

# **A review of consultations on public funding for creativity and culture in Scotland and Creative Scotland's sector reviews**

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# 1. Background

In 2018, Creative Scotland undertook to review the organisation's overall long-term approach to funding. The objective of this Funding Review is to establish the best funding approach that will support a strong and thriving creative life in Scotland, utilising Creative Scotland's combined Scottish Government (grant in aid) and National Lottery income.

**Creative Scotland currently distributes this funding through [three funding routes](#):**

- Regular Funding (RFO) for up to three years for organisations
- Open Project Funding (OPF) for individuals and organisations for programmes of work for up to two years, and
- Targeted Funding to support specific sectors, projects and initiatives (including film and TV production).

The global economic, social, and cultural context in which Creative Scotland operates has shifted over recent years and, internationally, other cultural development agencies are examining how they support and develop creativity and culture.

This report looks at a number of past consultations with the creative and cultural sectors in Scotland that included funding within their scope, in order to inform Creative Scotland's review of funding, and test assumptions within any new strategic approach to funding creative activity in Scotland.

The consultation and engagement process for the Scottish Government's Culture Strategy is the most recent and wide-ranging public discussion on creativity and culture in Scotland. Key issues raised in the consultation are reflected in earlier consultations including Creative Scotland's open discussions held around Scotland in 2013, which informed the 10-year plan [Unlocking Potential, Embracing Ambition](#).

**These 'Open Sessions' raised a number of overarching principles such as:**

- The importance of respecting and fostering peer-to-peer structures of artists and creatives and finding some way for their expertise and experience to have an increased input into decisions
- The security of long-term funding helps organisations extend themselves and explore their ideas base with innovations that impact on education, health and other social agendas, as well as new forms of artwork
- To value the idea behind artist bursaries, that is, monies dedicated to artists' own work
- Simple but flexible funding processes
- Fund and execute research that makes a strong case for arts funding
- More opportunities for working in partnerships, collaboratively and across sectors
- Support for infrastructure, tangible and intangible
- How arts communities could group together to afford things collectively they might not be able to afford on their own.

On 21 August 2018 Screen Scotland launched. Screen Scotland is a partnership between Creative Scotland, Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland, and Scottish Funding Council. The [Screen Scotland Business Plan](#), which has recently been published outlines the range of work currently underway, the plan for 2019/20 and how Screen Scotland is delivering against the 12 Actions of the Collaborative Proposal.

In 2019/20, the partnership will be reviewing and refining strategies for each of the delivery activity areas in this Plan, making sure that time and resources are being spent in the most effective way.

## 2. Policy context

The context in which funding for the arts, screen and creative industries in Scotland operates is changing. The impact of tighter public spending over the past 11 years has particularly impacted creative and cultural funding at a local authority level and has meant that overall there is less public funding for the arts and creative practice. Combined with this is new thinking about the nature of creativity and culture and its ownership, with increasing calls to establish a wider understanding of what creative participation means to people and how they engage with creative activity on a daily basis. This is encapsulated in the action research project, [Understanding Everyday Participation](#) and the final report of the King's College London Cultural Enquiry, [Towards cultural democracy: Promoting cultural capabilities for everyone](#).

Creative Scotland also operates within the policy context set out by Scottish Government. In 2018, the Scottish Government launched its updated National Performance Framework (NPF), which sets out 11 outcomes for Scotland. These outcomes are: Children and Young People; Communities; Culture; Economy; Education; Environment; Fair Work and Business; Human Rights; International and Poverty. The aim of the NPF is to encourage organisations to work together across national and local government, businesses, voluntary organisations and people living in Scotland to deliver all of the outcomes, within their responsibilities. This means that Creative Scotland has responsibility to deliver outcomes for Children and Young People, Communities, the Economy etc. as well as the Culture outcome.

Also influencing Creative Scotland's strategy and how it operates will be the Scottish Government's Culture Strategy. After a wide ranging consultation, a draft Culture Strategy was published in 2018 and responses were invited. An analysis of the consultation responses was published and the final Strategy is expected to be published later 2019. The draft Culture Strategy reflected a broad definition of culture and was built around three pillars of: Transforming through Culture; Empowering through Culture and Sustaining Culture.

