

Constitution, Europe, External Affairs and Culture Committee
Thursday 5 February 2026
5th Meeting, 2026 (Session 6)

Budget Scrutiny 2026-27

1. The Committee published its [Pre-Budget Scrutiny 2026-27: Funding for Culture](#) report on 21 November 2025. It received responses to the report from the [Cabinet Secretary for Constitution, External Affairs and Culture](#) on 20 January following the publication of the Scottish Budget on 13 January. It also received responses to the report from [COSLA](#) on 17 December and from [Creative Scotland](#) on 18 December.
2. [Last week](#), the Committee took evidence from a panel of culture sector stakeholders. At this week's meeting, the Committee will take evidence from—

- Iain Munro, Chief Executive and
- Alastair Evans, Director of Strategy and Planning, Creative Scotland

And then from—

- Angus Robertson, Cabinet Secretary for Constitution, External Affairs and Culture;
- Jamie MacDougall, Deputy Director, Culture and Historic Environment;
- Iain Waller, Team Leader, Creative Scotland Sponsorship and
- Nastassja Beaton, Team Leader, National Cultural Collections and Capital Projects, Scottish Government

3. A SPICe briefing for the evidence session with Creative Scotland is provided at [Annexe A](#), and a further SPICe briefing for the evidence session with the Cabinet Secretary is attached at [Annexe B](#). Creative Scotland's response to the Committee's Pre-Budget report is included at [Annexe C](#) and the 20 January response from the Cabinet Secretary is attached at [Annexe D](#).
4. As highlighted in the SPICe briefing for last week's meeting, the Scottish Government's response to the Committee's pre-budget report did not respond to many of the asks of the Scottish Government included in the report. As such, the Committee requested the Scottish Government provide a further response ahead of this week's evidence session with the Cabinet Secretary. The additional response will be circulated to Members once received.

Clerks to the Committee
February 2026

Constitution, Europe, External Affairs and Culture Committee
Thursday 5 February 2026

Creative Scotland

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 with a particular focus on the arts.

The [Scottish Budget 2026-27](#) was published on 13 January 2026. A full description of the budget in the Constitution, External Affairs and Culture portfolio, including the funding for Creative Scotland, is included elsewhere in the Committee's papers.

Creative Scotland have previously given evidence to the Committee as part of the [pre-budget scrutiny on 25 September 2025](#). They also [responded to the Committee's pre-budget report in December 2025](#).

2026-27 Budget

The budget figures for Creative Scotland are set out in the briefing paper to support the evidence session with the Cabinet Secretary. As expected, this included an uplift of £20m for Creative Scotland's multi-year funding. This is on top and increase of £20m last year. The total budget for MYF is £73.9m in 2026-27. Creative Scotland's submission noted that this compares to the total annual funding of the previous Regular Funded Organisations of around £33m per year.

Screen Scotland also received an uplift in funding for the 2026-27 budget of around £750k. This budget was increased by £2m in the 2025-26 budget.

There are a range of other activities and funds that Creative Scotland administers. These include the EXPO fund which supports certain festivals in Edinburgh and Glasgow. In 2025-26, the fund has awarded a total of £2.8m across 14 festivals, up from £1.7 million the previous year. In August, the Government announced a new fund: [the Expanded Festivals Fund](#). This is a £1.8m fund which can be used for the purposes of: supporting international opportunities; innovative programming; and professional development opportunities and building industry connections. This expands the support for festivals beyond the central belt.

The Culture Collective is a Creative Scotland programme designed to support a network of creative practitioners, organisations, and communities working collaboratively across Scotland. It was launched in response to the pandemic, and it focused on community-engaged and participative creative activity. This was relaunched in 2025-26 with a budget of £4m. The expected funding in 2026-27 will also be £4m.

The [Youth Music Initiative](#) is planned to increase to £10.0m, up around £0.2m compared to 2025-26.

Creative Scotland's operating budget is £4.8m, which is the same as 2025-26.

This session, the Committee has repeatedly asked the Government to consider whether Creative Scotland should have a capital budget to support and improve the sector's estate. There is no capital budget for 2026-27.

Creative Scotland also disburses National Lottery funding. There is always a level of uncertainty on how much this will be in any given year as it is reliant on lottery ticket sales. For 2025-26, Creative Scotland expected funding of around £32m from the National Lottery. It also planned to draw down over £10m from its reserves (built up from Lottery income). Lottery funding can be used to support capital programmes – whereas grant in aid from the Scottish Government is restricted to either resource or capital.

Multi-Year Funding Programme

A majority of the additional money provided by the Scottish Government for culture and the arts in the past two years has been for Creative Scotland MYF. Creative Scotland's funding decisions for its MYF is therefore likely to be crucial in how the additional funding supports outcomes across Scotland and across different parts of the arts and culture sectors and the creative industries.

Creative Scotland concluded its allocations for its Multi-Year Funding Programme in January 2025, allocating over £200 million to 251 cultural organisations for the next three years (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 an average 54% from 2026-27.

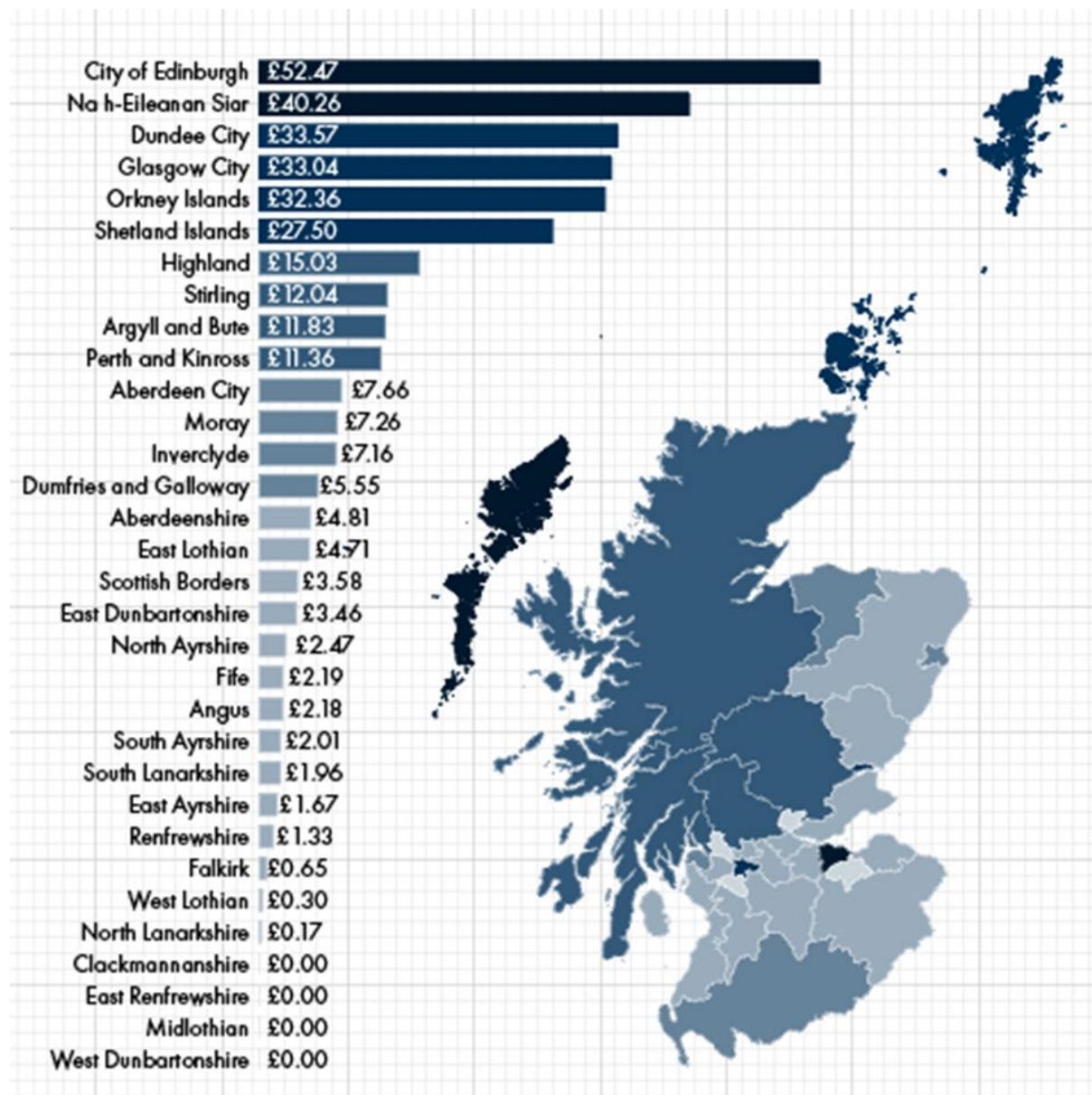
In the [funding outcome announcement](#), Creative Scotland noted that:

“Multi-Year Funding supporting organisations working across all parts of Scotland, with base locations in 27 Local Authorities, up from 21 previously. Over a third of organisations (35.5%) deliver their work across all parts of Scotland.”

Data regarding the Multi-Year Funding portfolio is [available from Creative Scotland](#), and provides information about organisations covering 28 local authority areas¹. Creative Scotland publishes details of each grant under the MYF, how much and which local authority the organisation is based. SPICe has used this data to create a map (see below). A table is also available in Annex A.

¹ There is also one body from outside of Scotland. It is not clear why the published data (28 local authority areas) does not accord with the media release.

Map showing per-capita MYF funding (2026-27) by local authority (based on applicant address)



In Scotland the per capital MYF spend in 2026-27 is £13.29. The key finding from this data is that the highest funding per head is Edinburgh (£52.47) and several local authorities had zero funding for organisations headquartered in their area. Along with Edinburgh, the council areas with the highest MYF spend per capita are the island councils and Glasgow and Dundee. The only other local authority with an above-average spend of MYF in its area is Highland.

Using the location of the head office of an organisation as a proxy for where the spend takes place is problematic – the funding in one area may be for Scotland-wide sector support, or support work taking place in another local authority. Furthermore, supporting work in, say, a city can be accessed from residents in that city and the surrounding areas. Creative Scotland's media release said that over a third of organisations are delivering Scotland-wide. It is not clear which of the MYF

