



18 November 2022

Minister for Culture, Europe and International Development

Neil Gray MSP
St Andrews House
Regent Road
Edinburgh
EH1 3DG

Dear Minister,

I'm writing on behalf of Culture Counts following the recent meeting between yourself and members of the Culture Counts Steering Group and the publication of the Constitution, Europe, External Affairs and Culture Committee's Report: *Pre-Budget Scrutiny 2023-24: Funding for Culture*.

Transient Visitor Levy

Thank you for your update on work to implement TVL. We look forward to hearing from your officials with an update on a timescale for the scheme. We would re-iterate our recommendation to look at work being undertaken by Festivals Edinburgh on how support for culture and heritage can be protected and appropriately directed within a TVL scheme

% for Culture

It is good to hear that development of the % for Culture commitment is underway, with officials working through regulatory, analytical and legislative considerations. Community empowerment is essential in the distribution of any funds from such a scheme and we eagerly await a more substantive update in the coming months.

Cross Policy Working

We are pleased that you have agreed to confer with ministerial colleagues on how to strategically include the Culture Sector in the development of *Reshaping Care for Older People* and *The Attainment Challenge*. These two actions represent positive steps towards mainstreaming Culture across Governmental portfolios.

Social Enterprise Scotland

We welcome your commitment to look at options to assist cultural organisations affected by the closure of SenScot and ways to support the potential recreation of a Cultural Social Enterprise Network.

Data

Culture Counts will gladly feed in to the upcoming call for evidence on National Outcomes, following on from the work of the National Partnership for Culture and Measuring Change Group.

We welcome your commitment to look at the issues facing the Culture Sector regarding data, and whether Government may have a role in aggregating and bringing together sector data.

We would emphasise the issue that those freelancers working below the VAT threshold (as most in our sector are) are not captured in Government economic data, which provides an inaccurate picture of the sector's economic activity.

Culture Committee Report:

Culture Counts welcomes this report, which outlines the “perfect storm” of factors currently experienced by our members and the wider sector. Reduced income generation, increased operating costs and workforce recruitment and retention issues are causing significant, immediate pressure. The report is accurate in its analysis that the Culture Sector’s resilience in the face of these problems has been greatly weakened by a decade of standstill budgets.

Of course, the report outlines issues of which the Government is well aware, thanks to your most welcome engagement with the sector over recent weeks and months.

This letter comes at a critical moment, in this period where you and your colleagues are considering the implications of the UK Government’s Autumn Statement on public spending here in Scotland. Culture Counts are extremely concerned that decisions taken by the Scottish Government at this time have the potential for significant and long-lasting damage to the sector.

The Constitution, Europe, External Affairs and Culture Committee’s report makes for sobering reading. The picture outlined by the report and associated submissions is underpinned by a decade of erosion, caused by standstill budgets in the face of ever increasing inflation.

In cash terms, spend on the Culture Sector is small compared to other areas of the public spending portfolio. Through the Government’s close engagement with the sector, we know that it is widely understood that public spending in the Culture Sector delivers significant value for money. This is true both in terms of the sector’s output as well as the much wider economic and social benefit it creates.

Given current economic conditions, even a seemingly small cash cut will compound the scale of the challenges faced by the sector. At best, it would lead to widespread operation in a state of “survival mode”, at worst the consequences will be even more significant. Either case will significantly reduce both the operation and public benefit of the sector.

Thanks to close engagement with Government on work such as the National Partnership for Culture, Culture Strategy, National Planning Framework 4, and early discussions on the upcoming National Outcomes review, we see a growing understanding of the transformative potential of culture. It is clear that you share our ambition for the sector to contribute to positive outcomes in other policy areas and culture’s role in achieving overarching, long term goals such as the transition to a Wellbeing Economy.

However, as our shared ambition and vision for the Culture Sector continue to grow, any further cuts to culture budgets would demonstrate that this vision is not backed by action.

We hope that the context provided in this letter proves useful. Culture Counts looks forward to continuing to work with Government towards the preservation and development of the Culture Sector.

Yours sincerely,

Joseph Peach
Advocacy and Events Manager

on behalf of

Culture Counts