



Europe, External Affairs and Culture Committee
Tuesday 27 October 2026
8th Meeting, 2026 (Session 7)

Prebudget Scrutiny

1. This is the third and final evidence session the Committee will undertake on the Scottish Government Budget 2027-28. Prior to recess, the Committee took evidence from:
 - [a variety of stakeholders on 29 September 2026](#); and
 - the authors of the Local Culture Scotland and representatives from Local Government on [6 October 2026](#).

Introduction

2. The Committee will hear from representatives from Creative Scotland and the Cabinet Secretary for Education, Culture and Gaelic. The Committee heard from these witnesses earlier this year: on [15 September](#) in relation to the independent review of Creative Scotland; and on the Scottish Government's priorities for culture on [8 September](#). It is likely that some of the themes explored in those sessions, such as leadership of the sector and the links between strategy, funding choices and outcomes, will resurface in the context of prebudget scrutiny.
3. This paper sets out the roles and approaches of Creative Scotland and the Scottish Government. The final section includes some issues the Committee may wish to explore with the witnesses.
4. A summary of the evidence the Committee has heard in its Prebudget Scrutiny sessions and the submissions it has received can be found in the Annexe to this paper. The themes of the evidence the Committee has heard on Prebudget Scrutiny so far include:
 - The sufficiency of the overall funding for culture
 - Distribution of funding across different sectors and geographical areas
 - Priorities and mechanisms for future funding
 - Capital funding
 - Public Sector Reform.

Creative Scotland

5. The Committee took evidence from Creative Scotland on 15 September and explored the organisation's response to the [independent review of Creative Scotland published in November 2025](#) ("the review"). On 7 September 2026, [Creative Scotland published an action plan](#), in response to the review.
6. 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.
7. 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.

Strategic approach

8. In response to the review, Creative Scotland will be refreshing its strategy and developing new ways of working.
9. The [current strategic framework](#) sets out three outcomes:
 - People and organisations working in art and creativity are supported to make work of quality and ambition that enriches life in Scotland for everyone.
 - More people from all parts of society access, participate in and value a range of artistic and creative activities.
 - Art and creativity are recognised by people at home and abroad as a central part of our nation.

10. It also identified four priorities:

- Equalities, Diversity and Inclusion: Supporting a diverse range of creative people, communities, and activity, promoting an equality of opportunity to create, participate and engage.
- Sustainable Development: Helping tackle the climate emergency and supporting the growth of sustainable creative businesses across Scotland.
- Fair Work: Promoting fair pay, conditions, and employment opportunities across the creative sector.
- International: Developing innovative and sustainable ways of strengthening international collaboration and promoting artistic and cultural exchange.

11. These aims and priorities are reflected in the funding criteria that Creative Scotland applies. There are six criteria however applicants are not necessarily expected to meet all of them. The criteria are in relation to:

- Quality and Ambition
- Engagement
- Equalities, Diversity and Inclusion
- Environmental Sustainability
- Fair Work
- International

Measuring impact

12. [Creative Scotland publishes annual reviews](#). These tend to include a mix of case studies and quantitative data on the outputs of the work and organisations Creative Scotland funds. Beyond that, there is little discussion on how Creative Scotland's work is supporting employment in the arts or access to culture more generally. For example, data is collected on participation and attendance through the Scottish Household Survey which would provide information on people who do and do not access arts and culture.

13. The review recommended that Creative Scotland strengthen its analytical capacity to demonstrate impact and value.

14. [Creative Scotland recently put out a tender for research to examine](#) "frameworks of impact". In this, Creative Scotland said that it had, "identified an opportunity to better articulate and monitor the impact of Scotland's creative and cultural sector and the contribution Creative Scotland's support makes to this impact."

Funding streams and budgets

15. Creative Scotland's annual plan sets out its spending plans. This is split by expenditure funded through Grant in Aid and the Creative Scotland National Lottery Distribution Fund.