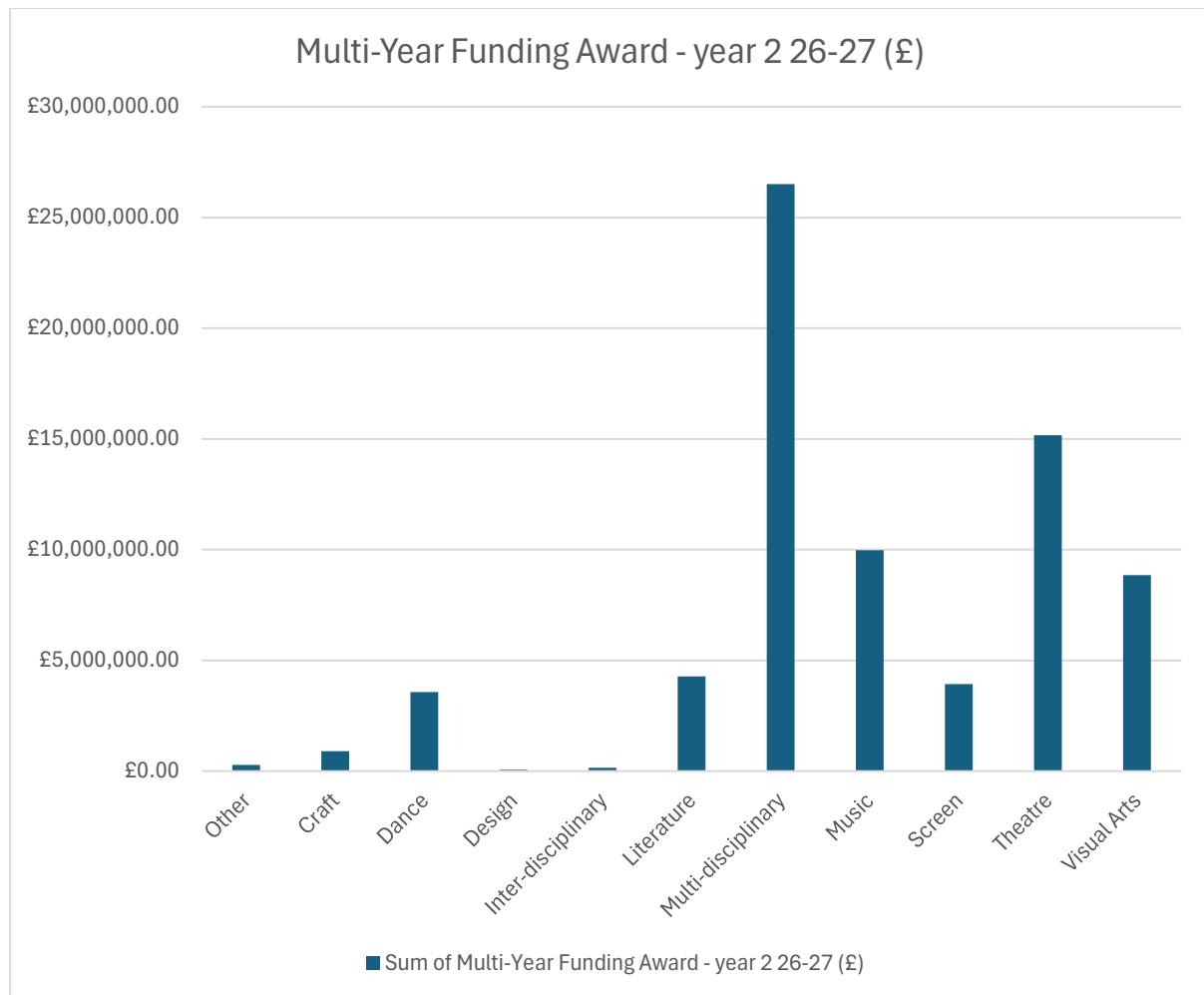
organisations Creative Scotland has identified as Scotland-wide nor how much of the total funding this represents.

While using the location of the body receiving funding is an imperfect proxy for cultural and economic impact of the MYF, there is no other data to use to understand how it is distributed across Scotland.

There are 11 organisations which will receive over £1m in 2026-27. Taken together these organisations account for over a quarter of the total MYF fund in that year. These are set out below:

Organisation	Artform/Specialism	MYF grant 26-27 (£)		Local Authority (based on applicant address)
Edinburgh International Festival	Multi-disciplinary	4,250,000	5.8%	City of Edinburgh
Dundee Rep and Scottish Dance Theatre (Scottish Dance Theatre)	Multi-disciplinary	2,864,480	3.9%	Dundee City
Royal Lyceum Theatre Company	Theatre	1,700,785	2.3%	City of Edinburgh
Citizens Theatre Ltd	Theatre	1,623,780	2.2%	Glasgow City
Dundee Contemporary Arts Ltd	Multi-disciplinary	1,470,002	2.0%	Dundee City
Centre for Contemporary Arts	Multi-disciplinary	1,283,500	1.7%	Glasgow City
Scottish Book Trust	Literature	1,280,752	1.7%	City of Edinburgh
Traverse Theatre (Scotland) Ltd	Theatre	1,275,000	1.7%	City of Edinburgh
Glasgow Film	Screen	1,232,500	1.7%	Glasgow City
Fruitmarket Gallery	Visual Arts	1,133,333	1.5%	City of Edinburgh
Tron Theatre	Theatre	1,125,055	1.5%	Glasgow City

The chart below shows the distribution across artforms.



Organisations described as “multi-disciplinary” will receive 36% of the total funding.

The Centre for Contemporary Arts

The Centre for Contemporary Arts (CCA) in Glasgow is a not-for-profit, multi-purpose, centre for contemporary art and culture located in the city centre of Glasgow. It has been funded through the MYF programme and was due to receive around £1.3m in 2026-27 (see above table). The funding in the current financial year is around £0.8m.

Over the past weekend, there are reports that the CCA is to permanently close with immediate effect due to serious concerns over its finances. It [has been reported that](#) all staff at the venue have been made redundant.

In a [statement from the CCA](#) it was announced that:

“Over the past eighteen months, CCA has undertaken a structured recovery process to address significant financial challenges. Despite the efforts of staff, partners, and the broader community, the organisation was unable to achieve a sustainable financial position.”

Creative Scotland also made [a statement in reaction to the announcement](#). They explained that:

“As CCA is unable to demonstrate its ongoing viability and therefore cannot deliver the activity set out in its Multi-Year Funding agreement, Creative Scotland is not able to make further payments. This is in line with our responsibilities as a distributor of public funds...

“As owners of the building at 350 Sauchiehall Street, Creative Scotland will explore future options, alongside other partners, with the shared aim of the centre re-opening as a cultural resource as soon as is realistically possible.”

The statement also explained that Creative Scotland had previously provided funds for a business consultant to “work with the organisation on reviewing the operating model and proposing solutions for future-proofing areas which had become fragile.”

It is not clear at this stage what Creative Scotland plans to do with the £1.3m allocated to the CCA for 2026-27.

Pre-budget report

The [Committee's report on its pre-budget scrutiny 2026-27](#) was published on 21 November 2025. The report addressed several recurring themes from the Committee's Session 6 budget scrutiny. This included aspects relating to [Creative Scotland's Multi-Year Funding Programme](#).

While providing pre-budget evidence to the Committee in September 2025, Creative Scotland emphasised that more than half of the organisations in the Multi-Year Funding Programme are new to having regular funding over multiple years and stated that:

“The important thing is that the diversity and reach of those organisations is greater than ever before. More confidence and a stable platform are being provided for more organisations, so that they can forward plan and deliver even greater outcomes and impacts for the communities that they work with and for across the geography of Scotland—as well as impacts for culture itself and, we should remember, for the economy.”

The Committee's pre-budget report noted that the Committee welcomed the expansion of the Multi-Year Funding Programme and “recognises the added stability and confidence it provides to the cultural organisations it supports.”

The report, however, also highlighted evidence from stakeholders that raised some concerns with the processes for applying for and allocating resources through the programme.

The Committee report recognised the potential for tension to arise between the number of organisations supported through the programme and the depth of support that can be offered to each one. The report asked Creative Scotland to indicate how it is evaluating its approach in relation to maximising outcomes and establishing clear metrics to assess the impact of the programme.

The report also asked for Creative Scotland's approach to evaluating whether the application process for the multi- year funding strikes the right balance between

supporting high quality outcomes and ensuring that the application process is not too onerous for organisations.

Creative Scotland response

Creative Scotland [responded to the Committee's report in December 2025.](#)

The letter detailed the demand for the fund from cultural organisations and set out the process that was followed to select the organisations that received the funding. The letter also explained the criteria used to set out the levels of award provided to each successful organisation.

On monitoring and reporting in the programme, Creative Scotland said that organisations had to submit an annual activity plan, a yearly financial proforma, an Equality Diversity and Inclusion Action Plan and copies of Board papers and minutes. Once approved, quarterly activity plan updates are expected before the next funding payment is triggered. Organisations must also complete a set of data returns using metrics that are “consistent, comprehensive and robust.”

Creative Scotland said that its Knowledge and Research team will collate all of the data to create statistics on the sectors being supported. This data is also used to report on Creative Scotland’s Key Performance Indicators (KPIs) to the Scottish Government, as part of the Performance Management Framework agreed with them in 2023.

The letter from Creative Scotland also responded to the Committee’s request to understand how the application process for the programme balances high quality outcomes with ensuring that the process is not too onerous for organisations. Creative Scotland explained that feedback from the 2019/20 Funding Review highlighted that demand was likely to be high. They explained that understanding this demand ensured that they could “design an application and assessment process that sought to be proportionate: balancing the ask on applicants with the need to have sufficient information to make well-informed decisions in a highly competitive context.” The letter goes on to describe the six funding criteria that were used to evaluate the applications, as well as additional assessments that were undertaken. They concluded by stating:

“The application process therefore mapped directly onto the outcomes we want to see for the sector while providing assurance that public benefit would be delivered by sustainable organisations with sound governance and financial management.”

The final part of the letter discusses three audits of the programme undertaken by an internal auditor, Azets, one of which is ongoing. The letter notes that:

“Both completed audits concluded that we had designed and implemented an effective, well-documented process with strong governance oversight for assessing organisational funding applications.”

Creative Scotland noted that they are currently considering the long-term evolution of the programme, including a shift away from the current competitive model towards a

rolling or continuously managed programme. Sector input is expected to be sought on this later in the year.

Creative Scotland Review

In September 2024 the Scottish Government announced a Review of Creative Scotland as part of the Programme for Government. The aims of the Review were to consider whether the remit and functions of Creative Scotland remain relevant, evaluate how Creative Scotland delivers its functions, and assess how appropriately and effectively Creative Scotland uses and distributes funding.

Creative Scotland is an NDPB of the Scottish Government. It was established under [Part 4 of the Public Services Reform \(Scotland\) Act 2010](#). The general functions of Creative Scotland are set out in section 37 of the 2010 Act and are:

- identifying, supporting and developing quality and excellence in the arts and culture from those engaged in artistic and other creative endeavours,
- promoting understanding, appreciation and enjoyment of the arts and culture,
- encouraging as many people as possible to access and participate in the arts and culture,
- realising, as far as reasonably practicable to do so, the value and benefits (in particular, the national and international value and benefits) of the arts and culture,
- encouraging and supporting artistic and other creative endeavours which contribute to an understanding of Scotland's national culture in its broad sense as a way of life,
- promoting and supporting industries and other commercial activity the primary focus of which is the application of creative skills.

The extent to which Creative Scotland effectively carries out all of these activities will be crucial to the cultural, economic and social outcomes created by the arts, culture and creative sectors.

The review of Creative Scotland was undertaken last year and led by Angela Leitch CBE. The report of the review was [published on 25 November 2025](#). The Committee took evidence from Angela Leitch, and Stuart Currie, vice-chair of the review, on [4 December 2025](#).

The report and its recommendations were organised under five themes:

1. Creative Scotland's purpose, functions and structure
2. Governance and leadership within Creative Scotland
3. Creative Scotland's performance
4. Creative Scotland's finances and distribution of funds
5. Collaboration, relationships and partnerships

A [full list of the recommendations](#) forms part of the review report.

The review noted that its recommendations focus on areas where Creative Scotland could improve. The wider report is also mainly concerned with areas of potential improvement, but it did highlight areas where the organisation is valued and had been praised by stakeholders. For example, it stated:

“There was general agreement that Creative Scotland has provided significant support to the culture sector over the past 15 years and has sought to provide stability during a period of austerity. Of particular note was Creative Scotland’s ability to quickly pivot to support the sector during the COVID-19 pandemic. There was also a general view that with the Scottish Government’s commitment of additional funding for the culture sector and Creative Scotland’s new Multi-Year Funding programme there is a need for Creative Scotland to set out how it plans to transform the organisation to meet the needs of a dynamic sector.”

A theme throughout the review was that Creative Scotland needs to improve its long-term planning, the implication one may take is that the organisation is too short-term in its approach (the phrase “long-term” appears in four of the recommendations). The report noted that Creative Scotland does not have a Transformation Plan to set out how the organisation will improve.

During the evidence session with Angela Leitch, [when discussing the increase in funding for multi-year Programme, she told the Committee that:](#)

“I take you back to the remit for Creative Scotland as it stands, which is broad and allows it to act on behalf of the totality of the sector, including creative industries, and includes the enhancement of skills within the sector. We could not find anything that suggested that there was a wider appraisal of where the sector would benefit from that increase in funding, where there were gaps and where there might be opportunities. The options were, in our opinion, limited to the enhanced funding that would come from the Government, without thought being given either to different art forms that could benefit, different parts of the sector that could benefit or different parts of Scotland that could benefit.”