Any revision of Creative Scotland's approach to funding must take place in the context of these changes.

## 3. Methodology

This paper undertakes a review of the following:

- [Creative Scotland sector reviews](#) (Theatre, Dance, Music, Film, Literature and Publishing, Visual Arts and Animation)
- [Creative Scotland's Arts Strategy](#)
- [Creative Scotland's Creative Industries Strategy](#)
- [Recommendations from the Evaluation of the Regular Funding Process 2018-21](#)
- [A culture strategy for Scotland: Report summarising feedback gathered during the Engagement Phase in support of developing A Culture Strategy for Scotland](#) (referred to as Culture Strategy Engagement Summary)
- [Culture strategy for Scotland consultation: analysis of responses - key themes](#) (referred to as Culture Strategy – Key Themes Report)
- [A Culture Strategy for Scotland analysis of responses to the public consultation: Summary Analysis Report](#) (referred to as Culture Strategy - Summary Analysis Report).

Extracted from each of these pieces are recommendations, responses and segments which encompass thoughts about any future funding models. The responses to the Culture Strategy are generally broad, whereas the information from the Sector Reviews are more focussed, often addressing needs set out for particular art forms. The aim of this paper is to give a summary of considerations and thoughts for any future funding models which have already been set out in these papers. This will be used in conjunction with the paper “Funding Creativity” and together these will inform options for a revised approach to funding for Creative Scotland.

Whilst undertaking this review, it became clear that there were common themes which appeared across all of the publications. The themes were as follows:

- Overarching comments – comments which relate to the structure of public funding for the creative sector and its future
- Considerations for future Funding Models – specific suggestions about how funding for creative activity may be structured in the future
- Public funding for individual creative practitioners, including career entry and development – discussion of the issues surrounding funding for individual creative practitioners through their career and how to invest in skills development
- Access to Public Funding – barriers to funding and the nature of the distribution of funding
- Communities – the potential role which Communities could play within a new funding structure
- Cross sector collaboration and working – how funding can help organisations work together, as well as what collaboration and co-working may be needed beyond the sector
- Access to other funding streams – looking to other funding and investment mechanisms which are available outwith public funding and how they might be accessed
- Regular Funding Evaluation recommendations – a summary of relevant recommendations from the evaluation of the 2018-21 Regular Funding Process Evaluation.

In each theme, there is a short discussion of the points raised by the quotes, followed by a summary conclusion.

## 4. Themes

### 4.1 Overarching comments

There were a number of comments and responses which dealt with the overarching nature of and challenges for funding creative activity in Scotland. These ranged from setting out the policy context and creativity's perceived place within it to suggesting general themes for the future development of funding models. A large number of these have come from responses to the Culture Strategy, which, by its nature, was more wide ranging than the sector reviews and evaluation undertaken by Creative Scotland.

Firstly, it was made clear through responses to the Culture Strategy Engagement sessions that public funding for creativity and culture was still needed, with responses stating that:

*“A general view was that public funding is essential and reflects culture’s value and contribution to society.”*

(Culture Strategy Engagement Summary, p.15)

This was echoed by Creative Scotland’s Creative Industries Strategy and the Arts Strategy which set out:

*“[there is]...a desire to support the Creative Industries to make a difference and add value across the economy and society.”*

(Creative Industries Strategy, Appendix 3, p.3)

*“Creative Scotland’s Sector Reviews demonstrate that artists believe public funding is essential in providing artists with financial support which allows them the space, the time and the means to develop work without needing to forecast the immediate outcomes and public benefits of the work.”*

(Arts Strategy, p.15)

However, it was also acknowledged that the current funding models would benefit from being updated to better reflect the changing policy environment, overall funding scenario and working practices, as follows:

*“There was a sense that a review of funding and priorities could help to achieve broader goals such as supporting artists, providing equality of opportunity, increased equity of support between rural and urban communities and investing in more deprived areas... Protecting, increasing and rethinking public funding and other forms of investment in people and cultural infrastructure were raised frequently throughout the engagement phase.”*

