



Culture Counts – Recommendations on Funding for Culture 2023

The Creative Industries contribute more than £5 billion to the Scottish economy every year. They comprise of over 15,000 businesses employing more 70,000 people and make a vital contribution to the national wealth and international reputation. Despite this there has been a lack of progress in the development of existing and new forms of cultural investment and businesses and jobs are now at stake. Culture Counts has seen little progress against the recommendations outlined in the CEEAC Committee’s report, or in the Government’s own commitments. While past recommendations made by the Committee and Culture Counts ([12 recommendations for culture funding — Culture Counts](#)) remain relevant, they no longer go far enough. To secure the future of Scotland’s cultural sector, urgent and transformative action is needed.

The culture sector is inherently innovative and creative across all that it does including in diversifying its income, which is why it has survived in recent years. It has, however exhausted cost cutting initiatives and innovative schemes for diversifying income at an organisational level. Fundraising is increasingly challenging with funders experiencing increased demand, many are moving to support different priorities and success rates are plummeting. The sector reports that it is at capacity without significantly compromising its core services and mission. Further change and adaptation is of course possible, but additional budgets and interventions are urgently needed at a government level.

Increased Investment

Scotland’s spend on culture as a percentage of GDP is still one of the lowest in Europe lying 28th out of the 34 nations ([Statistics | Eurostat \(europa.eu\)](#) 2021 and [Country and regional analysis: 2022 - GOV.UK \(www.gov.uk\)](#)). If Scotland aspires to set an international example as a progressive nation and lead the way in its cultural investment, then the current budget levels need to significantly improve to realise this and meet the ambitions proposed within the cultural strategies.

Creative Scotland has recently [announced the demand for its new multi-year funding programme](#) is £113m annually from 500 organisations. The RFO network (predecessor to the multi-year funding programme) had a budget of £32.7mil in 2023-24 ([Creative Scotland Annual Plan 23-24](#)) This provides a clear indication of the scale of ambition, the impacts of rising costs and need that exists across Scotland’s culture and creative sector. However, this picture is from only one strand of Creative Scotland’s funding portfolio and does not reflect the need from their other programmes or from the rest of the sector outwith Creative Scotland’s remit.

- **Budget increase:** Culture Counts is recommending an increase to the Constitution, External Affairs and Culture Portfolio budget for 24-25 at **30%** of the 23-24 budget
 - The value of a 30% uplift would be **£104mil**

- Based on the 2023-24 Budget, the portfolio would represent **0.76%** of total Scottish Government spending.
- The proposed uplift would represent an increase of **0.16%** of total Scottish Government spending

This investment would go a long way to securing the future of Scotland's world leading cultural sector, and position us to deliver shared strategic priorities, but increased investment alone is not enough. In addition to the above we are recommending the following actions be taken, to ensure that this approach is protected in the longer-term:

- **Establishing a baseline:** the 24-25 Culture funding level is recognised as a baseline level of investment.
- **NPF indicator:** Government investment in Culture is included as an indicator in the National Performance Framework. In future years:
 - investment falling below the 24-25 baseline is recognised as performance worsening.
 - the 24-25 level + inflation is performance maintaining.
 - additional investment is performance improving.
- **Multi-year funding settlements:** Using the newly established baseline outlined above, that the Scottish Government fulfils its manifesto commitment of delivering three-year funding settlements to the culture sector.
- **Future investment decisions** should be taken in a way which prioritises the long-term health of the culture sector.

Government investment is only one part of Scotland's cultural ecosystem. It is also essential that the **Scottish Government works with COSLA and Local Government**, building on the newly established Verity Agreement to mitigate and reverse the hollowing out of Local Authority cultural services, which have sustained a 39% real-terms cut since 2015-16. ([Scottish Parliament Information Centre Briefing](#), [Bank of England Inflation Calculator](#)).