Purpose, functions and structure

The review summarised their findings for this first theme by stating that:

“This Review concludes that a strong national body for the arts, culture and creative sector is needed. It is also clear that improvements are required if Creative Scotland is to fully deliver its remit as a funder, advocate, influencer and a body that supports development of the sector.”

It concluded that the current legislation that underpins the work of Creative Scotland is sufficient to allow the flexibility needed for all of these functions to be carried out.

The findings of the review explained that “Creative Scotland appears to have adopted a narrow interpretation of the full breadth of opportunities within its remit,

leading to gaps in provision.” It highlighted in particular a lack of support for the commercial development for the creative industries. The review also suggested that Creative Scotland needs to be more adaptive to the changing context within which it operates.

The review noted that Creative Scotland describes its role as supporting “culture and creativity in Scotland as a development organisation, a funder, an advocate, and as a public body that seeks to influence others to increase opportunity and maximise the impact our resources can offer.” The review highlighted that stakeholders believe that Creative Scotland has an uneven split across delivery of its roles, with most seeing the body primarily as a funder. A lack of support for development was discussed in particular as part of the review.

Governance and leadership

The review provided details of the governance of Creative Scotland and the frameworks within which it works. The review also discusses various strategy documents. However, it notes that many stakeholders were:

“Unclear on Creative Scotland’s vision, priorities and purpose. Some felt that Creative Scotland’s strategic aims were broad in language and vague in application. Several mentioned the need for a clearer long-term strategy.”

The review also said that it is not clear how the strategic priorities of Creative Scotland support delivery of Creative Scotland’s roles (funder, advocacy, influencer and development agency). The report also noted that stakeholders said they were unclear on the alignment between Creative Scotland’s work and the Scottish Government’s Culture Strategy.

The review set out the way in which Creative Scotland’s Board operates within the context of its governance. It found that:

“Creative Scotland’s governance is difficult to navigate and lacks transparency. Although minutes from Board meetings and some Committee meetings are available online others are not.”

The review also suggested that “the organisation needs further dynamic leadership that seeks cross-sectoral partnerships to foster innovation and embrace opportunities.”

The work of Screen Scotland also formed part of this theme in the review, and the successes of the partnership were praised. However, the review suggested that there were changes that could be made to ensure Screen Scotland operates more efficiently. This included calls for Screen Scotland to operate with more flexibility and autonomy.

Performance

The review noted the publication of an annual account and an annual plan, however it states that:

“It is not clear how Creative Scotland, either at executive or non-executive level, monitors performance in the intervening period, with little evidence of indicators and milestones being shared with the Board on a regular basis. The Review was unable to see how ongoing change and transformation, required of all organisations, is being planned, managed and monitored.”

It was also suggested that there was little evidence of the organisation embedding a culture of continuous improvement, learning from others or having constructive dialogue internally with staff members.

There was also discussion of the need for balance between ensuring best value and making sure that reporting processes are not “excessively bureaucratic.”

Much of the review under this theme was focussed on the need to collect appropriate data, not only about the funded organisations but from across the sector in order to help share intelligence with others. It suggested that improved data collection should be used to inform decision-making and strategic opportunities in a way that the organisation does not currently appear to do.

Finances and distribution of funds

The review noted the pressures on the sector and Creative Scotland’s role as a funder. It said that despite recent increases to arts funding, “there was widespread agreement that funding does not match the ambition of the sector.”

There was a discussion of funding to individuals, and a recognition that:

“there is a strong and consistent call across the sector for increased support for individual artists and creative practitioners, alongside a geographically diverse network of cultural organisations.”

The review also heard views on the current Creative Scotland application processes that were similar to those heard by the Committee during its pre-budget work. It highlighted stakeholder concerns about the “transparency, consistency, and fairness” of funding decisions.

The review noted that Creative Scotland does not have “a dedicated capital fund,” and that while it has not received a capital funding allocation from the Scottish Government in recent years, it can use National Lottery funding for capital purposes. The review recommended that Creative Scotland “work towards establishing a dedicated capital fund, supported by a strategic assessment of infrastructure needs across the sector.”

Collaboration, relationships and partnerships

The final theme focussed on the ways in which Creative Scotland works with the rest of the sector, particularly in its role as an advocate. The issue of capacity for this work within the organisation was raised, as well as views from the sector that Creative Scotland had become more ‘distant’ over recent years with the loss of Lead Officer positions. The need for relationships to be regional was also raised in this

part of the report, especially in relation to the views of organisations out with the Central Belt.

The review also highlighted views from the sector about the potential for greater collaboration between Creative Scotland and other relevant organisations supporting the sector, including in heritage, museums, libraries and archives. The report stated that:

“It is important that Creative Scotland maintains a broader awareness of changes that will impact the sector and acts to influence and advocate for it. Evidence suggests that Creative Scotland is not sufficiently partnering with others or leading the coordination of support to achieve this.”

Stakeholders told the review about concerns that Creative Scotland as an organisation was not regionally focused and provided more support to the Central Belt.

Creative Scotland has told the Committee in the past that it works with a variety of partners, including local authorities. How Creative Scotland systematically engages with local authorities to support their work in developing arts, culture and creative industries in their area is, however, not clear. Furthermore, the extent to which Creative Scotland ensures that its funding streams complement local authority and other national or local funding schemes to maximise outcomes across Scotland is also not clear. Local authority spend on culture varies widely. This is set out in more detail in the paper to support the Committee’s evidence session with the Cabinet Secretary.

The Committee heard last week from Billy Garrett, Director of Culture, Tourism and Events, Glasgow Life who discussed the importance of partnership working to the cultural eco-system. He mentioned working with Creative Scotland in relation to seeking funding relationships outside of the one his organisation held with the local authority.

Lucy Casot, Chief Executive Officer, Museums Galleries Scotland, however, told the Committee about the Arts Council funding available to museums and galleries in England that has no equivalent in Scotland. She raised the fact that there is no way for museums and galleries in Scotland to access funding streams such as those available from Creative Scotland.

The review also considered ways in which the organisation used relationships with governments and internationally in order to advocate for the sector.

Laura Haley and Ned Sharrat, Researchers, SPICe

Date: 02/02/2026

Note: Committee briefing papers are provided by SPICe for the use of Scottish Parliament committees and clerking staff. They provide focused information or respond to specific questions or areas of interest to committees and are not intended to offer comprehensive coverage of a subject area.

The Scottish Parliament, Edinburgh, EH99 1SP www.parliament.scot

Annexe A

Local Authority	Total MYF Funding 26-27	Number of Awards	Spend per head (£)
Aberdeen City	£1,775,898.25	8	£7.66
Aberdeenshire	£1,275,301.13	7	£4.81
Angus	£250,642.00	1	£2.18
Argyll and Bute	£1,037,455.85	5	£11.83
City of Edinburgh	£27,843,365.38	81	£52.47
Clackmannanshire	£0.00	0	£0.00
Dumfries and Galloway	£808,972.20	6	£5.55
Dundee City	£5,032,172.25	8	£33.57
East Ayrshire	£202,817.65	2	£1.67
East Dunbartonshire	£380,287.15	2	£3.46
East Lothian	£542,615.55	3	£4.71
East Renfrewshire	£0.00	0	£0.00
Falkirk	£104,662.13	1	£0.65
Fife	£821,860.70	6	£2.19
Glasgow City	£21,483,019.03	84	£33.04
Highland	£3,567,191.36	13	£15.03
Inverclyde	£564,681.00	2	£7.16
Midlothian	£0.00	0	£0.00
Moray	£689,860.90	4	£7.26
Na h-Eileanan Siar	£1,047,443.50	4	£40.26
North Ayrshire	£331,008.55	2	£2.47
North Lanarkshire	£56,925.00	1	£0.17
Orkney Islands	£712,577.30	2	£32.36
Outside Scotland	£64,903.00	1	NA
Perth and Kinross	£1,754,057.98	4	£11.36
Renfrewshire	£251,409.60	2	£1.33
Scottish Borders	£418,750.00	2	£3.58
Shetland Islands	£637,675.80	3	£27.50
South Ayrshire	£225,250.00	1	£2.01
South Lanarkshire	£653,253.00	3	£1.96
Stirling	£1,134,602.10	4	£12.04
West Dunbartonshire	£0.00	0	£0.00
West Lothian	£55,250.00	1	£0.30

Constitution, Europe, External Affairs and Culture Committee
Thursday 5 February 2026

Budget scrutiny 2026-27

Cabinet Secretary for Constitution, External Affairs and Culture

Introduction

This paper is intended to support the Committee's evidence session with the Cabinet Secretary for Constitution, External Affairs and Culture and his officials.

The Scottish Government [published the budget for 2026-27 on 13 January 2025](#). In relation to arts and culture, a key message of the Government's budget document was, “[the Scottish Government has] honoured our commitment to the culture sector with an increase of over £70 million compared to 2023-24, progressing well towards our commitment of a £100 million per year increase by 2028-29.”

Alongside the budget, the Government also [published a spending review](#) covering 2026-27 (the current budget) and indicative figures for 2027-28 and 2028-29.

This Parliamentary session, the Committee's budget work has focused on the arts and culture elements of the Cabinet Secretary's portfolio. This has meant that for the past five years, the Committee has undertaken an inquiry 'pre-budget' and has also taken evidence around the budget time focusing on these areas. In addition, the Committee looked at the resource spending review in 2022. The Committee's [report on its pre-budget scrutiny 2026-27](#) was published on 21 November 2025. The report addressed several recurring themes from the Committee's Session 6 budget scrutiny.

In December 2025, the review of Creative Scotland was published. This is addressed in more detail elsewhere in members' papers. There were recommendations and observations of that review that members may wish to explore with the Cabinet Secretary. The Government also has said it is undertaking a wider review of the sector.

2026-27 Scottish Government Budget

As with last year, the Scottish Government has opted to present the Budget using the 2025-26 Autumn Budget Revision (ABR) as a baseline. While some of these changes reflect evolving priorities, or additional resources becoming available, some transfers occur routinely each year. This means that the ABR figures are not always the best baseline to track spending year on year in this portfolio.

Data in this paper is presented with the budget for 2025-26 (taken from last year's budget documents), the 2025-26 ABR and the 2026-27 budget.

The 2026-27, the overall budgets in the Constitution, External Affairs and Culture portfolio has risen compared to 2025-26. The budget for 2026-27 in this portfolio totals £354.5m in resource (day to day expenditure) and £43.0m in capital. Compared to the 2025-26 budget resource has increased by £33.2m and capital by £8.5m. Compared to the 2025-26 ABR, resource increased by £29.3.

Much of the increase in budgets in this area can be linked to the ongoing increase in funding for the arts. The budget document also noted that the Scottish Government will:

- continue to fund the Museum Futures Programme (£4m resource)
- provide £11.65m (capital) for The Art Works project
- provide £1.25m (capital) to The King's Theatre in Edinburgh

There are a number of changes in budgets that are not explained in the budget documents (specifically the Level 4 spreadsheet) published by the Scottish Government. SPICe has sought clarification on these changes from officials, and this information is reflected below.

Real terms

The data in this paper is presented in cash terms. Real terms is where inflation is factored in and provides a better estimate of the purchasing power of the budgets. Generally, SPICe uses HMT's GDP deflator to calculate real terms. The expected inflation in 2026-27 under this measure is 2.23%. Any increase in funding less than 2.23% could be described as a real-terms decrease. It is worth noting that this is an economy-wide measure and different sectors or public bodies may face different levels of rising costs. Members are welcome to contact SPICe directly should they wish to be provided any of this data with real terms calculations.

Arts and Culture

The Arts and Culture Level 2 line contains funding for Creative Scotland, the national collections, the National Performing Companies and others. These areas of spend are looking at in more detail below. Overall, the spending plans for this level 2 are set out below.

Arts and Culture (£m)

	2025-26 Budget	2025-26 ABR	2026-27 Budget
Resource	205.3	205.6	227.3
Capital	20.5	20.5	27.0

The resource funding is planned to increase by around £22m in 2026-27 compared to 2025-26. Capital funding is also planned to increase by around £6.5m.