(Culture Strategy Engagement Summary, p.15)

*“Many respondents highlighted the dominance of small and micro-businesses in the sector and the challenges this creates.”*

(Creative Industries Strategy, Appendix 3, p.8)

*“Not all opportunities were being converted into outcomes and there were points in the value chains of all [creative industries] sub-sectors where it was felt further work could be done to ease the process of bringing new goods and services to market.”*

(Creative Industries Strategy, Appendix 3, p.3)

*“The provision of alternative sources of finance beyond grants.”*

(Creative Industries Strategy, Appendix 3, p.4)

There was a sense that available public funding is decreasing, whilst the demand is increasing and that funding applications are becoming increasingly complex, with responses to the Culture Strategy Engagement stating that:

*“Costs are rising, funder applications are perceived as increasingly complex and...more organisations and people are applying or pursuing funding from a limited number of funders and trusts who are all asking for a range of differing outcomes adding to the complexity.”*  
(Culture Strategy Engagement Summary, p.15)

There were repeated calls for funding to be longer term and more stable, but for it to also have a flexibility, so that organisations and individuals, established practitioners and those starting out can all be supported:

*“Perceived need to review current funding mechanisms, to offer long-term stability, allow greater flexibility and support risk taking, innovation and experimentation including supporting the emerging, not yet established organisations and artists...”*  
(Culture Strategy Engagement Summary, p.15)

*“...there were calls for increased, secure and longer-term funding for culture which would also help to alleviate the difficulties faced in retaining talent in Scotland.”*  
(Culture Strategy Engagement Summary, p.16)

*“...creating longer-term funding arrangements would support the cultural sector to develop and innovate.”*  
(Culture Strategy – Key Themes Report, p.6)

Responses also included that creativity and culture is potentially not valued as much as other policy areas, even if it has a value and an impact in other policy areas and is vulnerable to funding cuts. Therefore, it was deemed important that the case for creativity’s impact across policy areas was made, in part to leverage additional funding.

*“[we understate]...the substantial role of creative activity in supporting participation, cohesion and enterprise in communities that are currently and historically failed by the market economy”*  
(Creative Industries Strategy, Appendix 3, p.7)

*“...[there is a] need to change perceptions of culture as being of value to local communities and individuals and society as a whole and raise its status to protect it against potential budget cuts.”*  
(Culture Strategy Engagement Summary, p.16)

There was a call to ensure that the creative infrastructure was also funded, not just the physical infrastructure, although this was noted as being important, but also the more intangible infrastructure of local and digital networks:

*“There was felt to be a lack of affordable artists’ studios, particularly in the major cities It was acknowledged that infrastructure goes beyond the physical spaces where culture happens and extends across the digital infrastructure but also the cultural networks that operate locally and nationally.”*  
(Culture Strategy Engagement Summary, p.16)

*“...the need for capital funding to allow for the preservation and renovation of buildings was highlighted.”*

(Culture Strategy – Key Themes Report, p.6)

*“...respondents highlighted the specific needs of creative industries in rural communities and the need to support these. These included digital inclusion, difficulty in accessing networks (which are mainly city-based) and help to reach wider markets.”*

(Creative Industries Strategy, Appendix 3, p.11)

The overall context was set out clearly in this summary of responses to the draft Culture Strategy:

*“Overall, there was general consensus on the need to review current funding structures and mechanisms, involving those affected by decisions in any review, to ensure any revised proposals respond to their concerns and needs. Some of the main concerns raised were around greater equality and access to funding; funding being more responsive to the needs of individual artists and communities; funding being more flexible and less risk averse; and more long term, diverse and sustainable funding models. Ideas around how to diversify the funding base for culture included working better across sectors and industries to increase knowledge and understanding and to raise awareness of all relevant funding and investment opportunities; encouraging different sector organisations to work together with funding agencies, linking smaller collectives with larger organisations to benefit from their knowledge skills and economy of scale; developing new creative pathways and drawing on private funding where possible.”*

(Culture Strategy Engagement Summary, p.17)

It is therefore clear that there is support for continued public funding of creative activity, but that a review of funding was needed to provide greater stability and flexibility to cover the broad range of practitioners and organisations across the sector. In the context of decreasing budgets, the case should be made for the impact of creativity and culture across society and any future funding should also consider how to fund the creative infrastructure, both tangible and intangible.

