grassroots organisations. The Committee particularly highlighted a need for relatively small grants directed at community organisations.

The Scottish Government's response said that it is committed to continuing to explore with the sector building on the innovative use of digital technology and reflecting this in the longer-term cultural recovery plan.

It noted that Creative Scotland's Strategy and Funding Framework said that it would move towards a more tailored approach to providing support based on the specific needs and context of organisations, with funding applications and monitoring scaled according to investment.

### **2023-24 Budget**

The Committee argued that, given the difficult fiscal environment, there was an increased urgency to progress additional revenue streams such as the Percentage for the Arts scheme. The Committee asked the Government for an update on progress in establishing the scheme.

The Committee invited the Cabinet Secretary to provide greater clarity in relation to how the proposed Transient Visitor Levy might support the culture sector at a local level. It recommended that, given the benefits provided by the culture sector in attracting visitors, consideration should be given to how the sector could benefit from the levy.

The Scottish Government's response said it was in the initial stages of scoping the commitment on a Percentage for the Arts scheme, and that it expected to be able to share more information months following the response. It also noted the Government's intention to introduce legislation on a visitor levy.

## **2024-25 Budget**

The Committee's prebudget report expressed concerns that there had been no indication of progress towards the Scottish Government's 2021 commitment to work towards establishing a Percentage for the Arts scheme. It called upon the Scottish Government to provide a substantive update on its progress towards developing the scheme, including a clear indication of timescales for development and implementation during this parliamentary session.

The Committee reaffirmed its previous recommendation that consideration should be given to how the sector could benefit from the Visitor Levy. The Committee noted that how the revenues from the levy are invested would be at the discretion of local authorities, but it considered that cultural bodies should be represented when such decisions are made.

The Committee asked the Scottish Government whether it had examined the approach of comparable devolved administrations in supporting culture funding, with a view to learning from innovative ways of increasing funding.

The Committee highlighted the importance of private funding to support the sector and noted the views of stakeholders that long-term and strategic public funding "is an important underpinning to be able to leverage this investment from donors and sponsors". The Committee noted the cut to the Culture and Business Scotland Fund.

The Government's response said that it was keen to see the commitment on a Percentage for the Arts scheme to be taken forward, and would prioritise scoping potential delivery options in 2024-25 and would keep the Committee apprised of this work.

The Scottish Government said that it encourages local authorities to engage directly with culture and heritage organisations, local businesses, communities and tourism organisations before deciding how to invest revenues from a visitor levy.

In relation to private funding, the Scottish Government said it was looking at the potential for "additional and parallel funding streams", including looking at the approaches of comparable countries.

## **2025-26 Budget**

The Committee's prebudget report welcomed that the Scottish Government's review would examine the way the culture sector is supported. The Committee noted that throughout the parliamentary session, the it has undertaken significant work on funding and support for the sector, and that the reviews of the sector would benefit from taking this evidence base and the Committee's recommendations into account. The Committee said that the reviews should consider ways to maximise the impact

of available public funding for culture, and examine ways to grow the overall funding pot, diversify funding streams and support the sector to become more sustainable.

The Committee said that the Government's wider review of the sector should set out a clear pathway to making tangible progress in areas such as cross-portfolio funding, a Percentage for the Arts scheme, and leveraging private investment, as well as other possible solutions. "

The Scottish Government's response said that it noted that engagement with the sector in relation to the reviews would begin in early 2025 with a short survey about the scope of the reviews. The Government agreed that the separate review of Creative Scotland should feed into the wider review of how the culture sector is supported. The Government said that the survey would seek views about how and why the culture sector is supported and what the sector thinks needs to change to best meet its needs going forward. Responses will inform the scope of both the review of culture sector support in Scotland and the review of Creative Scotland.

# **Creative Scotland**

## **Pre-Budget scrutiny 2026-27: funding for culture**

### **Annexe B**

When Creative Scotland gave evidence to the Committee in January 2025, we strongly welcomed the positive news of the substantial funding uplift for Culture, including Creative Scotland, in the Scottish Government's budget for 2025/26.