16. The annual plan for 2026-27 anticipates:

- Total funding through GIA of £111.7 million
- Total lottery funding of £34.2 million

17. The table below shows the anticipated spend across different grant programmes.

Grant expenditure (£1000's)

	CS (GIA)	CS (Lottery)	Total
Multi-Year Fund	74,000		74,000
Open Fund	0	15,000	15,000
Arts, Communities and Inclusion	19,365	3,444	22,809
Screen Scotland	10,917	8,000	18,917
Creative Industries		1,104	1,104
Strategy		1,215	1,215
Other	120	560	440
Total grant expenditure	104,162	29,323	133,485

18. Creative Scotland's Multi-Year Funding (MYF) Programme provides longer-term financial support to cultural and creative organisations, covering the period April 2025 to March 2028. The MYF programme significantly expanded the number of organisations receiving regular support from 119 under the previous Regularly Funded Organisations programme to 262 organisations in 2026-27. The total budget for MYF in the current financial year is £74 million. This is entirely funded through GIA.

19. The submissions from the FST and SCAN asked that the Scottish Government protect funding to MYF and provide a timeline for regular funding after the current three-year MYF period ends in 2028. The review found that the last round of MYF took up a significant proportion of the capacity of Creative Scotland, reporting that "Multi-Year Funding was cited as having pulled staff from their ongoing roles to support the assessment of applications".

20. Creative Scotland is a distributor of National Lottery funds. Lottery funding supports the open funds for both individuals and organisations. The Open Fund for Organisations is mainly lottery funded and offers funding of between £1,000 and £100,000 for projects or programmes of activity lasting up to 18 months. The Open Fund for Individuals offers funding of between £500 and £50,000 and is to support creative activity from individual artists, producers and other creative professionals in Scotland and will support a period of research, development and/or delivery of creative activity for up to 24 months. Creative Scotland estimates that a total of £15 million of lottery funding will support the open funds in 2026-27.

21. Culture Counts' submission argued for the use of Scottish Government funding to increase the Open Funds.

22. The annual plan also sets out budgets for operating costs.

Operating Costs (£1000s)	CS (GIA)	CS (Lottery)	Total
Salaries	5,539	3,692	9,231
Digital	704	470	1,174
Estates	168	112	281
Knowledge and Research	364	87	451
Finance, Funding and Legal	226	228	454
Central Services	74	163	236
Travel and Hospitality	112	75	187
Communications	172	115	287
Office Services	7	4	11
HR	102	68	170
Other	55	86	141
Total operating costs	7,523	5,100	12,623

23. The operating costs identified in the annual plan to be funded by GIA are greater than the Scottish Government budget for Creative Scotland's operating costs in 2026-27 (£4.77 million).

Scottish Government

24. Academic and policy literature offers a number of rationales for state involvement in culture. These include correcting market failures, supporting activity that generates public value, protecting cultural rights and participation, and securing wider social or economic outcomes. These different rationales imply different roles for government.

25. This section looks at the Government's role as:

- A strategic leader
- A funder
- Commissioner of reviews and reports
- Convening actors across the sector

Strategic leader

26. The Scottish Government sets out a strategic direction both for the organisations it funds and for the sector more widely.

27. Scotland's current [Culture Strategy, published in 2020](#), is structured around three ambitions:

- 'Strengthening Culture'
i.e. how policy can support the creation of culture through funding or in-kind support to the sector.
- 'Transforming through culture'
i.e. recognising the value culture can have to supporting outcomes in other policy areas – for example in supporting health, education, and tourism.
- 'Empowering Through Culture'
i.e. participation and supporting culture at community levels

28. The Cabinet Secretary referred to these three ambitions in her opening statement to the Committee on 8 September.

29. Under 'Strengthening Culture', she highlighted "significant increases in culture funding and coupling that with multi-annual certainty".

30. Under 'Transforming through culture' she referenced culture's role in supporting the First Minister's 'four priorities' stating that culture "underpins all of them". The four priorities are: eradicating child poverty; growing the economy; improving the NHS and other public services; and tackling the climate emergency.