## 4.2 Considerations for future Funding Models

Across all the publications reviewed, there were a number of suggestions around what future funding for cultural and creative practice might look like, largely focussed on the need for: achieving a balance across the sector; long-term funding; balance between funding for artists and organisations; localisation and to explore future-proofed models.

The Creative Industries Strategy has the overall ambition:

*“For Scotland to be the most positive environment globally for innovative creative businesses of all scales.”*

(Creative Industries Strategy, p.5)

The first of the stated aims in the Strategy is:

*“Investing together to grow sustainable creative businesses through collaboration and partnership working.”*

(Creative Industries Strategy, p.5)

It should be noted here that since 2016 Creative Scotland Creative Industries team have done a lot of work to identify and pilot a range investment and funding mechanisms for creative businesses and practitioners to achieve the stated aim of sustainable creative businesses. This work is also picked up in the paper “Funding Creativity”.

Many comments across the reviewed publications focussed on the issue of localisation and how a funding model might include communities and organisations working at a local or grass roots level:

- *“Participatory budgeting could be considered, with local communities and communities of interest being involved in decisions about where devolved funds should be invested in their physical area, and specialism.*
- *It was suggested that funds could be raised by applying levies to local and national businesses who enjoy the benefits of culturally generated income in their area.*  
(Culture Strategy Engagement summary, p.15)
- *There were some calls to provide smaller pots of funding to more people and small organisations, particularly those working at the grassroots, rather than focussing on national initiatives to diversify the cultural output and impact directly on local communities.”*  
(Culture Strategy Engagement summary, p.16)

Creative Scotland’s Dance Sector Review called for future funding models to look at the balance of funding between individual artists and organisations, specifically addressing the possibility of funding collectives or groups of artists, not necessarily formally formed as a collective, but who may have come together as a group for a certain piece of work.

*“There is the need to develop a strategy that supports more flexible structures, creating healthy balance between artists and organisations that is sustainable for the future. There is the opportunity to look at investment in communities of artists: groups where the artists enjoy an affinity and support one another’s work, which can collectively share the resources required to develop, manage and produce their work.”*

(Dance Sector Review, p.28)

*“New approaches to supporting artists and communities of artists rather than requiring artists to develop company structures;”*

(Dance Sector Review, p.33)

With regard to the design specifically of Creative Scotland funding models, the Evaluation of the 2018-21 Regular Funding process had some specific points to consider:

p.58:

- *“The design of future funding models should more explicitly consider the interplay and links between the alternative funding options available including Open Project Funding.*
- *Creative Scotland should explore the use of an account management model in the design of future Regular Funding programmes....”*

p.59:

*“The approach to funding and supporting key organisations that are deemed to be integral to the national cultural infrastructure needs to be factored into the design of future funding models and requires a wider dialogue between Creative Scotland, Scottish Government and the sector.”*

These recommendations are focussed on Regular Funding, but there are points which can be extrapolated to a more general point about the design of funding models. Any funding should take into account how it fits with other funding streams already available within Creative Scotland which may or may not be updated; consideration should be given about how to fund those organisations which are fundamental to the creative and cultural infrastructure.

There were also calls to look at very different models of funding including how to leverage increased funding through more direct means:

*“There were calls to explore new funding options, partnerships and possibilities, so that the overall funding model is fit for purpose in the 21st century. Some suggestions included commercial partnerships; philanthropic partnerships; taxation and other fiscal levers; as well as looking at where there can be joint funding for projects and initiatives which have a cultural element but also support broader aims, such as health and education...”*

(Culture Strategy Engagement Strategy, p.16)

This section has outlined some different approaches to public funding of creative organisations, businesses and creative practitioners, including devolving funding decisions to local communities and ways of supporting more local and grassroots organisations, through to ways of balancing funding across the sector and suggestions for radically different ways of leveraging funding.