Creative Scotland

The majority of additional money under Arts and Culture in 2026-27 is to be found in the Creative Scotland Level 3. The following table shows the budgets for 2025-26 and 2026-27. The table shows resource budgets only – there is no capital budget in this area but there is a small amount of non-cash (depreciation) which is not shown here.

Creative Scotland (Resource £m)

	2025-26 Budget	2025-26 ABR	2026-27 Budget
Creative Scotland Multi-Year Funding	53.9	62.9	73.9
Youth Music Initiative	9.8	9.8	10.0
Screen Scotland	11.3	11.3	12.0
Creative Scotland Operating Costs	4.8	4.8	4.8
Total - Creative Scotland	79.7	88.7	100.6

The line for Creative Scotland's multi-year funding increased by £20m comparing budget to budget. There had been an in-year transfer of £9m during 2025-26 from the Other Arts area – this funding has been re-baselined into Other Arts for 2026-27 and this is explained further below.

Funding for the YMI and Screen Scotland also will see increases in 2026-27 compared to 2025-26.

The majority of the additional funding for arts and culture over the past years has been put into Creative Scotland and its multi-year funding. It is not clear how or why the Government has chosen to divide the additional money in this way or how these decisions are based on the Government's overall priorities and strategy for culture in Scotland.

Other Arts and Activity

This Level 3 line covers a range of funds and the table below shows data on the resource budgets.

Other Arts and Activity (Resource £m)

	2025-26 Budget	2025-26 ABR	2026-27 Budget
Culture Arts Delivery and Policy	4.5	4.7	2.5
Other Arts and Activity	17.6	4.2	16.0
Museum Futures Programme		4.0	4.0
Royal and Ceremonial		0.4	0.4
Sistema	2.7	2.7	2.8

V&A Dundee	3.8	3.8	4.0
Total - Other Arts and Activity	28.6	19.9	29.7

The Scottish Government describes the Culture Arts Delivery and Policy line as:

“Supports operational delivery for Directorate for Culture and External Affairs teams. Supports the delivery of the Culture sector review; Creative Scotland review, public sector reform and implementation of Culture Strategy.”

This line is reducing by around £2m compared to 2025-26. Officials confirmed that this is due to transfer of the Major Events to the Deputy First Minister’s portfolio.

Other Arts and Activity is described as “revenue funding for other cultural opportunities and priorities including EXPO and Festivals.” There was a significant movement out of this line in-year in 2025-26. Some of that was a movement into the new lines Museum Futures Programme and Royal and Ceremonial. £9m was transferred to Creative Scotland line and included:

- Culture Collective (£4m);
- Festivals Expo Fund (£4.8m); and
- Festivals Edinburgh (£0.2m).

Creative Scotland administers these funds. These monies have been re-baselined into the Other Arts and Activity for the 2026-27 budget. It is expected that similar transfers will be made to Creative Scotland again in-year during 2026-27. It is not clear why these are not set out in Creative Scotland’s budget at the outset.

These funds are included in the Other Arts and Activity in the budget for 2026-27. Taking account of the baselined shift in budgets to Museum Futures Programme and Royal and Ceremonial, the Other Arts and Activity has increased by around £2.8m – the Scottish Government spreadsheet states that this is due to support the “new Museum of Empire, Slavery, Colonialism and Migration (£600k); Glasgow, Aberdeen and Edinburgh film houses (£500k); SLIC (£100k); Expo Fund (£1.2m)”.

Both Sistema and V&A Dundee saw increases in their budgets of 4.1% and 5.3% respectively.

National Cultural Collections

Budgets in the National Cultural Collections includes both resource and capital. Capital in this area can cover both the maintenance and construction of physical assets as well as purchasing works for the collection. The following two tables set out the resource and capital budgets in this area.

National Cultural Collections (Resource £m)

	2025-26 Budget	2025-26 ABR	2026-27 Budget
National Museums of Scotland	28.7	28.8	28.7

National Galleries of Scotland	21.2	21.2	21.2
National Library of Scotland	17.8	17.8	17.8
Non National Museums	3.7	3.7	3.7
Non National Libraries	0.9	0.9	0.9
Total	72.4	72.5	72.4

All of the bodies supported under this area of spend will see a flat cash settlement compared to the 2025-26 budget. Non-national Museums funds, “museums and galleries across Scotland via Museums Galleries Scotland, and direct funding for the Scottish Maritime, Mining and Fisheries Museums.” Last week, MGS told the Committee that its core budget had been static over the past several years.

Non National Libraries provides funding to the Scottish Library and Information Council.

National Cultural Collections (Capital £m)

	2025-26 Budget	2025-26 ABR	2026-27 Budget
National Museums of Scotland	1.9	1.9	2.9
National Galleries of Scotland	6.2	6.2	17.5
National Library of Scotland	2.7	2.7	3.7
Non National Museums	1.8	1.8	1.7
Non National Libraries	0.0	0.0	0.0
Other Cultural Capital	8.0	8.0	1.3
Total	20.5	20.5	27.0

While the resource settlement for this area was flat cash, there has been movement in the capital budgets with the overall capital budget increasing by around £6.5m and significant shifts within this area.

The largest increase was for NGS and this includes funding for the Art Works development in Granton. The funding under “Other Cultural Capital” in 2026-27 is to support the King’s Theatre; in 2025/26 £8.0m was provided towards the redevelopment of Citizens Theatre. The £1.0m increases for NMS and NLS are to support estate maintenance.

The Committee’s prebudget report noted:

“Respondents also raised concerns about infrastructure needs in the sector. ... [the Museums Association] highlighted the significant backlog in repairs and maintenance in the museums sector, stating that ‘urgent investment is needed to resolve these issues as museums do not have the budget to fund this essential work’ and noting that historically significant buildings risk falling into disrepair if action is not taken”

In the context of supporting climate change goals, the Committee also said:

“Respondents to the call for views also noted that achieving net zero will require substantial capital investment. Retrofitting historic buildings, upgrading

heating systems, and improving energy infrastructure are costly and complex, particularly for listed or heritage properties.”

The Committee invited the Government to “outline how it intends to address the substantial capital investment required in the culture and heritage sector in order to meet its climate change and net zero ambitions.” It is not clear how the budget will address wider capital needs of the sector across Scotland.

National Performing Companies

The National Performing Companies budgets overall are flat in cash terms. There were small shifts in how the funding between the NPCs; last week Steven Roth from Scottish Ballet said that these small shifts are in relation to the international touring fund, but that core funding remained the same. The table below shows the resource budgets.

National Performing Companies (Resource £m)

	2025-26 Budget	2025-26 ABR	2026-27 Budget
Scottish Opera	8.7	8.7	8.6
National Theatre of Scotland	4.5	4.5	4.5
Royal Scottish National Orchestra	4.4	4.4	4.4
Scottish Chamber Orchestra	2.3	2.3	2.2
Scottish Ballet	4.7	4.7	4.9
Total - National Performing Companies	24.6	24.6	24.6

The funding of NPCs was raised in [portfolio question time on 28 January 2026](#). The Cabinet Secretary told Parliament:

“We will continue to fund the internationally acclaimed work of our national performing companies in 2026-27, with a view to providing them with additional funding in future financial years as part of the commitment towards an additional £100 million. That funding builds on the uplift of £1 million in funding across our five national performing companies in 2025-26, and an additional £700,000 of funding in 2024-25. That investment takes their core funding to the highest level since 2011-12.”

Last week Steven Roth said told the committee that comparing to 2010-11, funding for Scottish Ballet this year is lower in cash terms. He also said that the NPCs have improved their ability to attract philanthropic donations, but that NPCs have been “managing decline”. He said that as result of the long-term static funding, Scottish Ballet has cut from its “core” work and if this were to continue that there is a risk that the company would need to become much more focused on the central belt.

Other areas of the Constitution, External Affairs and Culture portfolio

There are three other areas of spend in this portfolio which are covered briefly here. Members are welcome to contact SPICe directly if they wish to explore these areas in more detail.

Historic Environment Scotland's grant in aid is planned to be £57.2m in resource in 2026-27. This is a fall of £2.1m and was expected as part of an agreement between HES and the Scottish Government whereby HES would have greater flexibility to effectively carry reserves across financial years. The estimated expected income of HES in 2026-27 is £74.9m which is an increase of £2.8m compared to the estimate for 2025-26. The expected increase in income would offset the reduction of the GIA. There is also a capital budget for HES of £10.0m which is the same as 2025-26.

The resource budget for National Record of Scotland increased by around £4m in year in 2025-26 and by a further £4m in the budget for 2026-27. This is largely in relation to funding for the Census 2031 and the resource funding for NRS in 2026-27 is £36.4m.

Total funding for External affairs in the 2026-27 budget is £32.1m resource and 2.0m capital. External affairs resource budgets have risen by around £4.9m (£5.3m compared to the ABR) year on year and by £2.0m in capital funding.

Spending review

The Government also published a spending review covering 2026-27 (the current budget) and indicative figures for 2027-28 and 2028-29. The figures are presented at Level 2 and presented as the sum of resource, capital and financial transactions. At the Level 1 data (ie portfolio level) this data is disaggregated by resource, capital and FTs. This Committee contributed to the consultation on the resource spending review in 2022. [Its pre-budget report that year](#) called for figures to be presented at Level 3 in the context of providing greater certainty over multi-year funding.

The table below is replicated from the [Government's 2026 Spending Review](#).

Constitution, External Affairs & Culture Spending Plans (Level 2)

Constitution, External Affairs & Culture Spending Plans (Level 2)			
Level 2	2026-27	2027-28	2028-29
Arts and Culture	254.3	301.8	290.2
External Affairs	34.1	31.9	31.6
Historic Environment and Architecture	68.8	68.8	68.8
National Records of Scotland	40.4	43.4	47.3
Total Constitution, External Affairs and Culture	397.5	445.9	437.8
<i>of which</i>			
Total Fiscal Resource	354.5	357.6	390.4
<i>of which Programme Costs</i>		337.6	340.9
		374	

	<i>of which Operating Costs</i>	16.9	16.7	16.4
Capital		43	88.3	47.4
Financial Transactions (FTs)		—	—	—

The Spending review set out the priority areas for this period. It said:

“Cultural delivery will expand through multi-year funding, sector innovation, heritage development and community arts. International development work will continue across health, education and equalities with partner countries, alongside humanitarian response.

“The portfolio is embedding fiscal sustainability through sector-wide collaboration and organisational reform. Public bodies are developing a prioritised pipeline of shared capital investment solutions, including joint storage projects.”

In relation to the path to increasing funding the arts by £100m by 2028-29, Members will note that the spending plans indicate, at a portfolio level, a £3.1m increase (0.9% year-on-year) in resource funding next year followed by a further £32.8m increase (9.2% year-on-year) in 2028-29.