In 2025/26, Creative Scotland's draft Grant-in-Aid budget from the Scottish Government is £80m, up from £51m in 2024/25. The additional budget allocation comprises:

- £20 million provided to Creative Scotland for Multi-Year funding programme in 2025-26
- £2 million to Screen Scotland to attract international investment
- £375k in uplift to Youth Music Initiative (YMI) funding
- £3m in uplift to Expo funds (announced as part of the £4m to support Scotland's festivals)
- £4m Culture Collective support

We further welcomed the news, communicated in the Cabinet Secretary's letter to the Committee following the draft budget announcement in December 2024, that the Scottish Government aim to provide a further £20m for the Multi-Year funding programme in 2026/27 – taking the uplift to £40m a year from 2026/27 (subject to the usual Parliamentary procedures).

These funding assurances from the Scottish Government allowed us to conclude the Multi-Year Funding programme in January 2025, enabling more than £200m in support to be provided to 251 organisations over the next three years. This is the highest ever number of Scottish cultural organisations securing regular funding and over half of the organisations in the portfolio were offered a multi-year commitment for the first time. Those organisations which have an existing regular funding relationship with Creative Scotland have received an average uplift of 34% in their funding in 2025/26, increasing to an average of 54% from 2026/27.

Together, the organisations in this portfolio deliver cultural and creative work of quality, breadth and depth to audiences across Scotland and internationally and the portfolio is more representative of Scotland's geography, diversity, people and communities than ever before. All this underlines Scotland's reputation as a thriving creative nation where culture is valued and developed for all.

Importantly, the portfolio also provides significant support to Scotland's local and national economy, through direct employment, by creating opportunities for freelancers, and by supporting individual artists and creative practitioners of all types who are so vital to the success of the sector.

We believe the impact of the increase in funding in 2025/26 will be highly significant and help to stabilise the culture sector, following a period of sustained challenge. In evidence to the Committee in 2024, we said that without significant investment, we faced the prospect of managed decline of the sector. The budget announcement moves us far away from that scenario, enabling sector organisations to plan more effectively and to think positively and ambitiously about the future.

The additional £2m for Screen has strengthened Screen Scotland's £2.5m Production Growth Fund which aims to draw large scale film and TV productions into Scotland. This fund supports film production companies who are registered in the UK to make liveaction and animated features, live-action and animated high-end television drama or factual returnable series. The fund aims to deliver a direct and significant economic benefit to the screen production sector in Scotland deliver a direct and significant economic benefit to the screen production sector in Scotland, by:

- Creating inclusive employment opportunities for crews in Scotland
- Encouraging the use of production facilities in Scotland
- Supporting diversified skills development and progression

The additional £375k allocated to the Youth Music Initiative (YMI) supported the Youth Arts Open Fund, which supports freelance artists or organisations to deliver arts activity for children and young people. The Fund targets those who have traditionally found it hardest to access such opportunities and is delivered in partnership with YouthLink Scotland. The Fund opened on the 28th of July and closes to applications at the end of August.

The Expo Fund is designed to support festival innovation and maximise national and international opportunities for the artists who contribute to them. Fourteen major festivals across Edinburgh and Glasgow received funding increases in 2025/26 Festivals Edinburgh received support for their work to promote the Edinburgh festivals. In addition, an Expanded Festivals Fund launched on the 19th of August to support arts and cultural festivals across Scotland to deliver enhanced international opportunities, innovative programming and sector and talent development

Culture Collective is a programme of community engaged creative activity, supporting participatory approaches and projects where creative practitioners and communities work collaboratively. The £3m Open Programme Fund is due to launch in October 2025, with decisions expected in early 2026. We will also fund £500k of targeted projects in areas of identified need, with the balance of funding allocated to the Network programme for participants and wider support, training and development.