31. Under 'Empowering Through Culture', the Cabinet Secretary said, "it is not the Government's job to dictate how people engage with culture, but it is our job to make sure that the opportunities are available for everyone to do so". She

referred to her [letter to the Committee sent in early September which highlighted a range of activities and programmes](#).

32. In order to operationalise the strategy, in 2020, the Scottish Government established a [National Partnership for Culture \(NPC\)](#) to “provide a cross-sector, interdisciplinary voice [to] advise and influence Scottish Ministers on the delivery of the Culture Strategy for Scotland”. The NPC’s final report was published in 2022. The Scottish Government published a [refreshed action plan](#) for the Culture Strategy in December 2023. The Government has not provided a recent update on progress against the actions in the 2023 action plan.
33. The Scottish Government published its first [international culture strategy](#) on 28 March 2024. The strategy aims to support Scotland’s culture and creative sector to strengthen international connections, pursue opportunities and partnerships overseas, and contribute to Scotland’s cultural, social and economic wellbeing through cultural activity.
34. There are also national strategies for [Museums and Galleries](#), the [Historic Environment](#), and [libraries](#). These have been developed by bodies the Scottish Government funds.
35. In relation to the organisations it funds, the Scottish Government can set out objectives in funding agreements or framework documents with public bodies. For example, [the 2022 framework agreement with Creative Scotland](#) describes the purposes of Creative Scotland. Along with references to Creative Scotland’s statutory purposes and functions, the purposes include:
- to contribute to the achievement of the SG’s primary purpose of increasing sustainable economic growth by aligning its aims and objectives with the Programme for Government, Scotland’s National Strategy for Economic Transformation and National Performance Framework.
 - The aims in Creative Scotland’s strategic plan, which are agreed after consultation with the Scottish Government.
36. The Cabinet Secretary’s letter to the Committee of 21 October suggested that the Government’s future spending decisions for culture would be framed around public sector reform. She said:
- “To achieve value-for-money and maximum quality of outcomes for the people of Scotland, the 2027/28 and future Culture budgets must be approached and viewed through the prism of Public Sector Reform (PSR), and apply the ambition and focus of the PSR Strategy 2025. A PSR approach must extend beyond individual culture public bodies and include the operations of the wider culture sector.”
37. It is not clear how progress will be measured against either the Culture Strategy for Scotland, the international culture strategy, or PSR in the culture sector. As noted in a previous section, the Scottish Household Survey provides data on attendance and participation in cultural activities. Results from the 2025 cycle have not been released at the time of writing, but are expected to be published

this month. There are disparities in access to culture, for example people who are less deprived are more likely to access culture than those who are more deprived. [The report from the 2023 cycle](#) said:

“Cultural engagement is not evenly distributed across Scotland, and there are large disparities between Local Authorities and population subgroups. Variation in levels of attendance and participation between Local Authorities is likely to be related to a range of factors including the urban/rural split, social and cultural infrastructure, access to services, events and places and differences/ preferences among the people who live in these areas.

“The principle of equity of access is central to the Culture Strategy, recognising that the opportunity to participate in culture is a human right and barriers should be removed, where possible, for those who can be disproportionately affected.”

Funder

38. The Scottish Government provides funding for the sector through a range of funding routes and mechanisms:

- Direct funding of cultural organisations
- Funding public bodies and other grant-making organisation
- Funding local authorities
- Funding through other arms of Government

39. 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.” Further to this, the Government plans to increase culture funding by another £50 million by the end of the Parliament.

40. Along with the 2026-27 Budget, 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 (i.e. portfolio level) this data is disaggregated by resource, capital and Financial Transactions. 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)	–	–	–

41. 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.”

42. In relation to the path to increasing funding for 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.

Direct funding

43. The Scottish Government directly funds the national collections and the national performing companies. It also provides direct funding to a number of other organisations such as Sistema and the V & A Dundee.

44. Overall, the National Performing Companies 2026-27 budgets were the same as the previous year - £24.6 million.

45. Budgets in the National Cultural Collections includes both resource and capital. The National Collections comprises of National Museums of Scotland, National Galleries of Scotland, and National Library of Scotland. Total resource funding budgets for these organisations totalled £67.7 million in 2026-27, again the same as in 2025-26.