### 4.3 Public funding for individual creative practitioners, including career entry and development

All of Creative Scotland's Sector Reviews addressed funding for individuals as opposed to funding for organisations. It was recognised that it is often difficult to begin and sustain a creative career and that financial support is needed at every stage of a creative career. The Literature and Publishing Sector Review noted that:

*"For writer pay, the Review recommends that financial support should be accessible to writers at various stages of their career – from the emerging to the established."*  
(Literature and Publishing Sector Review, p.5)

And the Arts Strategy stated:

*"...artists believe public funding is essential in providing artists with financial support which allows them the space, the time and the means to develop work without needing to forecast the immediate outcomes and public benefits of the work...We need to be confident that this investment in artists to develop their skills has a wide social value now and in the future..."*  
(Arts Sector Strategy, p.15)

Many suggestions of how creative practitioners could better be funded and the challenges which they currently face came from the Culture Strategy Engagement Summary:

*"Some suggestions were made included exploring ways to better support the creative and cultural freelance workforce including fair work/pay, innovative taxation such as Citizen's Basic Income...Other ideas included ensuring that the funding system encourages risk-taking, experimentation and innovation, encourages family/carer friendly working patterns and practices...and ensures that artists are more visible across public and civic life as cultural role models."*  
(Culture Strategy Engagement Summary, p.11)

The nature of public funding for individuals is currently largely for short term projects, which also has a knock-on effect to the individual working in the creative sector, which could be solved through longer term funding.

The Culture Strategy – Summary Analysis Report set out that:

*"...the relatively short-term nature of cultural project funding, the prevalence of short-term contracts, and the generally low rates of pay, can cause particular issues for freelancers."*  
(Culture Strategy - Summary Analysis Report, p.19)

The Dance Sector Review called for funding to be more agile for individuals with quicker turnaround and lighter touch applications, especially for those taking advantage of skills development opportunities.

*"Reducing turn-around time for Creative Scotland applications, especially for professional development applications: there was a strong request for a fast-track approach to enable artists to respond to opportunities as they arise."*  
(Dance Sector Review, p.26)

This linked into a call for funding to support for the skills development of individuals at all stages of their career, with responses to the Culture Strategy saying that:

*“...ideas included that greater investment in skills development and training is need and that support should begin at school age through support for creative arts learning.”*

(Culture Strategy – Summary Analysis Report, p.19)

The Music Sector Review added that:

*“Go-and-see funding is essential to encourage international expertise and contacts to grow in Scottish promoters.”*

(Music Sector Review, p.123)

Go-and-see funding was also recommended in the Creative Industries Strategy and a pilot has been undertaken.

The Theatre Sector Review recommended:

*“...Fund two or three annual bursaries for theatre directors and designers...Invest in technical training, in partnership with other agencies with an interest, HE/FE, Creative and Cultural Skills and the sector itself...”*

(Theatre Sector Review, p.7)

It is clear that funding for individual artists and practitioners has its own set of challenges and needs which are different from funding for organisations. Principally, these concern financial support at every stage in a creative career, in particular ensuring access to funding quickly for any professional development opportunities, but also ensuring that continuing investment is provided for skills development as a whole. This is also a core aim of the Creative Industries Strategy to ensure that creative people have the right skills for their business.

## 4.4 Access to Public Funding

This theme is centred around equity of access to public funding. This addresses the tension of funding individuals and organisations, organisations which range from small to large, those who are experienced in writing funding applications or navigating the range of other current investment opportunities for creative businesses and those who are not. It also concerns the balance of geographical funding, including balancing funding in the Central Belt with more rural areas.