This year's budget announcement was received very positively by organisations and individuals working in Scotland's creative and cultural sectors. Both Creative



Scotland and those we support recognise that increasing funding levels in a period of fiscal challenge is a strong signal of the Scottish Government's support for Culture. The Scottish Government have committed to making a £100m increase to the Culture budget by 2028-29, with over half of this funding allocated in the 2025/26 budget. In looking to future years, Creative Scotland has identified further opportunities for sector development as well as areas of our remit in need of investment and focussed support.

#### Alternative funding models

Ongoing financial challenges mean that resilience remains a key issue for Scotland's cultural and creative sector. For organisations, operating costs continue to rise, influenced by inflation, global economic conditions and by new statutory requirements such as commitments to Fair Work.

Alongside this, income generation for the culture sector through ticket sales, donations and other grant funding, continues to be challenging. Demand from individuals for Creative Scotland funding remains high with a 35% success rate for applications to our National Lottery Open Fund for Individuals in Q1 of 2025/26 (April to June 2025). While slightly higher than the overall success rate for 2024/25 (at 30%), this means that we continue to fund many less projects than meet our funding criteria.

In recent years, and particularly through the Covid pandemic, sector organisations have been adept at identifying and securing other funding sources. RFOs were able to significantly increase their income from Trusts and Foundations and from donations, gifts and legacies between 2017 to 2023, but income from these sources has now plateaued. In recent years there has also been an increased focus on the sources of private investment in culture and heritage. In our 2024 survey work, a third of respondents said recent controversies on private investment have directly impacted their organisation, with 42% of those saying that this had raised their concerns about the financial viability of their organisation.

Creative Scotland continues to work on partnership initiatives that bring additional funding into the sector. This includes the Awards for All programme delivered with the National Lottery Community Fund, our Place Partnerships with local authorities and our Arts and Mental Health programme with the Baring Foundation. We also support Culture and Business Scotland, with a mission to be the connector between the culture and business sectors and support mutually beneficial cross-sector partnerships. In recent years we have welcomed the extension and retention of sector tax credits which play a significant role for many organisations in diversifying their income streams. Campaign for the Arts research shows that between 2009-10 and 2022-23, Tax Relief for the creative industries increased by 649%.

This year, we have introduced a new Cultural Business Development programme to enhance business development support for cultural businesses. Programme participants have direct access to expert advisors who can help them to develop their value propositions, strengthen business planning, lead organisational change and embed entrepreneurial approaches

Within the resources available to us through funding from the National Lottery, we have continued to evolve new support structures and funding mechanisms, including:

- Creative Scotland Crowdmatch, delivered with Crowdfunder, to provide match funding for artists and creatives undertaking a crowdfunding campaign.
- The Create:Networks fund to help organisations, creative businesses and creative practitioners create new, or develop existing, local creative business networks in Scotland.
- Work with Social Investment Scotland (SIS) to provide a programme of targeted interventions which to increase sustainability and economic recovery through trading

In the Screen sector, we continue to offer opportunities for Scotland-based production companies to develop their skills and opportunities for growth, including through the FOCUS Programme, Indielab TV Growth Accelerator and the Broadcast Content Fund's slate development funding.

In recent years, Creative Scotland has seen a shift in the balance of our Scottish Government Grant-in-Aid funding for which we have discretion and that which is restricted or 'ring-fenced' for specific purposes. We therefore have less flexibility within our budgets to react to demand from the sector or respond to opportunities. From 2025/26 all our funding from the Scottish Government is ring-fenced for specific programmes.

The Creative Industries are a significant segment of Scotland's economy, with recognised growth potential. Most recent figures show that there are over 13,000 registered enterprises operating in the Creative Industries and employment figures of 90,000 jobs. In 2022, turnover for the Creative Industries sector was £10.4 billion and approximate Gross Value Added (GVA) was £5.7 billion.

Public Investment in the Screen sector since 2018, across infrastructure, development, production and skills development, has led to enhanced cultural outcomes and economic impact. Independent research on the Economic Value of the Screen Sector in Scotland has shown that significant growth has been achieved in all areas of production, with inward investment in film and HETV production increasing by 110%, from £165.3 million in 2019 to £347.4m in 2021. In the same period employment in Scotland's screen production sector rose from 5,120 FTE to 7,150 FTE, a 39% increase. We will shortly publish an update of this research, which we conduct every second year, showing figures for 2023.