46. Funding for Museums Galleries Scotland and direct funding for the Scottish Maritime, Mining and Fisheries Museums are accounted together in the budget as part of the Non-National Museums line. Non National Libraries provides funding to the Scottish Library and Information Council. The total resource funding identified for these organisations in the 2026-27 budget is £4.7 million. MGS also administers the Museums Futures fund (£4 million).

47. There is capital funding for the collections and this can cover both the maintenance and construction of physical assets as well as purchasing works for the collection. In 2026-27, the budget for capital is £27.0 million, up from £20.5 million in 2025-26. The largest increase was for NGS and this includes funding for the Art Works development in Granton.
48. Funding for the V&A in 2026-27 is £4.0 million, up from £3.8 million compared to the previous year. The budget for Sistema in 2026-27 is £2.8 million, up from £2.7 million in 2025-26.
49. The rationale for directly funding these organisations (as opposed to seeking competitive funding through Creative Scotland, say) is not clear. Some of these arrangements have been very longstanding – the national collections and performing companies – others are more recent, such as Sistema and the V&A. The review of Creative Scotland recommended:
- “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.”
50. The previous Cabinet Secretary suggested that he would consider this recommendation “alongside wider public service reform work”.
51. Early in the previous session, the Government committed to providing three-year funding settlements to the directly funded organisations in the culture brief. The Government did deliver this commitment.

Public Bodies and grant-making organisations

52. Creative Scotland is funded by grant in aid (GIA) from the Scottish Government as well as being a distributor of lottery funds. Creative Scotland’s budgeted operating costs in 2026-27 are £4.8 million (in the Scottish Budget).
53. The Scottish Government provides ringfenced funding, set out in the budget, for a range of purposes:
- Multi-year funding (£73.9 million in 2026-27, up £20 million compared to the 2025-26 budget)
 - Youth Music Initiative (£10.0 million, up around £200,000)
 - Screen Scotland (£12 million, up £750,000)
54. Creative Scotland also administers funds on behalf of the Scottish Government, such as the [expanded festivals fund](#).
55. The budget for Historic Environment Scotland comprises of expected earned income and GIA from the Scottish Government. In 2026-27, the budgeted resource GIA for HES is £57.2 million and capital GIA is £10.0 million. The expected income is £74.9 million. Scottish Government funding is falling by £2

million year on year as part of a revised Framework Document with HES which includes greater financial freedoms to manage commercial income.

56. There are also smaller organisations that the Scottish Government funds such as MGS and SLIC that support their respective sectors.

Local authorities

57. In relation to local government, the spending review indicated that the resource funding for local government would rise from £10,667 million in 2026-27 to a planned £10,870 million in 2027-28 and falling to £10,702 million the following year. These figures are in cash terms and do not take account of inflation.

Funding and support from other parts of Government

58. The then First Minister's foreword to the 2020 Culture Strategy said "culture is a cross-government priority – one which all ministerial portfolios in the Scottish Government contribute towards." One of the aims of the Culture Strategy is to:

"Place culture as a central consideration across all policy areas including: health and wellbeing, economy, education, reducing inequality and realising a greener and more innovative future."

59. The previous committee consistently scrutinised how the Government would support the culture sector on a cross-portfolio basis. The Government has committed to undertake work in this area. The [culture action plan included commitments](#) to:

"Collaborate to realise the transformational power of culture in achieving a broad range of policy outcomes by developing cross-Government policy compacts, embedding culture at the centre of policy-making."

And

"Strengthen cross-Scottish Government joint working on culture and health and wellbeing policy development and delivery."

60. In its final prebudget report, the previous committee noted limited progress in this area and sought an update on cross-portfolio working and its outcomes. [The Scottish Government stated](#):

"The Scottish Government engages across policy areas to mainstream culture in policy making. Mainstreaming work is delivered using existing resources. Given current and ongoing fiscal challenges and the need for the Scottish Government to remain flexible when managing budgets across portfolios, it is not expected to result in any immediate joint funding for additional programmes. Ultimately, allocations in other portfolios are not for the Culture Secretary to decide, however the Cabinet Secretary and culture officials continue to advocate for culture in the cross-policy space and to demonstrate the impact that culture has and can have across government."