Responses to the Culture Strategy Engagement Summary included:

- *“Access to and competition for funding was viewed as a barrier to participation. The current funding system was described by some as favouring people with established networks and privileged backgrounds and excluding those without access to networks and expertise in how to access funding and other resources.”*
- *Some called for funding to be targeted at underrepresented groups.*
- *The ‘central belt’ was perceived as having privileged treatment in terms of funding and support with rural and island areas seen as losing out. There was a general call for equal access to funding and participation opportunities across the regions and communities in Scotland.”*  
(Culture Strategy Engagement Summary, p.8)

The Dance Sector Review recommended that:

*“Review investment programme for individual artists including considering timescale, matched funding requirements and the advice provided.”*  
(Dance Sector Review, p.83)

The Music Sector Review recommended that:

*“There is considerable public sector support for music from a range of agencies, but imbalances in the distribution of funding, with a strong call for equity of opportunity and access to necessary support for all genres of music.”*  
(Music Sector Review, p.119)

“The Creative Industries Strategy consultation also noted the need to support creative clusters and the important role of local creative networks”.  
(Creative Industries Strategy, Appendix 3, p.11)

From these, it is clear that any future funding model would need to consider how to ensure a balance can be achieved, across art forms, between individuals and organisations and geographically between the rural and urban areas.

## 4.5 Communities

As noted in the overarching comments, there were suggestions about how communities could be more involved in decision making about where funding is spent. This theme was largely addressed through responses to the Culture Strategy Engagement Summary and focussed on how communities, grassroots and organisations with a more local remit can best be supported, involved and empowered in decision making about funding.

Responses included the following and are all taken from the Culture Strategy Engagement Summary:

p.9 - *“Many wanted more support for small projects, developed and delivered locally which were believed to make a tremendous difference to a community and which were felt to potentially have more impact and be more accessible than arts delivered at the national level through national institutions.”*

p.10 - *“The majority of ideas expressed the need for communities (including communities of interest) to be involved in decisions which affect them and many called for locally devolved budgets for culture which enable communities to influence who and what is funded in their area.”*

p.15 - *“There was a sense that a review of funding and priorities could help to achieve broader goals such as supporting artists, providing equality of opportunity, increased equity of support between rural and urban communities and investing in more deprived areas.”*

p.15 - *“Participatory budgeting could be considered, with local communities and communities of interest being involved in decisions about where devolved funds should be invested in their physical area, and specialism.”*

p.16 - *“There were some calls to provide smaller pots of funding to more people and small organisations, particularly those working at the grassroots, rather than focussing on national initiatives to diversify the cultural output and impact directly on local communities...”*

There were also comments on this theme captured in the Culture Strategy – Summary Analysis Report:

*“Comments on participatory budgeting included that this can be challenging and must not become a burden to communities...while participatory budgeting models may be suitable in areas with a large population, smaller rural communities may not have adequate capacity.”*  
(Culture Strategy – Summary Analysis Report, p.15)

*“In terms of what any new funding models should consider, or be able to support, comments included that they should place greater emphasis on cultural participation and inclusion at local level and through the third sector and grassroots activity.”*  
(Culture Strategy – Summary Analysis Report, p.18)

And from the Dance Sector Review:

*“The aspiration is to improve opportunities for people across Scotland to access dance as audiences and as participants. As stated previously, to achieve this, further consideration should be given to supporting community dance provision across Scotland with the aim of creating a network of dance development posts/organisations in every local authority.”*

(Dance Sector Review, p.64)

These responses clearly outline a desire for communities to be involved in decision making and for specific support to be developed for projects and organisations which work at a local and grassroots level. There is also a call for more local support and potential devolving of funds and decision making to local authority level.