We believe that other sectors of Scotland's Creative Economy are similarly well placed to respond to investment and enhance their economic impact. Creative Scotland has worked to nurture an infrastructure of independent creative area networks and sector development bodies across Scotland, helping them to operate with confidence and support new ideas to emerge and prosper. In particular, we see there being significant growth potential in Scotland's design businesses (advertising, architecture, fashion, digital, design services), which currently generate 75% of the total creative industries turnover (£7.9b of £10.4b), and 60% of the jobs (54k of 90k).

## Preventative spending

The Scottish Government's commitment to engage across Government to mainstream culture in policy making, prioritising cross-policy working is very welcome and has a great deal of support from Creative Scotland and from others across the culture sector. We agree that cross-portfolio funding is vital for culture, in addition to increased core support for the culture budget, highlighting that participation in culture can achieve objectives across many portfolio areas.

Creative Scotland already works in partnership with a range of sectors - for example, Education, Environment, Health, Heritage, Tourism - and with Scotland's Local Authorities, and we recognise the opportunity that exists for exploring how culture can be better supported across different parts of Government, beyond Culture itself. There are clear benefits of cultural activity in other areas of public policy. The UK All-Party Parliamentary Group on Arts, Health and Wellbeing found that, depending on the intervention, every £1 spent on 'art on prescription' resulted in between a £4 and £11 social return.

In particular, links between improved health and wellbeing outcomes and engagement in art and cultural activities have been long-established in academic studies. Scottish Government research has shown that those who regularly attended cultural places or events were 60% more likely to report good health compared to those who did not attend. Access to and participation in culture can be a central part of maintaining people's mental and physical wellbeing, and Creative Scotland's own research work confirms that these benefits are recognised by the public.

In this context, the cultural and creative sector is well-placed to support an effective Wellbeing Economy as set out in the National Strategy for Economic Transformation (NSET). As stated in NSET, 'The principles of a wellbeing economy can't be achieved through simply redistributing wealth, they need to be hard-wired into everything we do.' Creative Scotland believes that mainstreaming culture across portfolios can create wellbeing outcomes in a range of policy areas and would welcome mechanisms to enable cross-portfolio working at the Scottish Government level. We see potential for modest shared wellbeing budgets to act as 'acorn' funding to test and grow joint initiatives and for cross-portfolio working to deliver efficiencies and support the Public Sector Reform agenda

As a Non-Departmental Public Body of the Scottish Government, Creative Scotland has a statutory obligation to contribute to the achievement of the ambition of the Climate Change (Scotland) Act, and to contribute to the Scottish National Adaptation Plan (SNAP 3). Our Climate Emergency and Sustainability Plan (CESP), which was codesigned with staff and stakeholders and published in 2022, sets out our intent to reduce our operational emissions (to net zero by 2030) and influence the creative and cultural sector to contribute to the Scottish Government's net zero ambitions by 2045.

Creative Scotland publicly reports our progress in two main ways: through Public Bodies Climate Change Duties reporting to the Sustainable Scotland Network and our own annual Environmental Sustainability Review. The latter contains details on

the progress of the CESP actions and our operational emissions, as well as showcasing the impact of those we support in addressing the climate emergency.

Since 2015, Creative Scotland has required Regularly Funded (RFO), now Multi-Year Funded organisations, to report annually on their greenhouse gas (GHG) emissions and develop strategies to mitigate them. We have funded Culture for Climate Scotland (formerly Creative Carbon Scotland) to provide reporting mechanisms and sector feedback, as well as training and support services to help the cultural and creative sector to act on the causes and respond to the impacts of the changing climate. Each year, reporting organisations are provided with a tailored feedback report on their progress and an aggregated sector report is produced reflecting on their challenges and successes.