Bringing together other actors from across the sector

61. The Scottish Government has significant convening power. That is the ability to bring together a range of actors across the sector and beyond to develop policy and agree on actions. One example is working with local government.
62. [On 24 February 2026, the Scottish Government and COSLA confirmed their intention to develop a formal Culture Partnership Agreement during 2026.](#) An agreed “statement of intent” said that culture services, including libraries, museums, galleries and theatres, play an important role in supporting wellbeing, tackling inequality and contributing to a wellbeing economy, while acknowledging financial pressures on local government and the cultural sector. Pending the full agreement, both organisations commit to working together on issues such as funding, workforce development, governance, strategic alignment and widening access to culture.
63. [Councillor Chalmers from COSLA told the Committee on 6 October](#) that she would be meeting the Cabinet Secretary in mid-October to discuss the statement of intent. She described the agreement as being “about aligning what we do and looking for the benefits that we can get from our resources in their widest sense—by which I mean not only funding, but our creative workforce and partners—so that the national offer is visible locally and benefits local communities.”

Regulation

64. The Government is able to regulate actors in the culture sectors. This could be through conditions of grants: e.g. requiring commitments to Fair Work. It can also legislate which could define the roles and responsibilities of national bodies or local authorities, for example.

Two recent reports

65. The Scottish Government commissioned the report [Local Culture Scotland](#), which was published in September 2026. The Committee took evidence from the authors of this report on 6 October. That report recommended a new national framework, ‘Local Culture Scotland’, should be developed to provide a more strategic and coordinated approach to supporting this work. This is intended to be an approach, a funding stream and a strategic body at both national and local levels.
66. The authors argue that their suggested approach will support outcomes across the country and in the following five “fields of impact”:
- place-based working
 - social cohesion and connection
 - health and wellbeing
 - Community Wealth Building

- sustaining creative social practice.
67. The report argued that current arrangements are insufficiently joined-up. It identified a lack of connection between national and local funding and strategy and a lack of local influence over funding decisions.
68. The Cabinet Secretary's recent letter to the Committee highlighted [a report commissioned with the British Council](#) exploring whether "a dedicated cultural export service might be worth establishing". This is related to an action in the international strategy. The report found that the evidence the research uncovered pointed to "five headline findings":
- Scotland's export ecosystem is fragmented.
 - Brexit and Covid created lasting barriers.
 - Funding is poorly aligned to export realities.
 - Informal networks dominate access.
 - Comparator nations invest strategically in export infrastructure.

Issues the Committee may wish to explore with the witnesses

Creative Scotland

69. The Committee may wish to explore with witnesses:

- How Creative Scotland determines its strategic aims and priorities.
- How Creative Scotland measures the impact of the funding decisions it makes to ensure high-quality work that can be enjoyed by all.
- How Creative Scotland is managing its operating costs while delivering on organisational change and continuing to support the sector.
- The demand for grants under the Open Fund and whether this stream is sufficiently funded.
- Whether the balance between Open Funding and Multi-year Funding reflects the demands of the sector and provides the best overall cultural offer for citizens.
- Plans for the next iteration of multi-year funding.
- Response to the Local Culture Scotland report.

Scottish Government

70. The Committee may wish to explore with the Cabinet Secretary:

- Whether the scale of budget increases for culture in 2027-28 is likely to be in line with the 2026 Spending Review.
- The priorities for future funding increases and what it will mean in practice to approach culture budgets through the prism of Public Sector Reform.
- Progress on developing capital funds across the sectors.
- The Cabinet Secretary's approach to enabling cross-government support for the culture sectors.
- The Cabinet Secretary's view of the role of local authorities to support culture and the implications of proposed changes to local government structures and recommendations of the Local Culture Scotland Report.
- The conclusions of two recent reports looking at different aspects of the culture sector that there is fragmentation and a lack of alignment in policy landscape.
- The rationale for the Scottish Government directly funding some organisations. Whether these arrangements will be reviewed.