Local government

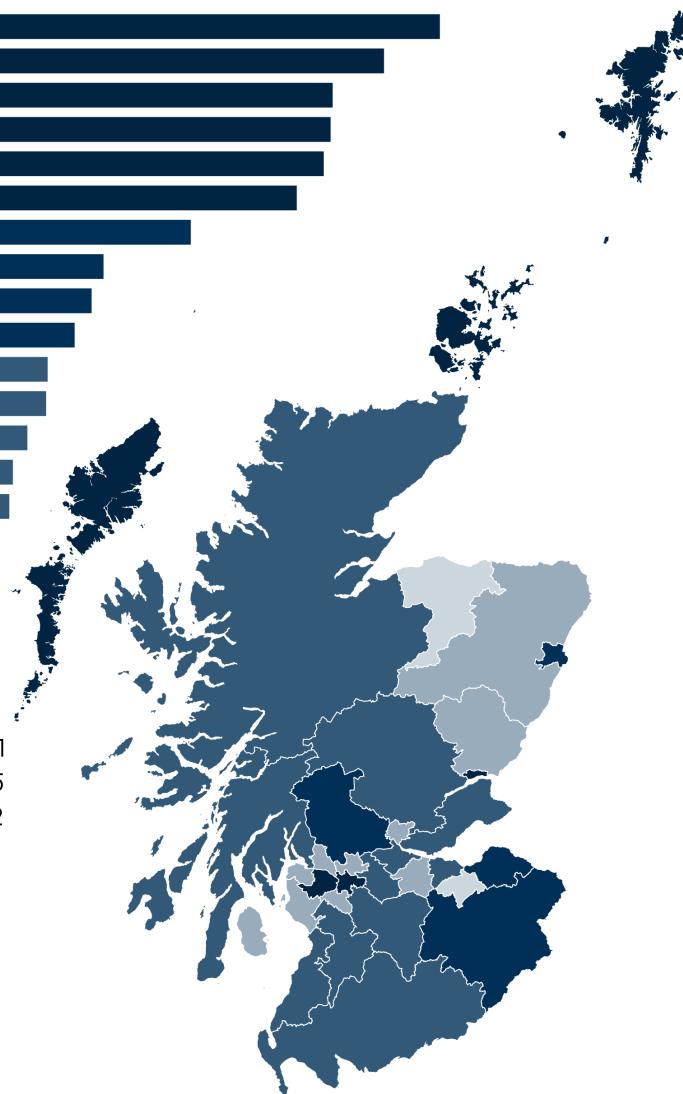
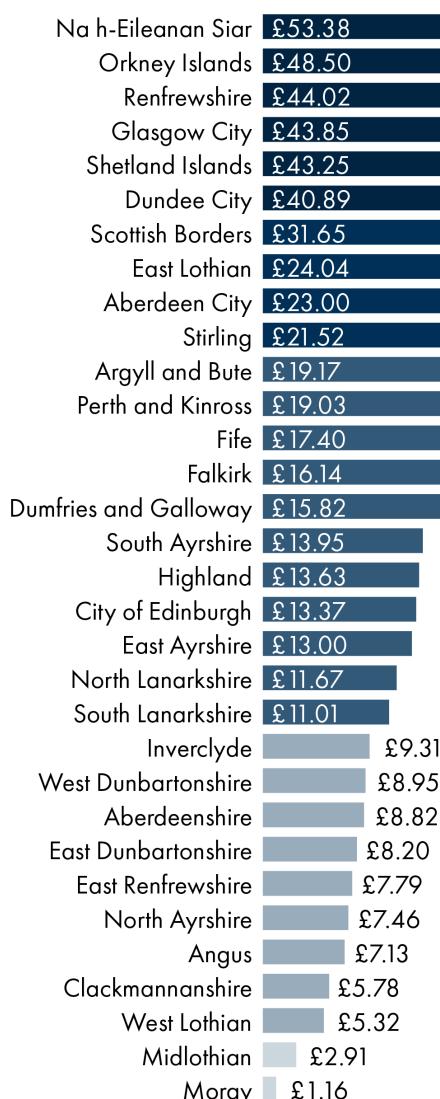
Local government has a key role in supporting cultural services and assets in their areas. The following table shows the spend (and planned spend) on these areas over the past five years.

Local authorities, Culture and Heritage (£m)

Subservice	2021-22	2022-23	2023-24	2024-25 Provisional Outturn	2025-26 Budget Estimate
Museums and Galleries	42.2	48.4	54.6	51.2	50.2
Other Cultural and Heritage	56.1	63.3	64.5	55.7	56.4
Library Services	94.9	104.4	110.3	110.2	113.4

Spending on library services accounts for more than half of local authorities' expenditure on Culture and Heritage. Net spending on Museums and Galleries and Other Cultural and Heritage varies considerably from local authority to local authority. The map below shows the sum of these two areas of budget divided by an estimate of each local authority's population. The data uses “net spend”; this broadly means that it is the gross spend less any income or ringfenced grants.

2025-26 Total net local authority 'Culture and Heritage' budget per capita



Last week, Councillor Ricky Bell from COSLA said that local government finances remain under pressure. He said that any increase in funding for culture from local government would likely have to be found from decreasing other budgets. He implied that this was unlikely and indeed that there is a risk that councils may look to close cultural assets.

The Cabinet Secretary for Finance and Local Government said in [her statement to Parliament on 13 January 2026](#):

“Overall, the funding for local government will increase by 2 per cent in real terms, comparing budget with budget—a settlement that is fair, and which recognises the important role of local government in the delivery of key services.”

The [Spending Review noted that in future years](#), local authorities budgets are likely to be under pressure with resource forecast to fall in cash terms in 2027-28. [It also stated](#):

“Local Government continues to deliver reform and efficiencies. In the year to June 2025, the workforce fell by 0.7 per cent, equivalent to around 1,500 FTE.

“The future fiscal outlook for Local Government will bring challenges that will require it to participate in further efficiencies, and undertake transformation of services, in line with our strategic ambitions. However, Local Government will have the flexibility in how they find the savings that are equivalent to the quantum necessary and fit their local circumstances.”

Themes of the Committee’s Cumulative Budget Scrutiny in Session 6

As noted in the introduction, the Committee has taken a cumulative approach to budget scrutiny in Session 6. Taken as a whole this has been a significant piece of work. Across the five pre-budget inquiries and the work on the Budget itself the Committee has:

- Received over 250 submissions
- Took formal evidence in 25 meetings, as well as some informal sessions
- Produced 5 reports

The Committee also devoted all or part of four meetings to taking evidence on the resource spending review in 2022 and the Committee also reported on this work.

The Committee said in its latest prebudget report:

“As the Committee’s final pre-budget report of this session, alongside consideration of the evidence received for this year’s scrutiny, the purpose of this report is to consider the cumulative evidence considered by the Committee over Session 6 and the Scottish Government’s responses.”

Over the last five years has seen significant changes, including the recovery from the pandemic and a spike in inflation. However, the Committee’s approach has produced some consistent themes. These were drawn out by the Committee in its most recent prebudget report and were:

- The ongoing financial context for the culture and heritage sector, and the impact and distribution of additional funding provided by the Scottish Government
- Multi-year funding, particularly for directly funded organisations
- Strategic approaches to funding decisions
- Mainstreaming and cross-portfolio funding

- Alternative funding models

In its last report, the Committee produced a table which described the responses of the Government under these themes. This table is reproduced in Annex A. The table indicates that Government responses to the Committee have often suggested that work in these areas is ongoing or will occur in the future. The Government has seldom provided details of outcomes or progress in the subsequent years' responses.

There are two areas where there has been demonstrable progress made by the Scottish Government this session. The significant increase in funding for culture reflected the concerns the Committee has made in relation to the sufficiency of funding, particularly in the first half of the current session. The second area was the visitor levy which the Scottish Government legislated for in this session of Parliament – this was taken forward by the Local Government directorate and ministers.

The Government also published [a Culture Strategy for Scotland Action Plan in December 2023](#). Many of the actions were to undertake further policy development work or to continue work that was ongoing. It is not clear, as yet, how this has supported the Government, national agencies, local government and the third sector to make progress on the areas that the Committee has identified.

The Committee's recommendations in its last report reflected the ongoing work in these areas and highlighted some areas where the Committee had consistently made similar recommendations. Several recommendations requested updates "urgently". The response from the Scottish Government did not address many of the Committee's recommendations directly. However, it made some general comments, such as:

"I want to reassure the Committee that the Scottish Government's response to the Creative Scotland Review recommendations will take cognisance of the Committee's pre-budget scrutiny report."

And:

"The Scottish Government spending plans support many of the priorities raised in the Committee's report including supporting collaboration and partnership working with local authorities and other delivery partners; increasing the number of multi-year funded organisations through Creative Scotland; increasing opportunities across the country for cultural engagement; and working across Ministerial portfolios to ensure that culture continues to contribute to positive outcomes in tackling the climate crisis and supporting lifelong learning, for example."

At the time of writing the Committee had not received any further response from the Scottish Government providing a more detailed response to its report.

In last week's papers, Members were provided with a table which highlighted some of the responses of the Government, Creative Scotland and COSLA to the Committee's report. Annex B of this paper includes all of the recommendations the Committee made in its most recent report.

This is likely to be the final budget-related evidence session for the Committee in the current Parliament. Members may wish to explore how the Government has made progress in the areas set out above. Members may find the summary of the Government's responses over the course of this Parliament set out in Annex A and the recommendations of the most recent report set out in Annex B useful references.

Reviews

Creative Scotland Review

The content and themes of the review of Creative Scotland are covered elsewhere in papers. The Government has not yet responded to the review.

In recent months, the Committee has taken a particular interest in the governance arrangements of public bodies and the relationship between those bodies and the sponsorship teams in the Government. Board members of public bodies are appointed by the Scottish Government

The review's commentary on the governance and strategic leadership of Creative Scotland was critical, particularly around board capability and decision-making. It recommended that Creative Scotland, "improve its governance arrangements, focusing on transparency, strategic challenge and performance oversight". (p. 22)

The review implied that there is a need to broaden the range of skills and experience on the board and noted that Creative Scotland does not routinely monitor the range of skills of board members. (p. 22)

The review also noted that "the relationship between the Scottish Government and Creative Scotland should be transparent and mutually respectful." It recommended that:

"Creative Scotland should foster a constructive relationship with the Scottish Government sponsorship team, to inform decisions by the Scottish Ministers around priorities and subsequent funding."

The review also made a number of other recommendations to the Government including:

- The Scottish Government should consider its rationale for directly funding parts of the arts, culture and creativity sector, and whether there would be greater synergies that could be realised by a different approach. (Rec 21)
- The Scottish Government should consider whether Creative Scotland should become a statutory partner or consultee in planning legislation. (Rec 30)
- The Scottish Government should review how the culture portfolio functions within government, and how that impacts the remit across other government departments (Rec. 34)

The review also recommended that Creative Scotland should “work towards establishing a dedicated capital fund”. The Scottish Government did not include any capital funding in the current budget for Creative Scotland.

Wider review of the sector

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

“As set out in Programme for Government, 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 May—

“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 2025. 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 the themes of the Committee’s budget scrutiny over the past several years, for example: welcoming public funding but questions over the application process, sufficiency, and project-based nature of public funding.

Ned Sharratt, Researcher (Education and Culture), SPICe

Date: 30/01/2026

Note: Committee briefing papers are provided by SPICe for the use of Scottish Parliament committees and clerking staff. They provide focused information or respond to specific questions or areas of interest to committees and are not intended to offer comprehensive coverage of a subject area.

Annexe A: Extract from the Committee's report: Pre-Budget scrutiny 2026-27: funding for culture

Table 1 - Multi-year funding: themes from the Committee's budget recommendations over the course of the session and the Scottish Government's responses.

Year	Committee recommendations	Scottish Government response
2022-23	<p>Welcomed the Scottish Government's commitment to 3-year funding settlements for the cultural organisations they provided regular funding for, and recommended that, wherever practical, multi-year funding is passed on to the groups and individuals being funded, who should also receive 3-year settlements.</p>	<p>The Resource Spending Review (RSR) sets out the Scottish 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.</p>
2023-24	<p>The Committee 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.</p> <p>The Committee's report on the Resource Spending Review Framework recommended that the aim to redirect funding towards preventative approaches should include considerations of a</p>	<p>*the RSR was published in June 2022</p> <p>Scottish Government recognised that the need to have a sense of the planning horizon, and stated that they remain keen to conclude some work on multi-year funding, even if economic uncertainty means that the figures for later years can be only indicative</p>

Year	Committee recommendations	Scottish Government response
	<p>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.</p>	
2024-25	<p>The Committee considered that delivering multi-year funding settlements for the cultural organisations the Scottish Government funding to be a crucial component in providing the sector with a longer-term view of how it will be supported, thereby increasing sectoral confidence.</p> <p>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". Welcomed Scottish Government commitment to provide multi-year funding envelopes alongside 2024-25 Budget, but recommended that these envelopes should be provided to level 3 in order</p>	<p>The Scottish Government's response to the Committee's report did not provide comment.</p>

Year	Committee recommendations	Scottish Government response
	<p>to provide greater certainty of future funding for organisations.</p>	
2025-26	<p>Raised 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. Noted the Cabinet Secretary's commitment to revisit the multi-year outlook in the next MTFS*. Recommended that the Scottish Government should provide greater clarity and certainty to the culture sector following the UK Spending Review.</p> <p>*The MTFS was published in June 2025</p>	<p>The Scottish Government welcomed Creative Scotland's plans to introduce multi-year funding from 2025-26. The Scottish 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.</p>

Table 2 - Strategic approaches and mainstreaming/cross-portfolio funding: themes from the Committee's budget recommendations over the course of the session and the Scottish Government's responses.

