



Convenor
Constitution, Europe, External Affairs and Culture Committee
Scottish Parliament
Edinburgh
EH99 1SP

04 January 2024

Creative Scotland response to Scottish Government Draft Budget 2024/25

Dear Convenor,

Thank you for your invitation to give evidence to the Committee on 11 January 2024 regarding the proposed Budget for 2024/25 announced by the Scottish Government on 19 December 2023.

I also welcome the opportunity to make a further, short, written submission to the Committee ahead of this evidence session.

In this submission, I will not replay the challenging context that faces Scotland's culture and creative sector, which has been covered in [our previous submission to the inquiry](#), the subsequent [addendum](#), at previous evidence sessions, and that was well summarised in your recent report.

Suffice to say that the financial and operational context remains extremely challenging for the sector and we do not anticipate this changing in 2024/25.

Ahead of the publication of the Scottish Government's proposed Budget for 2024/25, we welcomed the First Minister's announcement at the SNP Conference in the autumn, which made a commitment to grow the culture budget in Scotland by £100m in Grant-in-Aid over the coming five years. This was coupled with the Cabinet Secretary's assurance to this Committee that the £6.6m reduction to our budget in the current financial year would be restored in 2024/25.

We are pleased to say that, in the proposed Budget published on 19 December 2023, the Cabinet Secretary's assurances have been reflected, with a total of £13.2m in Grant-in-Aid funding being provided in Creative Scotland's budget for

2024/25. This is slightly offset by a £0.3m budget reduction to generate a 5% efficiency saving on Creative Scotland’s running costs as part of the Scottish Government’s Public Sector Reform programme.

This means that our Grant-in-Aid budget for 2024/25, subject to approval by the Scottish Parliament, will be just over £68m, compared to £55m in the current financial year.

The Board of Creative Scotland met on 20 December 2023 to discuss the proposed Budget, and the potential for ongoing funding of the current cohort of 119 Regularly Funded Organisations (RFOs). Given the settlement indicated in the proposed Budget, the Board agreed to support RFOs in 2024/25 at current funding levels, providing some stability for those organisations in the short term. We announced this in a statement on 20 December 2023: [Response to Scottish Government Draft Budget 2024/25 | Creative Scotland](#)

We also noted the announcement in the Deputy First Minister’s Draft Budget statement to Parliament, the intention to provide a further £25m to the Culture Budget in 2025/26. This statement of intent is very much welcomed by Creative Scotland and by the culture sector as a whole, and it signals the implementation of the First Minister’s commitment of an additional £100m for culture over the coming five years. At this time, it is not known how much of the £25m, or balance of the £100m, will be provided to Creative Scotland.

Creative Scotland’s Draft Budget for 2024/25 is understood to be:

£m	2024/25	2023/24	Movement
Core	32.028	32.333	-0.305
Youth Arts	9.5	9.5	0.0
Screen Scotland	9.25	9.25	0.0
Additional funding – purpose TBC	6.6	0	6.6
Reimbursement for 2023/24 reduction – RFO support	6.6	0	6.6
EXPO	1.8	1.8	0.0
Culture Collective/Communities	1.5	1.5	0.0
Platforms for Creative Excellence (PLaCE)	0.75	0.75	0.0
Festivals Edinburgh	0.2	0.2	0.0
Creative Scotland Total	68.2	55.3	12.9

Creative Scotland’s National Lottery budget for 2024/25 has not yet been approved by the Creative Scotland Board. This will be part of our annual Business Planning process taking place January to March 2024. The 2023/24 National Lottery budget was £32.4m.

The table above shows Creative Scotland’s proposed Budget for 2024/25 to be the same level as announced by the Scottish Government in its initial Draft Budget for 2023/24 (which was confirmed in Parliament in February 2023).

In the context of current and ongoing pressures on public finances more broadly, this is a positive outcome.

Whilst this proposed Budget restores some sense of stability and makes positive indications about budgets in future years, it does not alleviate the ongoing and significant financial challenges facing cultural organisations in terms of increasing running costs, falling income, and the implications of meeting requirements such as those for Fair Work.

The proposed Budget is also for the 2024/25 financial year only. In previous Committee submissions and evidence sessions we, and others working in Scotland's culture and creative sector, have set out the case for longer term budget certainty and called for at least a three-year budget settlement from the Scottish Government. Such a settlement would enable us, in turn, to commit to longer term funding plans for the organisations that we support, enabling them to plan more effectively, reduce operational precarity, and continue to confidently develop work of excellence and impact for the people of Scotland.

The one-year settlement presented by the proposed Budget for 2024/25 has no impact on the Multi-Year Funding Programme, which is due to come into effect from April 2025, and for which the two-stage application process is currently live.

As previously announced, we received 361 applications in Stage 1 of the Multi-Year Funding application process, with an annual financial ask of £96m. At time of writing, we have no indication of what our budgets will be beyond March 2025, but we anticipate that this financial ask is far in excess of the Grant-in-Aid budget that we will have available and difficult decisions will require to be made.

Our National Lottery reserves also remain depleted by £6.6m and will limit our ability to provide transition support for organisations currently in receipt of regular funding but unsuccessful in their Multi-Year Funding application.

We also welcome the Scottish Government's Culture Strategy Action Plan Refresh, which was published on the same day as the proposed Budget. We agree that, following the pandemic and in the context of current financial pressures, the Culture Strategy required some reframing, with a focus on resilience and long-term recovery.

In the Strategy, we note the renewed commitments to Equalities, Diversity and Inclusion and Fair Work in the creative and cultural sectors, including establishing a new task force with a remit to set policy direction for the latter of these. We also welcome the Scottish Government's commitment to work closely with the sector on achieving net-zero targets and the recognition that cultural assets, programming and content can help inform public debate on the climate emergency. It's also good to see the intention to publish an International Culture Strategy next year to support the sector's international ambitions.

The Action Plan Refresh also recognises the importance of Creative Placemaking and Creative Learning to the culture sector, and these are both areas we have championed through programmes like Culture Collective and the Youth Music Initiative.

The Scottish Government's commitment to engage across government to mainstream culture in policy making, prioritising cross-policy working with both health and education portfolios, is also a very welcome development and one which will have a great deal of support from us and from others across the culture sector.

We will continue to work closely with the Scottish Government to seek more clarity on future budgets, including those that will be required to support organisations with Multi-Year Funding, prior to announcing the outcome from the application process in Autumn 2024.

I look forward to the evidence session on 11 January 2024, when I will be able to expand on the points made above and any other questions you and Committee Members may have.

Yours sincerely,

A handwritten signature in black ink, reading "Iain Munro". The signature is written in a cursive style with a large initial 'I' and 'M'.

Iain Munro
Chief Executive