

## **Creative Scotland Written Submission to Inquiry into Budget Scrutiny 2023-24**

*“Ahead of next year’s Scottish Government Budget (Budget 2023-24), the Committee wants to hear your views on the impact of budgetary decisions including the [Resource Spending Review](#) on the culture sector in Scotland.”*

Specifically, the Committee invites views on:

- **How are budgetary decisions supporting the recovery of the sector from COVID and what should be the Scottish Government’s priorities in supporting recovery through Budget 2023-24;** Despite an increasing recognition of the established health and wellbeing benefits of culture, the Committee has previously heard that this had not led to transformational change in terms of both a cross-cutting approach within Government and increased budgetary support for culture across a number of spending areas - **what needs to change to embed culture and health and wellbeing across government and the public sector;**
- The Scottish Government’s independent Advisory Group on Economic Recovery in the wake of COVID-19 recommended that Ministers should in relation to the creative sector seek “ways to increase public and private investment across the sector to allow it to recover and compete” – **can you provide examples of where this is happening or ways in which it should happen;**
- The Committee has previously agreed with COSLA that a ‘whole system’ approach is essential to the spending review and that this is consistent with an outcomes-focused and collaborative approach; our view is that it is only through such an approach that the necessary funding can be freed up to ensure that sufficient cultural services are available to meet the increased demand arising from cultural prescribing – **what progress has been made in moving towards a whole system approach, what are the main barriers and how do we overcome them;**
- The Committee’s view is that it is essential that, wherever practical, multi-year funding for the cultural organisations the Scottish Government supports is passed on to the groups and individuals being funded who should, where appropriate, also receive a multi-year settlement – **what progress has been made in moving towards multi-year funding, what are the main barriers and how do we overcome them.**
- The Committee has previously stated that the collaborative learning from managing the response to COVID should be harnessed and built upon; for example, in exploring how innovative ways of working such as the shift to digital platforms can enhance the accessibility of cultural activities while at the same time improving health and wellbeing – **what progress has been made in embedding the collaborative learning from managing the response to COVID, what are the main barriers and how do we overcome them.**

The response below provides Creative Scotland’s perspective on these points.

### **1. Budgetary decisions supporting the recovery of the sector from Covid-19**

The Scottish Government (and the National Lottery, for whom Creative Scotland is a distributor in Scotland, with National Lottery funding making up around a third of our overall budget) provided significant levels of emergency funding support for Scotland's culture and creative sector through the Covid-19 pandemic.

This support was vital in helping people and organisations working in culture to survive through this period, given that necessary public health restrictions meant the culture sector was one of the first to close and last to open.

Creative Scotland fully recognises the value of this emergency funding which totalled **£150m**, delivered in **18,000** separate awards between March 2020 and March 2022 by Creative Scotland, to people and organisations in Scotland's culture and creative sectors.

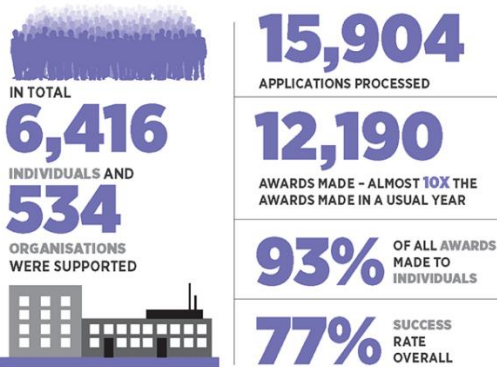
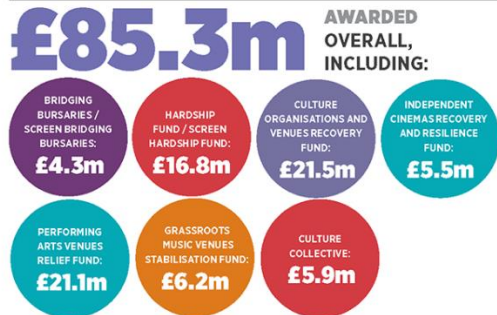
More specifically, we recently published a report from an independent review of Creative Scotland's Covid-19 emergency funding, covering the period March 2020 to September 2021. Over that period, Creative Scotland delivered more than £85m in emergency funding provided by the Scottish Government in the form of 12,500 separate awards. Key findings from the independent review include:

- 82% of organisations surveyed said that the funds had prevented job losses and prevented insolvency
- Individuals surveyed described the funds as a lifeline, providing peace of mind and validation of their worth
- The emergency funds reached far and wide and played a vital role in sustaining the creative sector throughout the worst of the pandemic
- Almost 12,500 funding awards were made to both individuals and organisations – around ten times the number usually made in any given year
- The processes for developing and delivering the funds were effective. The high volume of awards distributed in a short timeframe, demonstrated the scale of the achievement
- Applicants rated the process positively, saying it was clear and straightforward with quick turnaround and payments.