Ned Sharratt & Lena Phalen, Researchers, SPICe

Date: 21/10/2026

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Annexe: Summary of the evidence the Committee has heard

1. This paper summarises the principal themes raised in written and oral evidence on culture and heritage funding as part of the Committee's pre-budget scrutiny of the 2027-28 Scottish Budget.

Real terms value of cultural funding

2. A common theme emerging from the submissions the Committee received was the falling value of culture and heritage funding in real terms and over the longer term. Concerns around this were raised across funding streams, including core funding for National Performing Companies and Creative Scotland's Open Fund for individual artists.
3. The submission from Culture Counts made the case for increased and more predictable investment in individual artists, freelancers and grassroots organisations through Creative Scotland's Open Funds, stating that that demand for funding far exceeds available resources and that the real-terms value of support has declined over time.
4. Drawing on data from its [Culture Spending Tracker](#), Culture Counts argued that the value of Creative Scotland Open Fund awards has declined significantly in real terms, noting that—

“The average Open Fund award has remained almost exactly static for a decade, with an average award of £20,731 in 2015-16 compared to £20,324 in 2025-26. Over the same period, cumulative inflation was 38.7%. An average award would therefore have needed to reach approximately £28,752 in 2025-26 simply to have the same purchasing power as an average award in 2015-16.”

5. The National Theatre of Scotland submission claimed that its current grant is around 24% lower in real terms than in 2016-17, adding that—

“Costs have risen faster than funding. We have absorbed increases in employer National Insurance, our commitments to the Real Living Wage and Fair Work, higher fees for freelance artists and crew, and rising touring costs including transport, accommodation, materials and energy.”

Distribution of funding

Uplift in culture funding and wider spending pressures

6. Stakeholders welcomed the Scottish Government's funding uplift for the culture sector.
7. However, the Federation of Scottish Theatre referred to Culture Counts' Culture Spending Tracker, stating that increases in funding from Creative Scotland in recent years have been offset by reductions in local authority spend on culture,

resulting in an overall decline in cultural spending across Scotland since 2013. Its submission requested—

“That the Scottish Government clarify whether the promised £50m uplift in the Programme for Government truly represents new increased spending on culture, rather than reassigned culture spending from local authority budgets and standard adjusting for inflationary increases.”

8. Community Leisure UK (CLUK) stated that “the increase in Scottish Government funding does not compensate for the decrease in local authority investment.” Drawing on the [2024 EKOS Review of Culture, Sport and Leisure Services in Scotland](#), it argued that the recent uplift should be viewed in the context of reduced budgets for culture, sport and leisure “over the last decade or more”.
9. COSLA pointed out that national culture budgets do not automatically benefit the local authority, nor the Arm's-Length External Organisations (ALEOs) networks through which much cultural activity is delivered. It said that prolonged financial pressures have forced councils to focus resources on statutory services and crisis response, leaving less funding available for discretionary services such as culture, museums, libraries and leisure provision.

Reach of the funding uplift

10. Several stakeholders also raised concerns about how additional funding was distributed across the culture sector.
11. Culture Counts argued that what it described as the positive stabilising effects of the uplift are not being felt by individual artists, freelancers as well as organisations and collectives not in receipt of Creative Scotland's Multi-year funding. This was echoed by SCAN's submission which argued that little of the Scottish Government cultural investment had filtered through to individual artists, curators and cultural freelancers.
12. Museum Galleries Scotland argued that non-national museums had seen limited benefit from recent increases in culture funding and called for greater investment through the Museum Futures Programme.
13. Historic Environment Scotland (HES) noted that the additional funding has not been spread evenly across the culture portfolio and that the historic environment was not a direct beneficiary of the increase.