Year	Committee recommendations	Scottish Government response
2022-23	<p>Noted the Cabinet Secretary's view that the upcoming resource spending review would provide a significant opportunity to align budget choices with the NPF because it would be multi-year and most outcomes will not be</p>	<p>The Cabinet Secretary 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 joint collaboration and action to inform the portfolios' part in the multi-year RSR. The Scottish</p>

Year	Committee recommendations	Scottish Government response
	<p>delivered in the space of a year. Recommended that the resource spending review should include detailed consideration of how budgetary decisions could support the mainstreaming of culture across the Scottish Government. 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.</p>	<p>Government intended this to inform the outcome of the RSR as well as a longer-term cultural recovery plan</p>
2023-24	<p>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, 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. Asked the Scottish Government for 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</p>	<p>The Scottish Government had been working to develop closer cross-portfolio relationships, including with health and social care services and committed to continue prioritising that. 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 Scottish Government's Culture Strategy Action Plan Refresh.</p>

Year	Committee recommendations	Scottish Government response
	<p>working group set up by the Cabinet Secretary.</p>	
2024-25	<p>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". 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 FM 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. Recommended that there was a need for much greater urgency for the Scottish Government to make substantive progress towards cross-portfolio funding for culture. Agreed with stakeholders that there needed to be an "active pathway" towards this, and 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 published the Culture Strategy Action Plan.</p>	<p>The Cabinet Secretary stated that he was actively engaging across government to mainstream culture in policy-making, prioritising health and wellbeing initially. "By recognising the transformational power of culture and the value of the contribution it makes to achieving key policy outcomes the Scottish Government will deliver significant benefits for the people of Scotland."</p> <p>Stated that this work would result in cross-policy and sector working, knowledge-sharing and increased resilience.</p>

Year	Committee recommendations	Scottish Government response
	<p>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.</p>	
2025-26	<p>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 Scottish Government's significant investment in the sector.</p> <p>Noted that the Committee has in its Budget scrutiny over the two preceding years asked that the Culture Strategy Action Plan (which was published in Dec 2023) should provide a clear and strategic sense of how the Scottish Government is working to ensure the sustainability of the sector. However, the Action Plan did not reflect the Scottish Government's commitment to increase investment in the sector by £100m by 2028-29. As such, the Committee recommended that there remained a need for the Scottish Government to set out a strategic framework for supporting the prioritisation, and</p>	<p>Scottish Government understands that the sector is looking for clarity regarding future funding and how the £100m will be rolled out beyond the next year. Stated that the Scottish Government's planning assumption was to aim to provide a further £20m in 2026-27. This cannot be confirmed until the Scottish Government receives its budget allocation from the UK Government.</p> <p>The review of how the culture sector is supported is intended to maximise the impact of the £100m 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."</p> <p>Programme for Government 2024 sets out that the Scottish Government's strategic activity: "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."</p>

Year	Committee recommendations	Scottish Government response
	<p>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.</p>	<p>The Scottish Government is engaging in ongoing discussions with partners about where collective priorities lie and how resources can be targeted. This "will result in the acceleration of some planned actions and, consequently, the deceleration of others to match available resource"</p> <p>Committed to providing an update on the delivery of the Culture Strategy Action Plan at the end of the 2024-25 reporting year.</p>

Table 3 - Alternative funding approaches: themes from the Committee's budget recommendations over the course of the session and the Scottish Government's responses.

Year	Committee recommendations	Scottish Government response
2022-23	<p>The pandemic offered an opportunity to explore new perspectives. Welcomed the Scottish Government's commitment to prepare plans for cultural recovery and not to simply return to the status quo Scottish Government should 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 Funding mechanisms should be directed at achieving outcomes and a</p>	<p>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 Creative Scotland's refreshed Strategy and Funding Framework set out 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.</p>

Year	Committee recommendations	Scottish Government response
	<p>process for ensuring that public funds achieve those outcomes is needed.</p> <p>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.</p>	
2023-24	<p>Given the difficult fiscal environment, the Committee's view was that there was an increased urgency to progress additional revenue streams such as the Percentage for the Arts scheme. The Committee asked the Scottish Government for an urgent update on progress in establishing the scheme.</p> <p>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. 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.</p>	<p>Percentage for the Arts - the Scottish Government stated that it was in the initial stages of scoping this commitment, and that it expected to be able to share more information in the coming months.</p> <p>Visitor Levy - Scottish Government committed to introducing the Levy Bill during the 2022-23 Parliamentary year, with provisions expected to come into force "as is practicable and reasonable to do so" (estimated that it was unlikely the levy could be charged before 2026).</p>
2024-25	<p>Raised 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. Called upon the</p>	<p>Percentage for the Arts - Scottish Government was keen to see this commitment taken forward, and would prioritise scoping potential</p>

Year	Committee recommendations	Scottish Government response
	<p>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.</p> <p>Reaffirmed previous recommendation that consideration should be given to how the sector could benefit from the Visitor Levy. Recognised that how the revenues from the levy are invested would be at the discretion of local authorities, but considered that cultural bodies should be represented when such decisions are made.</p> <p>Asked the Scottish Government whether it had examined the approach of comparable devolved administrations in supporting culture funding, with a view to leaning from innovative ways of increasing funding.</p>	<p>delivery options in 2024-25. Committed to keeping the Committee updated.</p> <p>Visitor levy - Scottish Government encourages local authorities to engage directly with culture and heritage organisations, local businesses, communities and tourism organisations before deciding how to invest revenues from the levy.</p> <p>Scottish Government was looking at the potential for additional and parallel funding streams, including looking at the approaches of comparable countries.</p>
2025-26	<p>Welcomed that the Scottish Government's review would examine the way the culture sector is supported. Emphasised need to consult widely with stakeholders.</p> <p>Noted that throughout the parliamentary session, the Committee has undertaken significant work on funding and support for the sector, and that the Scottish Government's review would benefit from</p>	<p>Agreed that it is essential that the culture sector has the opportunity to engage in the Review. Stated that engagement would begin in early 2025 with a short survey about the scope of the review. Scottish Government agreed that the Review of Creative Scotland should feed into the wider review of how the culture sector is supported. 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</p>

Year	Committee recommendations	Scottish Government response
	<p>taking this evidence base and the Committee's recommendations into account. As the review will 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, this should take into account the Committee's previous work on innovative funding solutions. It 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.</p>	<p>the scope of both the review of culture sector support in Scotland and the review of Creative Scotland.</p>

Annexe B: Recommendations of the Committee's report: Pre-Budget scrutiny 2026-27: funding for culture

Note: recommendations in italics are aimed at other organisations.

Context

20. The Committee welcomes the positive impact on sectoral confidence and stability provided by the Scottish Government's commitment to increase investment in culture by £100 million by 2028-29. We note that the £34 million uplift to funding for the sector in 2025-26 took the uplifts to date to £50 million a year, and that this is set to increase by an additional £20 million in 2026-27. The Committee's expectation is that this additional funding will be delivered in full.

21. However, we also note that despite this welcome investment, the culture and heritage sector continues to face significant financial challenges as a result of long-term budget pressures and increased operating costs, including increased employment costs such as employer National Insurance contributions, the Scottish Government's Public Sector Pay Policy and Fair Work commitments. We therefore recognise that the uplift in cultural spend may to some degree be being used to help meet ongoing financial pressures, rather than necessarily generating improved cultural outcomes. Nevertheless, the Committee recognises that significant additional funding has been made available to the sector within a tight fiscal environment and this has been welcomed across the sector.

31. The Committee shares the concerns raised in evidence that the impact of increased Scottish Government funding for the sector may be being offset by funding reductions by local government. We ask that the Scottish Government to respond to these concerns in the context of the £100 million additional investment in the culture sector. We also request that COSLA provides a response to these concerns.

32. The Committee welcomes the Cabinet Secretary's comments that the review of Creative Scotland will provide clarity about the availability of cultural services in different areas of Scotland. We would welcome additional clarity about how the findings of the review will be used to address issues surrounding the level of local government culture funding and disparities in cultural provision.

33. The Committee notes the Cabinet Secretary's statement that the role of the Scottish Government is to use its "convening power" to ensure cultural provision across Scotland. We seek further detail as to how the Scottish Government is using this power to address potential disparities in cultural provision across Scotland and the level of local government spending on culture.

38. The Committee recognises stakeholders' concerns that the historic environment sector is facing an "acute" skills shortage. We therefore request that the Scottish Government provides detail as to how it is targeting investment to address these skills shortages and to provide an update on the actions set out in the sector's Skills Investment Plan, following the most recent update in April 2024.

39. Given the cross-portfolio nature of skills development, we ask that the Scottish Government outlines how it intends to co-ordinate across portfolios to address the skills shortage.

48. The Committee asks the Scottish Government whether the upcoming Spending Review will include consideration of a capital programme managed by Creative Scotland to support the refurbishment, retrofitting and upkeep of assets that are used for cultural activity.

Multi-year funding

55. While acknowledging the challenging fiscal environment continuing to face the Scottish Government, the Committee reiterates the concerns outlined in our 2024-25 and 2025-26 Pre-Budget reports that there has been limited progress on the Scottish Government's 2021 commitment to agree 3-year funding settlements for the organisations it funds directly. We ask that the Scottish Government explains why its 2021 Programme for Government commitment to agree 3-year funding settlements for the organisations it funds directly has not been delivered.

67. The Committee welcomes the expansion of Creative Scotland's Multi-Year Funding Programme and recognises the added stability and confidence it provides to the cultural organisations it supports.

68. The Committee recognises that there is a potential for a tension to arise between the number of organisations supported through Creative Scotland's Multi-Year Funding Programme and the depth of support afforded to each organisation. We ask that Creative Scotland indicate how its approach will be evaluated in relation to maximising cultural outcomes and establishing clear metrics to assess the impact of the Multi-Year Funding Programme.

69. We note the evidence received relating to the resource-intensive and complex nature of the Multi-Year Funding Programme application process. The Committee recognises that there is likely to be a tension between ensuring that applications are not overly onerous and Creative Scotland ensuring that the awards support high quality outcomes. The Committee therefore asks how Creative Scotland will evaluate whether the process for multi-year funding strikes the right balance.

Strategic Approaches

82. The Committee notes the evidence received that stakeholders remain concerned about the lack of strategic clarity in funding decisions for the culture sector. We ask that the Scottish Government sets out in detail what progress it has made towards adopting a strategic approach to the delivery of funding for the culture sector over Session 6.

83. Given the concerns about a lack of strategic clarity in funding decisions and questions raised in evidence about the relationship between the Scottish Government's Culture Strategy and increased culture funding, the Committee seeks clarity on the delivery of the Plan. We note that, in response to the Committee's 2025-26 Pre-Budget report, the Cabinet Secretary committed to providing an update on the delivery of the Culture Strategy Action Plan at the end of the 2024-25

reporting year. However, this update was not received. As such, we ask that the Scottish Government provides an urgent update on the delivery of the Plan.

84. We also note that the Cabinet Secretary's response to the Committee's 2025-26 Pre-Budget report stated that the ongoing review of how the culture sector is supported is intended to maximise the impact of the £100 million investment. We request that the Scottish Government provides an update on the ongoing review of the culture sector, including timelines for the review's completion and detail as to whether the review is considering the relationship between the Culture Strategy and increased culture funding. We ask that the Scottish Government outlines how the review's findings will be used to inform a more strategic approach.