## 4.6 Cross sector collaboration and working

There were a number of calls through the Culture Strategy Engagement Summary for work across policy areas and at a local and national level to demonstrate the impact and value of creativity and culture and thereby seek to create partnerships and potentially to leverage additional funding. This is demonstrated through responses such as:

p.20:

- *“There were calls for more joined up working at the strategic policy-level across the Scottish Government, and with local authorities and cultural trusts, with culture at the heart of government and reflected across policy areas and supported via innovative cross-budgeting models.*
- *Education, health, the environment, digital and technology, the economy, justice, communities and local government, social policy (including New Scots and poverty prevention), tourism, international and transport were raised as some of the main areas of policy overlap where there is capacity for greater partnership working across policy areas...”*

p.23 – *“Generally, contributors saw the importance of providing evidence of the positive impact of culture on individuals, communities and society, in order to fully articulate the benefits of culture and to therefore attract broader investment.”*

A specific aim of the Creative Industries Strategy is to:

*“Increase awareness of the impact of creative businesses on education, health, community development and the wider economy.”*

(Creative Industries Strategy, p.10)

It was proposed that this would be achieved by connecting the arts and other creative businesses, encouraging collaboration, innovation and the cross-fertilisation of ideas and stimulating development ideas directly with partners using funding to leverage new resources. There was also a focus in the Visual Arts and Dance Sector Reviews to support collaborative working between organisations and individuals in the sector through funding:

*“Given the financial challenges that many organisations face it is important that the sector is enabled to find new ways of working together but this will take time and resources...”*

(Visual Arts Sector Review, p.50)

*“...There is the opportunity to look at investment in communities of artist: group where the artists enjoy an affinity and support on another’s work, which can collectively share the resources required to develop, manage and produce their work.”*

(Dance Sector Review, p.28)

This is reflected in the quote from the Dance Sector Review, included in the **Considerations for future Funding Models** theme, which called for funding of groups of artists, without them necessarily being formally articulated into an organisation.

This theme has identified a policy element, which asks public bodies to work together to better demonstrate the impact and value of culture and thereby seek to secure funding from other policy areas where culture is already having an impact, and a call that any future funding model should support collaborative working, both within and outwith the Culture and Creative sector.

## 4.7 Access to other funding streams

It is clear across a number of sector reviews that there is an interest and a need to explore other avenues of funding outwith public funding, with organisations looking to Creative Scotland's support or facilitate this knowledge and potentially the skills to access other funding streams. These include trusts and foundations and sponsorship.

Considering loan financing was welcomed by respondents to the Creative Industries Strategy consultation which also highlighted the key role that crowdfunding has in the sector:

*“Crowdfunding essentially was invented by this sector.”*

(Creative Industries Strategy, Appendix 3, p.9)

The Dance, Literature and Publishing and Visual Arts Sector Reviews all called for Creative Scotland to support organisations to understand and navigate securing funding from other sources.

For example, this quote from the Dance Sector Review calls for support for organisations to better leverage private donations:

*“Outwith Scottish Ballet and the major festivals, there is limited corporate sponsorship (including through corporate social responsibility) and philanthropic giving going into the dance sector in Scotland. Given dance's popularity, this is an untapped market. However, the predominance of small-scale, overstretched organisations limits the capacity and skill to take this forward. There is an opportunity to consider a collaborative approach to harness giving for dance on the necessary scale and impact to attract significant private investment to the sector.”*

(Dance Sector Review, p.57)

The Literature and Publishing Sector Review called for more information to be available on the diversity of funding available:

*“The Review recommends that a comprehensive repository of grants, training and other resources be developed...”*

(Literature and Publishing Sector Review, p.5)

*“With increasing pressure on Creative Scotland funds, and EU funding inappropriate for many situations, it is recommended that the literature sector should expand its reach and access to existing trusts, foundations, social and business enterprises, to explore new ways of introducing new sources of funding to support writers and activity (e.g. crowdfunding), and to be assisted to further develop capacity in fundraising.”*

(Literature and Publishing Sector Review, p.10)

This was echoed in the Visual Arts Sector Review:

*“There is a strong desire to develop partnerships and secure new forms of investment and there is an opportunity to strengthen links with both Scottish and UK wide trusts and foundations, to explore new ways of working together and to ensure that opportunities for individuals are effectively signposted.”*

(Visual Arts Sector Review, p.25)

*“Organisations need to be enabled to develop the confidence, the connections and the capacity to build more private and corporate giving.”*

(Visual Arts Sector Review, p.48)

There was also a call from both the Literature and Publishing Sector Review and Visual Arts Sector Review to look into supporting organisations to increase income generation and to support the more commercial elements of organisations' work.