[The full report can be read here.](#)

*To note: a further report covering the entirety of emergency Covid-19 funding is currently in preparation and will be published later this year.*

Between March 2020 and September 2021, Creative Scotland delivered emergency funding to the arts, screen and creative industries:



In 2022 EKOS were commissioned to evaluate the delivery of these emergency funds. Amongst the research findings were:



The emergency funding provided by the Scottish Government to help the culture and creative sector address the impact of the Covid-19 pandemic was both essential and hugely welcome. It was, for many individuals and organisations, a lifeline which has enabled them to remain solvent through the pandemic and to believe in the potential for future recovery and renewal.

The sector has come together through the pandemic, to collaborate, learn and to work together to address the challenges that it presented and to face the future.

An example of this would be Creative Scotland’s ongoing work with sector representative bodies, whom we meet with on a regular basis, including formally every month, to discuss ongoing challenges and future approaches. This group includes the Federation of Scottish Theatres; the Scottish Contemporary Art Network; The Scottish Music Industry Association; Artlink; CraftScotland; Publishing Scotland; the Literature Alliance; Festivals Edinburgh; and Culture Counts.

Another example of collaboration and learning that emerged during the pandemic period is the Business Support Partnership. This was established by Scotland’s enterprise and skills agencies (Scottish Enterprise, Highlands & Islands Enterprise, South of Scotland Enterprise, Skills Development Scotland) and Creative Scotland is also now a participant. Working together we are setting out to establish a common delivery environment for all support, funding, advice and engagement with employers and businesses. One of the active projects of the group has been the Find Business Support website ([www.findbusinesssupport.scot.gov](http://www.findbusinesssupport.scot.gov)) which exists as a central portal for all business support activity in Scotland.

The work of the group is driven by a simple premise to ‘de-clutter’ the support landscape, something which was particularly important during the pandemic when support needed to be accessed quickly and as easily as possible.

Another strand of work developed during the pandemic, which reflects the spirit of collective learning and collaboration in response to Covid-19 is the [Culture Collective](#). This involves £6 million of emergency funds supporting creative practitioners, organisations, and communities to work together across Scotland to help shape the future of local cultural life. The programme offers grants of between £100,000 and £300,000 for community-based culture organisations work collaboratively to develop a creative response to the impact of the pandemic.

## 2. Scottish Government’s Resource Spending Review, and budgets beyond Covid-19

Looking forward, however, the budget situation for both Creative Scotland and for the culture and creative sector in Scotland is far from certain. There is continued and growing pressure on public finances; the cost-of-living crisis (which is impacting cultural organisations as much as individuals); rising inflation affecting operating costs; and global uncertainties which mean that long term financial planning, and the planning of future cultural activity and programming, is extremely challenging.

The Scottish Government published the outcome of its [Resource Spending Review](#) on 31 May 2022 with the intention that it would ‘enable public sector bodies and delivery partners to work with the Scottish Government to plan effectively over the medium-term for the future of Scotland’s public services’.

The Review sets out areas of Scottish Government policy priority and headline budget envelopes. It includes the budget profile at the *Culture and Major Events* level (of which Creative Scotland is part) as follows:

2022/23 - £177m  
2023/24 - £173m  
2024/25 - £173m  
2025/26 - £177m  
2026/27 - £183m

This budget line also includes budgets for Major Events; the National Performing Companies; the National Library of Scotland; the National Museums; the National Galleries, all of which have high proportions of fixed costs which are exposed to inflation.

Discussions on the final allocation of the *Culture and Major Events* budget to constituent organisations, including Creative Scotland, have begun and will conclude with the 2023/24 Draft Budget, which we expect in December 2022.

It is worth noting that, in terms of budgets for 2022/23, Creative Scotland’s grant-in-aid budget is 0.1% of the total Scottish Government budget, and culture spend, as a whole is 0.8%, and currently declining year on year in comparison to other UK nations (according to the latest figures from the UK Government Treasury, provided below).

UK Nation	National Statistics				
	2016-17 outturn	2017-18 outturn	2018-19 outturn	2019-20 outturn	2020-21 outturn
Scotland Cultural Spend (%)	0.91%	0.86%	0.84%	0.82%	0.83%
England Cultural Spend (%)	0.61%	0.65%	0.59%	0.59%	0.59%
Wales Cultural Spend (%)	0.83%	0.93%	0.80%	0.85%	0.86%
Northern Ireland Cultural Spend (%)	0.89%	0.86%	0.95%	0.91%	0.80%

At the time of writing, there is no certainty as regards the Scottish Government budgets that will be allocated to Creative Scotland. The indications are that significant cuts are likely.

Given that a considerable proportion of Scottish Government grant-in-aid supports our Regular Funding programme for cultural organisations, then the future budget available for such multi-year funding is likely to reduce. This is in a context of a culture and creative sector emerging from the Covid-19 pandemic with a great deal of ambition for recovery and renewal, coupled with an ongoing situation where demand for Creative Scotland funding support already far outstrips the available budgets.

### 3. Financial pressure on Creative and Cultural sectors

Despite the retreat in the direct impact of the Covid-19 pandemic, Scotland’s culture and creative sector continues to operate in an extremely challenging and continuously shifting environment.

The financial fragilities in the sector pre-date the pandemic and are once again being accentuated in the current climate, despite the huge value of Covid-19 emergency support delivered.