The sector's reported 'core' emissions, including electricity, gas and water, are shown in the table below. They are aggregated figures from 3 groups of organisations:

- Creative Scotland Regularly Funded Organisations (RFOs)
- Edinburgh's Festivals, which are members of the Edinburgh Sustainability Working Group (ESWG)
- Organisations receiving revenue funding from the City of Edinburgh Council's Culture Service

Year	Reported Core Emission tCO2e
2018/19	5,863
2019/20	5,872
2020/21	3,935
2021/22	6,018
2022/23	5,332
2023/24	5,843

We are increasingly able to monitor wider Scope 3 emissions and have seen an increase in emissions related to all main forms of travel, suggesting that sector organisations travelled more in 2023/24 as a continuing legacy of the pandemic. Addressing emissions related to travel – at Creative Scotland, in the sector and by audiences – is a key area of focus for future years.

Creative Scotland introduced specific Environmental Sustainability Funding Criteria in 2023, ahead of the Multi-Year Funding process. The Criteria set out our shared ambitions for the sector across key themes: Climate Change Mitigation, Residual Emissions, Climate Change Adaptation, Climate Justice, Programming Focus and a Nature Positive Economy. All applicants were required to meet a minimum scoring against our Funding Criteria and respond to specific environmental sustainability questions. Progress on the commitments outlined in Multi-Year applications are being monitored by Creative Scotland through the annual environmental reporting cycle.

Net Zero Nation, the Scottish Government's Public Engagement Strategy for Climate Change, recognises that there is potential for the arts, creativity and heritage to

inspire and empower societal change. The Strategy includes engagement through culture and heritage within the 'theory of change' for delivering its outcomes. A Creative Scotland funded project, delivered as part of Culture for Climate Scotland's 'Climate Beacons', is used as a good practice example of raising awareness of climate change impacts and the need for action.

The Public Engagement Strategy for Climate Change is aimed at climate change communicators or 'trusted messengers' who can more effectively engage people in their sphere of influence. Research has shown that the cultural and creative sector are well placed to play this role, engaging with the narratives and challenges of climate change and helping us to envisage alternative futures.

Creative Scotland's annual Environmental Sustainability Review and projects delivered by Culture for Climate Scotland highlight how the cultural and creative sector is shaping and informing public attitudes on climate and sustainability, across contexts from local to global.

There is no explicit mention of the cultural and creative sector within the Climate Change Plan: 3rd Report on Proposals and Policies, nor the Update to the Climate Change Plan 2018 – 2031.

Like all others, the sector is impacted by policies on energy, buildings, transport, waste and the circular economy. It would, however, be a welcome step to acknowledge the sector's wider importance for addressing climate issues: its contribution to the wellbeing economy, position as a 'trusted messenger' for public engagement, and recognition of the significant cultural estate across Scotland.

For example, in 2023 we worked with the Scottish Government Climate Change Adaptation team to update the Scottish National Adaptation Plan (SNAP 3) objective associated with Scotland's historic environment and cultural heritage to include a reference to the transformational power of culture and creativity. Objective C5 is that "Scotland's historic environment is preparing for a future climate, and the transformational power of culture, heritage and creativity supports Scotland's adaptation journey."

An outcome of this shift is that Creative Scotland is now recognised as contributing to the aims of SNAP 3 and reports quarterly to the Scottish Government's Climate Change Programme team.

Our recent work on Adaptation has focussed on research to map the net zero readiness of the physical infrastructure of Scotland's creative and cultural sector. This work mapped over 2100 physical assets across Scotland (with 700 in public ownership) and has highlighted a critical gap in organisations' preparedness for climate risks. Key challenges include knowledge gaps, ownership and tenure issues and access to funding for capital investment.

Creative Scotland does not currently have any budget to operate a Capital funding programme. The identification of dedicated funding streams to support cultural and creative organisations to develop a net zero estate, addressing the challenges highlighted in our annual environmental reporting and estate research, would

advance the sector's ability to contribute towards the Scottish Government's climate outcomes. This year, in partnership with the Scottish Futures Trust, we have begun important work to better understand the net-zero readiness of Scotland's cultural assets and investigate potential route maps to an adapted cultural estate.