85. The Committee reiterates our view that the Scottish Government should seek to adopt an outcomes-based approach to prioritise and maximise the impact of funding, and that clear metrics should be established to assess the impact of cultural investment. We also remain of the view that budget choices could be more significantly aligned with the NPF and note that the ongoing reform of the NPF could offer an opportunity for the Scottish Government to explore greater alignment and to improve its strategic approach to funding for the culture sector.

Mainstreaming and cross-portfolio funding

104. The Committee notes that the Cabinet Secretary first committed to engage directly with other Cabinet Secretaries with regard to cross-portfolio working in 2021, and that this was followed by further commitments in 2022 and 2023 to engage in conversations with fellow Cabinet Secretaries to progress cross-portfolio working. In 2024 the Cabinet Secretary stated to the Committee again that he was engaging in discussions with partners about where collective priorities lie and how resources can be targeted. The Committee asks the Scottish Government to provide detail as to the content and outcomes of these discussions and how they have contributed to progress towards mainstreaming and cross-portfolio working over Session 6.

Alternative funding models

124. The Committee notes the progress on introducing the Visitor Levy, recognising that – should individual Local Authorities choose to implement the Levy – the revenues could be used to help with the cost of local services and facilities. Given the culture sector's contribution to tourism in Scotland, we request COSLA provide clarity as to what opportunities for support the Levy might bring to the culture sector.

125. The Committee invites the Scottish Government's view on the provision of basic income for artists in Ireland, which will be made permanent in 2026 following the culmination of the pilot program.

126. Despite the Scottish Government's confirmation in 2022 that it was in the "initial stages" of scoping a Percentage for the Arts scheme, the Committee has not yet received an update on progress towards establishing the scheme. This is despite an additional commitment in 2023 to scope potential delivery options in 2024-25 and to keep the Committee updated on the scheme's progress. The Committee asks the Scottish Government why, despite the above commitments, there has been no further update on the progress towards establishing a Percentage for the Arts

scheme. We ask that the Scottish Government provides an urgent update on progress towards establishing the scheme and detail as to what the scheme would look like in practice.

127. The Committee recommended in 2022 that, given the difficult fiscal environment, there was an increased urgency for the Scottish Government to work towards additional revenue streams for the culture and heritage sector. We ask that the Scottish Government sets out in detail what progress it has made over Session 6 on delivering alternative funding models for the sector.

Climate change and Net Zero

135. The Committee recognises the role of the culture sector in shaping public understanding of, and attitudes towards, climate change. We recommend that the sector's role be recognised in the Scottish Government's Climate Change Plan and that the Scottish Government considers how funding to support net zero ambitions could be used to further the impact of the culture sector on public attitudes.

138. We invite the Scottish Government to outline how it intends to address the substantial capital investment required in the culture and heritage sector in order to meet its climate change and net zero ambitions.

145. The Committee notes the evidence heard that audience travel to and from cultural events and venues is the largest source of emissions associated with the cultural sector. As such, we welcome the Cabinet Secretary's confirmation that the Scottish Government is focussing efforts on public transport use. The Committee requests more details on how the Scottish Government is supporting greater use of public transport to cultural events or sites and how progress is being measured.

146. Noting the evidence heard that there are "difficult questions for the culture sector about international travel", we also ask the Scottish Government to outline what steps it is taking to address aviation emissions associated with audience travel.

**Scottish Parliament****Constitution, Europe, External Affairs and Culture Committee****Pre-Budget scrutiny 2026/27: funding for culture****Request for additional information****December 2025**

67. The Committee welcomes the expansion of Creative Scotland's Multi-Year Funding Programme and recognises the added stability and confidence it provides to the cultural organisations it supports.

1. In 2025/26, Creative Scotland's Grant-in-Aid budget from the Scottish Government is just over £89m and includes an additional £20 million provided to Creative Scotland for the Multi-Year funding programme in 2025/26.
2. As communicated in the Cabinet Secretary's letter to the Committee following the draft budget announcement in December 2024, the Scottish Government aim to provide a further £20m for the Multi-Year funding programme in future years, taking the uplift for this programme to an additional £40m a year from 2026/27 (subject to the usual Parliamentary procedures).
3. The funding uplift and assurances for future years 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.
4. Creative Scotland's previous programme for Regularly Funded Organisations (RFOs) ran from 2018/19, typically providing funding at around £32-£33m annually. In 2024/25, the final year of the RFO programme, 119 organisations received multi-year regular funding, totalling £32.5 million.

68. The Committee recognises that there is a potential for a tension to arise between the number of organisations supported through Creative Scotland's Multi-Year Funding Programme and the depth of support afforded to each organisation. We ask that Creative Scotland indicate how its approach will be evaluated in relation to maximising cultural outcomes and establishing clear metrics to assess the impact of the Multi-Year Funding Programme.

5. The Multi-Year funding programme has significantly expanded the scope of the creative and cultural organisations benefitting from regular funding for their core costs and programme. Specifically:

- 141 organisations are new to multi-year funding, bringing stability and longer-term certainty to more parts of Scotland's culture sector than ever before
- More than a third of the portfolio (87 organisations) receive awards of between £50k and £120k in 2025/26. This increase in smaller organisations benefitting from year-on-year funding includes many focussed on working in communities and with diverse groups across Scotland.
- Multi-Year Funding supports organisations working across all regions of Scotland, with base locations in 27 Local Authorities, up from 21 previously. Over a third of organisations (36%) deliver their work across all parts of Scotland.
- During the MYF assessment process, 13 further organisations were offered a 12-month programme of development support and funding to enable them to address issues identified in their application. Earlier this month, we confirmed that these organisations have met the requirements to allow them to join the MYF programme from Year 2, bringing the number of organisations funded through the Multi-Year Fund to 264.

Demand for Multi-Year Funding

6. Ahead of the Multi-Year Fund opening for applications, sector briefing sessions and an 'Intention to Apply' process flagged extremely high demand for the programme. We were public about this demand to help manage the expectations of applicants and we kept the Scottish Government and the CEAC Committee apprised of levels of demand throughout the process.

7. We asked applicant organisations to be realistic and restrained in their financial requests to Creative Scotland. We said we would seek to fund organisations at the level of their request as far as possible, in the context of other partner and earned income. Our fund guidance set out the reasons where we might fund at levels lower than requested:

- The information provided by the applicant did not sufficiently justify the level of funding requested
- The balance of funding requested from Creative Scotland compared to other income sources was too high and was not felt to be proportionate
- In the context of a competitive process, with limited funds available, other applicants were able to demonstrate that they would make a stronger contribution to the fund criteria.

8. We received 361 applications at Stage 1 with an annual financial ask of £96m, broadly three times the existing budget for regular funding at that time. Following Stage 1 assessment, 281 organisations were invited to apply to Stage 2 of the Fund, with a collective request for £88.5m in funding annually.

9. Of the Stage 2 Multi-Year applications, 117 were from current RFOs. The requested funding from this group, at £61.4m annually, was a 90% increase on levels of funding for this group, at that time. The range of uplift requested varied from 11% to more than five times the level of prior support.

Levels of Award in the Multi-Year Funding Programme

10. Our assessments identified that (for the most part) the financial asks of Multi-Year applicants were realistic. But there were elements of programmes which did not adequately meet our criteria, where the financial ask was not proportionate, or where the activity proposed sat outside of our remit – for example where programme strands were clearly mainstream education activity. Similarly, there were instances where we were asked to substitute for a withdrawal of funds from another part of the public sector, such as local authorities.

11. In setting our levels of award we used a range of information and expertise:

- Business Plans submitted by organisations as part of their application. These contained: budget and financial projections; a completed financial proforma providing detail on the organisation's financial health; narrative response to question on any increased ask
- Historic data/records of applicant history with Creative Scotland, including detailed review of 5-years of funding history
- Specialism expertise in every sector and experience of appraising budgets and financial needs of creative organisations; dedicated assessor comment on applicant budget/financial ask
- Our Finance team also reviewed the pro-forma to provide a Financial Risk rating for every applicant

- Analysis of reliance on CS income in comparison to other sources and where this is revealed to be high, this was noted as a risk

12. In 2025/26 (Year 1 of the programme), the awards made to the 251 Multi-Year organisations totalled £60m. This is 73% of the overall amount requested by this group (at £81.6m). This rises from 2026/27 (Year 2 of the programme), when the amount awarded to the 264 organisations will be £74m. This budget means that organisations will receive, on average, 86% of the amount requested.

13. From Year 2 onwards, 94% of Multi-Year Fund organisations will receive between 80% and 100% of their request. Of these, 81 will receive between 90% and 100% of their requested amount, and 26 will receive 100% of their request.

14. Of the MYF organisations, 116 were previously funded by Creative Scotland as RFO's. These organisations have received an average 34% uplift on previous levels of funding in Year 1 and a 54% uplift on current levels of funding from Year 2.

Monitoring and Reporting in the Multi-Year Funding Programme

15. As outlined in the MYF Guidance and funding agreements, we ask organisations to submit plans and updates to ensure we have accurate information on the activity being delivered, track progress and understand the impact their work is having. These requirements were flagged in the MYF guidance documents and are subsequently set out in [the MYF Handbook](#), issued to MYF organisations on the commencement of their funding arrangements, and include:

- An Annual Activity Plan submitted at the start of each year and quarterly updates of progress against this Plan.
- A Financial Proforma at the start of each year and quarterly Management Accounts.
- An Equality Diversity and Inclusion Action Plan submitted once a year.
- Copies of Board Papers and Minutes in line with organisations' own governance cycles.

16. Ahead of the start of Year 1, MYF organisations were asked to update us on any changes to their plans since their original MYF application. This included highlighting any activity that would be delayed, re-sscoped or would not go ahead as a result of funding awards made at levels lower than requested. Regular engagement with artform specialism teams at Creative Scotland about programming helps ensure that the ambition and high-quality creative outputs envisaged in the application can be realised.

17. Once reviewed and approved, the quarterly Activity Plan updates trigger each organisation's next funding payment. We expect these updates to be a regular agenda item at their Board or equivalent Governance meetings overseeing funded activity.

While Creative Scotland does not typically attend board meetings, we may attend as observers where appropriate and organisations are free to invite us if they wish.

18. MYF organisations are also asked to complete a set of data returns that ensure key impact metrics are consistent, comprehensive and robust. The collation and analysis of this data enables Creative Scotland to monitor how the portfolio is performing, report back to our funders and stakeholders, and to advocate for the impact – cultural, social and economic - that organisations achieve. Specifically, MYF organisations submit data through:

- An Annual Statistical Survey to Creative Scotland, at the end of each year, covering areas including workforce, artist support, audience engagement and learning and outreach activity.
- Environmental Reporting to Culture for Climate Scotland, annually, covering emissions and aspects of environmental stewardship
- Audience Data tools provided to performing and producing organisations, through The Audience Agency, on an ongoing basis

19. Creative Scotland's Knowledge and Research team manages the collection of all data from funded organisations and individuals and collates relevant statistics on the sectors we support, for example on cultural engagement and the creative economy. We also use equalities monitoring data, captured on a voluntary basis on the point of application to us, and commissioned population and applicant surveys. These datasets are brought together in Creative Scotland's [Annual Review](#), and are critical to our communications and advocacy work, including responding to press and public enquiries. The Audience Agency report audience data on a similar basis through outputs such as their regular Booking Behaviour reports.

20. We also use collated and anonymised data to report on Creative Scotland's Key Performance Indicators (KPIs) to the Scottish Government, as part of the Performance Management Framework agreed with them in 2023. Our Performance Management Framework was agreed with Scottish Government in 2023 and comprises 12 KPIs that include measures examining the workforce, activities and outputs of multi-year funded organisations. These are aligned to the Scottish Government's Culture Strategy and map up to the outcomes set out in the National Performance Framework.

21. Similarly, collated equalities data (for example workforce profiles) allow Creative Scotland to meet our reporting duties under the 2010 Equalities Act, and we report

sector emissions to the Scottish Government as part of meeting our Public Bodies Climate Change Duties.