*“There is a recognised need within the sector for organisations to increase their earned income but this is often challenging given limits on staff time, skills and expertise.”*

(Visual Arts Sector Review, p.46)

*“Further work on developing and exploiting royalties, Intellectual Property (IP) and other rights could also help to strengthen the financial position of artists.”*

(Visual Arts Sector Review, p.26)

Some of the recommendations from the Literature and Publishing Sector Review concern supporting publishing through soft or guaranteed loans, designed to help publishers to publish titles which may not be of commercial value. The relevant recommendations are as follows:

*“Conclusion 24 – Some mix of soft loans or guaranteed loans would respond to the problem that publishers cannot easily obtain credit from commercial sources on the basis of their IP – which banks do not accept as collateral.”*

*“Recommendation 16 – It is recommended that Creative Scotland consider whether financial support in the future should be offered in the form of soft or guaranteed loans as a means of increasing publishers' access to working capital.”*

(Literature and Publishing Review, p.69)

*“...extend credit rather than grants for some part of the funds directed toward publishers. In this way, the publishers who need investment to finance new initiatives (e.g. operational infrastructure and training, new product lines, investment in established Scottish writers, expansion abroad, etc.) can access cash through credit. If it works, the loans are paid back to finance other applicants.”*

(Literature and Publishing Review, p.68)

It is therefore clear that there is an appetite for organisations to become either less dependent on public funding, or to increase their income through other means. However, there is a perceived lack of knowledge about how best to approach this or how to effectively secure this funding. Whilst this may not be specifically related to the design of any future funding model, it is a consideration for the development role of Creative Scotland and is a core aim of the Creative Industries Strategy to *“Guide Creative businesses to the best investment opportunities”* (Creative Industries Strategy, p.10). This could therefore potentially form an element of a future funding model.

## 4.8 Regular Funding Evaluation recommendations

A number of recommendations came from the evaluation of the 2018-21 Regular Funding Process, undertaken by Wavehill. Whilst some of the recommendations pertain specifically to an updating of the Regular Funding model, there were a number of recommendations which related to the design of any other future funding model. The most relevant are as follows:

p.58:

- *“Creative Scotland should explore the feasibility of using investment bands within the design of future funding models.*
- *Creative Scotland should explore options for the use of a two-stage lighter-touch application assessment process with more detailed information requested only from organisations that are recommended to progress to the next stage.”*

p.59:

- *“Creative Scotland should ensure that the approach to assessing multi-art form organisations is reviewed as part of the design phase of future funding models...”*
- *Creative Scotland should lead a process of reviewing the distribution models for future funding that is based on a balanced assessment of both historic levels of funding and the existing and future needs of each artform and creative area...*
- *The option of using external observers should be revisited for future funding models.”*

It can be seen that these recommendations relate more to the operational and practical elements of implementing any future funding models, but these are useful to consider in the future design of any funding models.

## 5. Conclusion

This paper has shown that there is much already in existence regarding people's thinking about any future funding of creative activity in Scotland, both within and outwith the creative sector. There is a broad agreement that the current funding approach should change and that any new models should bring long-term stability, but with an element of flexibility. There are considerations to be given around equality of access to funding, how all kinds of creative activity can be funded and how to achieve a balance of funding for individual creative practitioners, organisations, across geography and size of organisations.

In addition, there is a clear call to involve communities, both physical and of practice, more in the decision making about who is funded, as well as creating funding which will encourage collaboration and co-working.

Finally, there is support for the idea that any funding model should be considered holistically, and that support should be given to explore and access funding and investment routes other than public funding. In addition, there is a call that the creative sectors should work with other policy areas to demonstrate its impact and use this to potentially leverage other sources of funding back into developing creative projects.

Although this review has drawn on a number of Sector Reviews and used contributions from the sector and the public through the Culture Strategy consultations, it is striking how clear themes have emerged, which can all inform the future direction of public funding for creativity in Scotland.



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