Geographical distribution of funding and place-based approaches

14. Representatives of the Local Culture Scotland proposal noted that five local authority areas have no organisations receiving Creative Scotland Multi-Year Funding. They argued that this points to a disconnect between national and local cultural provision and proposed a more co-ordinated framework of support, as outlined in the [Local Culture Scotland report](#). Their model would see each area supported by a local co-ordinator linked to a national peer network, with the aim of addressing gaps in cultural infrastructure and strengthening provision in underserved areas.

15. COSLA stated that access to funding can vary considerably between areas, with some local authorities and organisations benefiting from strong relationships with national bodies and successfully securing funding, while others being less able to do so.
16. In relation to the distribution of funding, the Committee also heard arguments in favour of funding strategies that recognise the differing needs of different places.
17. St Magnus International Festival noted in an oral evidence session that national policies and strategies do not always reflect the realities of rural and island areas, stating that—

"Scotland is a hugely rural and island community, and we sometimes encounter policy, structures and reports in a context that does not always make sense to us and does not feel as though it has had input from that particular world. There are huge differences in the ways that one works in a city environment and in an island environment, and that is sometimes the downfall of strategy. It does not always acknowledge those differences, despite the fact that they are hugely significant."
18. In discussing the distribution of revenue from the Visitor Levy, COSLA clarified that funds raised through the levy remain within the local authority area where they are raised and that decisions on how the revenue is spent are made by individual local authorities.

Priorities and mechanisms for future funding

Scottish Artists Minimum Income

19. The Scottish Government's proposed Scottish Artists Minimum Income pilot was widely welcomed by stakeholders. Some stressed that a minimum income should complement, rather than replace, direct funding for individual cultural practitioners.
20. In arguing this point, the Culture Counts submission stated—

"A minimum income can help create the conditions in which an artist can sustain their practice, while the Open Funds provide the resources through which that practice can become new artistic works and projects."
21. Culture Counts further recommended that the 2027-28 Budget sets a dedicated and permanent Grant in Aid allocation for Creative Scotland's Open Funds.
22. SCAN similarly welcomed the proposed pilot while arguing that further direct investment in individual artists, curators and freelancers is required, believing this would create more opportunities for artists to make and show work.

Multi-year funding

23. Several stakeholders highlighted the limitations of annual funding arrangements and called for multi-year approaches, such as Creative Scotland's Multi-Year Funding Programme, to be applied across other funding streams.
24. Museums Galleries Scotland argued that adopting multi-year funding approaches for museums and galleries would help strengthen the sector by providing greater financial certainty and enabling longer-term planning. It noted that without multi-year funding settlements, museums face greater challenges in long-term planning, retaining staff, investing in their buildings and delivering sustained public benefit.
25. COSLA's written submission also called for greater use of multi-year funding arrangements, stating that—
- “Short-term, fragmented and ring-fenced funding can limit councils' ability to plan cultural provision strategically. Meaningful multi-year settlements, increased flexibility and greater local fiscal autonomy would allow councils to make decisions that reflect local cultural needs, assets, audiences and opportunities.”

Capital funding

26. Stakeholders from across the culture and heritage sectors emphasised the importance of capital funding, citing both immediate infrastructure needs and the longer-term benefits of preventative investment in buildings, estates and collections.
27. COSLA in oral evidence explained that there are substantial costs associated both with maintaining older buildings and building new ones, but that capital funding for local government has been very limited in recent years. It illustrated the scale of the challenge by noting that—
- “The £680 million of capital funding that was given to local government for 2026-27 supports £55 billion-worth of assets across the local government estate, so that shows the scale of the challenges that we are working to address.”
28. Museums Galleries Scotland argued that significant investment is needed across the museum estate, noting that its biannual survey found 52% of museums were not up to date with regular maintenance and that 38% cared for a building in poor or bad condition. It suggested that a scheme similar to the UK Government's Museum Estate and Development Fund (MEND) could help address these issues and made the case for preventative capital investment—
- “Strategic capital investment now represents good public value. Preventative investment to improve buildings, climate resilience and collections infrastructure is considerably more cost-effective than dealing with major failures later. The sector needs a more ambitious capital investment approach

recognising these buildings as part of the nation's civic and cultural infrastructure.”