22. All MYFOs must also demonstrate compliance with the Scottish Government's Fair Work First policy, confirming their payment of the Real Living Wage and that appropriate channels for the Effective Voice of workers are in place. All MYF organisations have confirmed this for Year 1 of the programme.

23. Creative Scotland has established arrangements for escalation of risks to business viability. We work closely with sector organisations and sector representative bodies to assess financial health. We have escalation protocols internally which ensure the right people are aware while maintaining confidentiality. There are examples of where we have been able to reprofile payments, provide expert advice and signpost to other financial support to help mitigate risks for funded organisations.

69. We note the evidence received relating to the resource-intensive and complex nature of the Multi-Year Funding Programme application process. The Committee recognises that there is likely to be a tension between ensuring that applications are not overly onerous and Creative Scotland ensuring that the awards support high quality outcomes. The Committee therefore asks how Creative Scotland will evaluate whether the process for multi-year funding strikes the right balance.

24. Key feedback from the Funding Review conducted in 2019/20 was that Creative Scotland should create the conditions whereby as many cultural organisations as possible can benefit from sustainable, multi-year funding.

25. We were aware that this would be a highly competitive fund that would be required to support a wide range of activity. In the preceding years, current funding for the existing RFO programme had been at standstill levels and organisations were experiencing significant financial challenges from inflation and cost-of-living pressures. As noted above, early sector briefing sessions and an 'Intention to Apply' process flagged extremely high demand for the MYF programme.

26. Understanding the scale of demand, coupled with feedback from the Funding Review, helped us to design an application and assessment process that sought to be proportionate: balancing the ask on applicants with the need to have sufficient information to make well-informed decisions in a highly competitive context. Given the prevailing fiscal environment, we expected our budget for Multi-Year to be very challenging relative to the ask in the Fund, as communicated to the Committee throughout 2023 and 2024.

27. To make informed decisions about which activity to support, applicants were asked to provide a level of detail that would enable us to make the best decisions according to our six published Funding Criteria. These criteria align to our Strategic Framework, which in turn responds directly to the Scottish Government's Culture Strategy and the wider aims of the National Performance Framework. They are:

- Quality and Ambition: supporting people and organisations working in art and creativity to make work of quality and ambition that enriches life in Scotland for everyone.
- Engagement: ensuring more people from all parts of society access, participate in and value a range of artistic and creative activities.
- Equalities, Diversity and Inclusion (EDI): supporting a more diverse range of creative people, communities, and activity, and promoting an equality of opportunity to create, participate and engage.
- Environmental Sustainability: helping tackle the climate emergency across Scotland.
- Fair Work: promoting fair pay, conditions, and employment opportunities across the creative sector.
- International (optional only for applications involving international activity): developing innovative and sustainable ways of strengthening international collaboration and promoting artistic and cultural exchange.

28. At each Stage we asked applicants to respond to three application questions in each of these areas – 18 questions in total. At Stage 2 we asked applicants to submit their Business Plan and highlight specific plans to the commitments set out in Stage 1.

29. We also assessed the management and financial risk associated with the applications received, based on information supplied in the application and the programme Budget. We needed to assess the financial health of organisations and whether plans were budgeted realistically as part of our financial risk assessment.

30. The application process therefore mapped directly onto the outcomes we want to see for the sector while providing assurance that public benefit would be delivered by sustainable organisations with sound governance and financial management.

Support to unsuccessful organisations

31. In total 28 organisations were unsuccessful in Stage 2 of the Multi-Year Fund. Of these:

- 13 organisations were identified as being of strategic importance and offered the MYF Development Stream and Year 1 confirmed funding. We [announced this](#)

month (December) that these organisations have successfully addressed their development needs and will join the MYF group from April 2026.

- 15 organisations were offered access to the Transition Support Programme providing support to organisations previously funded on an ongoing basis.
- 3 organisations were also eligible for Transition Funding due to having an extensive funding history with Creative Scotland. This was made available from Creative Scotland's National Lottery reserves.

32. An aligned Transition Support Service, delivered by our partner, Community Enterprise, provided expert advice and support on financial health and restructuring business plans scenario planning, and diversifying income streams. They also offered the opportunity to explore alternative operating models, assess collaboration, partnership, or merger opportunities.

Evaluation of the Multi-Year process

33. We have run a programme of independent internal audits alongside the MYF programme, working with our internal auditor, Azets. Three audits have examined the programme:

- The first focussed on the Intention to Apply and Stage 1 application, assessment and decision-making process.
- The second focussed on the role of the Stage 2 Portfolio Review process in the final decision making and on post-decision communications planning.
- A third internal audit is currently live. This looks specifically at how we undertook After-Action Reviews during and following the MYF process to learn lessons from our approach to feed into future planning.

34. Both completed audits concluded that we had designed and implemented an effective, well-documented process with strong governance oversight for assessing organisational funding applications. The Stage 1 audit made a series of advisory recommendations to help mitigate risks and provide assurance in Stage 2 decision making. The Stage 2 audit, following independent observation of all the Portfolio Review decision making meetings, describes how we managed the final decision-making phase. It found that decision-making meetings achieved their intended objectives, and that communications and post-announcement activity were well-planned.

35. A thorough After-Action Review was undertaken after Stage 1, with findings populating a Lessons Learned database, and informing a series of refinements to the Stage 2 process. Post-Stage 2 we again surveyed staff for feedback on the process and further input from organisations will be undertaken to help inform future processes. Internal and external feedback suggests that both the MYF Development Fund and the

Transition Support Programme have been received positively and their impact will be reviewed in the New Year.

Future iterations of Multi-Year funding

36. As part of ongoing delivery of the Multi-Year Funding (MYF) programme, Creative Scotland is considering options for the long-term evolution of the MYF. Specifically, we are exploring a shift away from the current competitive model (where an open application process is launched every 3 years) towards a rolling or continuously managed programme, with opportunities for organisations to remain in, join, or exit the portfolio based on performance, strategic relevance, and available budget. Early scoping work is underway and, as noted above, we would aim to seek sector input on this work as it progresses during 2026.

Annexe D

Cabinet Secretary for Constitution, External Affairs and
Culture

Angus Robertson MSP



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Clare Adamson MSP
Convenor Constitution, Europe, External Affairs and
Culture Committee
Scottish Parliament

20 January 2026

Dear Clare,

Pre-Budget scrutiny 2026-27: funding for culture

I would like to thank you and the Committee Members once again for the opportunity to give evidence in September 2025 as part of your pre-budget scrutiny on funding for culture. The detailed examination and careful reflection the Committee has given to the information gathered is evident in your report of 21 November 2025.

Financial Context

The Scottish Government faces a challenging financial position over the medium-term and delivery of the actions set out in the Fiscal Sustainability Delivery Plan and Public Service Reform Strategy will, therefore, be key. Set against a backdrop of constrained resources and a rising demand for public services, the draft budget for 2026-27 continues to fund the social contract that is at the heart of this Government's approach including our commitment to increased funding for culture.

The draft budget has been developed through effective engagement and negotiation across Parliament to build broad support and our focus remains aligning government spending with the delivery of our four priorities: eradicating child poverty, growing the economy, tackling the climate emergency, and ensuring high quality and sustainable public services.

Scottish Government funding for culture

The positive impact of recent increases to the Scottish Government's budget for culture has been broadly welcomed by the Committee and stakeholders as reflected in the Committee's recent report. An additional £20 million for culture in 2026-27 will bring the cumulative annual increase in the culture budget to £70 million when compared to the 2023-24 allocation.

However, the Scottish Government understands ongoing calls for careful consideration and transparency around how any additional funding could be used for greatest strategic impact, along with alternative approaches to generating funding, to best support the sector going forward.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

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There is an ongoing need to ensure that available funding is used both to provide financial security to Scotland's organisations today and to balance that with the need to drive the strategic changes needed across the sector so that the future success of the sector is secured in a way that is sustainable.

Creative Scotland

That is why in the draft budget that was published on 13 January, the Scottish Government has earmarked an additional £20 million for direct delivery to the sector through the Creative Scotland Multi Year Funding programme, increasing financial stability for cultural organisations across the country.

The Scottish Government is aware that many of the [Independent Review of Creative Scotland](#) recommendations set out in the Angela Leitch's recent report speak to leadership for the sector on many of the issues raised by the Committee. I want to reassure the Committee that the Scottish Government's response to the Creative Scotland Review recommendations will take cognisance of the Committee's pre-budget scrutiny report.

Screen Scotland

Increasing investment in Screen Scotland by £800,000 will build on the successes of film and television production in Scotland in support of the Scottish Government's goal of £1 billion Gross Value Added by the sector to the Scottish economy by 2030.

Museum Futures Programme

The draft budget also prioritises support for innovation and sustainability through a second year of our pioneering Museum Futures Programme, with a further £4 million investment in 2026-27 to support the development of new ways of working across the sector.

Youth and community arts

Scotland's young people and communities will have increased opportunities to engage in culture through planned increases to the Youth Music Initiative (YMI – increased by £215,000) and Sistema Scotland (increased by £100,000) and through ongoing funding for our flagship community-led arts programmes, Culture Collective and Creative Communities.

Public Service Reform

The draft 2026-27 budget for culture builds on previous funding uplifts and seeks to continue to support the changes that will make a difference to how the sector is supported going forward. This includes our ongoing work with our public bodies to drive efficiencies, strengthen partnership working and increase income streams where applicable.

Historic Environment Scotland

The agreed revised Framework Document with Historic Environment Scotland (HES) provides the organisation with greater financial freedoms to manage its commercial income. As part of this agreement, HES is continuing to reduce its dependency on public funding towards its operational budget as its commercial income continues to grow. This is the second year of that agreement which sees a further £2 million reduction in resource funding providing HES in 2026/27 with £57.2 million as part of a five- year plan to reduce funding of HES by £10 million.

National Collections

The Scottish Government is committed to ensuring our National Collections have the resources they need to meet to meet pay pressures and other inflationary issues, including Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

through efficiency savings where possible so that any additional funding available in 2026-27 can be directed towards activities that will increase sustainability going forward. The Scottish Government also plans to provide increased funding to the V&A Dundee (an increase of £200,000) in recognition of the significant national and international activity needed to maintain its status as Scotland's premiere museum of design and to drive the innovation needed to become less reliant on public funding going forward. Significant capital investment of £11.65 million in 2026-27 leading to a total investment of £55.9 million over three years for a collaborative and visionary project – The Art Works. This will establish a National Collections Hub for National Galleries of Scotland and National Museums of Scotland, delivering significant socio-economic benefits as part of City of Edinburgh Council's Granton Regeneration.

National Performing Companies

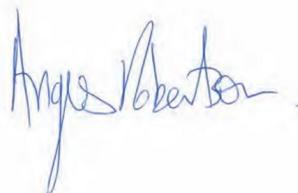
The Scottish Government has protected the budgets of our internationally acclaimed National Performing Companies at almost £25 million collectively, with a view to providing additional support in future years as part of the cultural funding uplift to the additional £100 million by 2028-29.

The Scottish Government has also recently pledged a further £20 million to the Dunard Centre which will provide a first class concert hall in Edinburgh and a new home for the Scottish Chamber Orchestra. This is in addition to the £10 million already provided as part of the Edinburgh and South East Scotland City Region Deal. The draft budget also commits to providing an additional £1.25 million capital in 2026-27 for the redevelopment of the King's Theatre in Edinburgh, bringing the total SG funding package to £12.8 million over the lifetime of the project subject to further due diligence requirements.

Conclusion

The Scottish Government spending plans support many of the priorities raised in the Committee's report including supporting collaboration and partnership working with local authorities and other delivery partners; increasing the number of multi-year funded organisations through Creative Scotland; increasing opportunities across the country for cultural engagement; and working across Ministerial portfolios to ensure that culture continues to contribute to positive outcomes in tackling the climate crisis and supporting lifelong learning, for example.

I look forward to hearing the Committee's thoughts on the draft culture budget for 2026-27 and to hear their ideas on key priorities for the Spending Review period when I appear at Committee on 5th February.



Angus Robertson

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