29. Written evidence from Historic Environment Scotland (HES) likewise emphasised the preventative value of investment in the historic environment, stating that spending on maintenance, repair and adaptation at an early stage can help avoid more costly interventions in the future.

30. Similarly, the Federation of Scottish Theatre raised in its submission what it perceived to be a lack of capital investment in theatre venues—

“From venues struggling to make the appropriate updates for climate resilience, to venue closures, this impact will only grow without intervention. Venues, production and touring capacity, and audience access are inherently connected: without viable spaces to rehearse, produce and present work, that work cannot be made, toured or seen.”

Culture’s contribution across portfolios

31. Throughout the inquiry multiple stakeholders highlighted the need for a more joined-up approach to culture policy, including greater recognition of culture's contribution to outcomes in areas such as health and wellbeing.

32. During an oral evidence session several witnesses, representing Culture Counts, Museums Galleries Scotland and the National Theatre of Scotland, agreed on the need for shared metrics to better capture and demonstrate culture's contribution across policy areas.

33. Culture Counts argued that cultural interventions can improve health and wellbeing, including by reducing isolation. It suggested that this may, in turn, reduce demand on services such as GP practices. In oral evidence, it raised questions about how the impact of such interventions can be better understood and measured, asking—

“How can we be more specific about the chain that links inputs to outcomes? How can we get a clearer sense that, if we spend a certain amount in one place, it will give us a greater or different impact somewhere else?”

34. Culture Counts further suggested that cultural legislation could help bring these elements together and improve the impact and value for money of public investment in culture.

35. Written evidence also emphasised the cross-portfolio nature of cultural investment.

36. COSLA argued that cultural services are a core part of local government and public service provision, contributing to a wide range of social, cultural and economic outcomes, including community wellbeing, learning, social connection, tourism and local economic development.

37. It also emphasises the preventative impact of culture spend, arguing that because this is often realised across other portfolios, mainly health, it is not always accounted for—

"Any approach to preventative budgeting should therefore recognise the whole-system value of Local Government and enable funding to flow to the services and places where impact is greatest, from where the impact is realised."

38. HES highlighted the contribution of the historic environment to a range of policy outcomes, including health and wellbeing, learning, climate resilience, tourism, economic growth and community empowerment. It suggested that greater alignment across budgets could help support more joined-up delivery of government priorities.

39. Museum Galleries Scotland pointed to evidence from its recent sector survey to demonstrate that museums contribute to a range of outcomes beyond those typically associated with culture funding. The survey found that 63% of museums provide targeted health and wellbeing activities, including support for older people and those living in socio-economically deprived areas. It also found that most museums work with schools and higher education institutions. Museum Galleries Scotland argued that, with appropriate support, Scotland's museum network could play a significant role in place-based approaches and in addressing wider social challenges.

Public sector reform

40. The issue of public sector reform was raised throughout the inquiry, with stakeholders identifying both opportunities and risks associated with the reform. However, the early stages of the reform process limited discussion of the issue. CLUK warned that the [Scottish Government's proposals for local governance reform](#) posed a significant risk of disconnecting culture from wider portfolios and fragmenting delivery across community authorities, potentially moving it further from the Culture Strategy. It suggested that—

"The direction, and connection of culture services at a regional authority level would provide strategic benefit linked to National priorities, while also enabling community authority level engagement."

41. CLUK further argued that public sector reform should consider both the challenges currently facing the culture sector, as well as the benefits of how culture is currently delivered by local authorities in partnership with ALEOs, adding that—

"There are opportunities for a strategic approach to address these challenges at scale, and for services to be joined up, though this needs to be purpose-led rather than efficiency-led with consideration of local need."

42. Museum Galleries Scotland reiterated in oral evidence a point it had previously made in its submission to the Public Service Reform Committee, stating that "the

reform agenda must be about improving how public services work together, rather than simply being about reducing expenditure.”

43. COSLA argued that public service reform, including reform of cultural services, can succeed only if it is rooted in communities. It stated that it would not support proposals “that seek to dilute local democracy or remove accountability.”