A combination of rising costs, falling income from other sources, and the implementation of public policy developments, is placing unprecedented pressures on the sector.

Creative Scotland recognises that many organisations we fund on a regular, multi-year basis have received unchanged levels of funding, for a number of years and that this is increasingly unviable.

Funding at a ‘standstill’ level, particularly with current and projected levels of inflation, represents an increasing year-on-year cut for organisations currently supported through our Regular Funding programme.

Sector recovery is fragile and gradual, and the benefits of the sector Covid-19 emergency support delivered are being more than overtaken by a ‘perfect storm’ of factors.

Current financial pressures include:

- **Pressures on Local Authority funding for culture.** By any measure, local government's contribution to culture in Scotland is significant. Together, Local Authorities support an infrastructure of cultural facilities and venues that reach deep into communities across Scotland and provide a diverse range of opportunities for people to engage with culture. However, it is equally clear that, in many places, cultural services are under threat as never before. Years of successive budget cuts have taken a toll and, with more to come, there are real questions about the sustainability of these services, at least in their current form. For example, net revenue expenditure by local government in Scotland on Culture and Heritage was £210,939,000 in 2011/12. By 2017/18, net revenue expenditure was £194,412,000. This represents a reduction of around £16 million (or -8%) over seven years<sup>1</sup>.
- **Reduced levels of earned income for cultural organisations.** [Our own research](#) amongst audiences regarding their attitudes towards attending cultural performances and events during and post-Covid, shows that public comfort levels with attending arts and cultural events and venues are improving. However, demand remains suppressed compared to pre-pandemic levels. Most notable drops in demand are for theatre (net change -13%), activities for children (-11%), dance (-12%) and classical music performances (-13%). In addition, while half of the population now feel happy to attend the same cultural events they would have gone to pre-pandemic, 21% of the population still say they will avoid certain events for the near future. The continued uncertainty results in some reticence by audiences in booking events in advance or to indeed attend cultural events at all. The impact of this is reduced income for cultural organisations and, consequently, for the creative freelancers they employ.
- **Increased, and increasing, operational costs:** The average cost of UK electricity prices has increased over the last few years, rapidly reaching new highs in 2022<sup>2</sup>, and the wholesale price of gas (system average price) in January 2022 was almost four times higher than in early 2021, with large rises continuing since summer 2021<sup>3</sup>. The impact of these enormous increases in energy costs is being felt by cultural organisations that own and operate venues and buildings, or that rely on fuel for travel and touring. A survey of members conducted by Culture Counts in summer 2022 showed that most respondents agreed that energy prices are impacting their operations (84%) and will impact their operations in the near future (87%).
- **UK's exit from the EU:** 'Brexit' resulted in the decision taken by the UK Government to not take part in the future Creative Europe programme running 2021 to 2027, which had a planned budget across 7 years of €2.4 billion, an 80% increase compared to the previous period (2014-2020) and included ambitious new sector-specific actions in music, theatre, cultural heritage, and literature, as well as bringing to prominence aims around greening and diversity. This decision has led to the closure of Creative Europe Desk UK, and the closure of the Scotland office of the Desk hosted by Creative Scotland. Over the 7 years of the programme in Scotland, 57 projects received Creative Europe funding totalling over €18 million. These projects included organisations from Edinburgh, Glasgow and Dundee,

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<sup>1</sup> Source: LFR tables, non-adjusted. Inter-authority transfers removed to avoid double counting.

<sup>2</sup> [Quarterly Energy Prices - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/quarterly-energy-prices)

<sup>3</sup> [Energy prices and their effect on households - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/energy/prices-and-their-effect-on-households)



Shetland, South Uist, Inverness, Aberdeenshire, and Isle of Lewis, and collectively they have partnered with 34 out of the 40 other countries participating in Creative Europe. Coupled with the increased administrative complexity and costs associated with operating internationally that Brexit has entailed, the UK's exit from the EU has had a detrimental impact on finances for culture and creativity in Scotland.

#### 4. The opportunity of continued investment in culture and creativity

Despite the budget pressures and uncertainties outlined above, culture and creativity continue to deliver real and tangible benefits in terms of the economy and jobs; health and well-being; the environment; education and learning; community development; and equalities and diversity.

To help tell that story, in September 2021, we launched a new communications initiative – [Our Creative Voice](#).

The [evidence base](#) published as part of this provides quantitative and qualitative evidence of the impact that culture and creativity plays in all our lives, how important it is to people and communities, and how supporting the people of Scotland are of continued investment in culture and creativity.

Some headline statistics from the campaign include:



The case studies we publish as part of the Our Creative Voice campaign powerfully illustrate the impact that funding for culture and creativity delivers for audiences and participants, as well as the artists and cultural organisations delivering the work. Just three of these case studies as an example:

- Grampian Hospitals Arts Trust: [Helping NHS Staff find their creative voice](#)
- Starcatchers: [Advocacy and the arts for Scotland's youngest children](#)
- 1.5 Degrees Films: [Reflecting on climate change through films](#)

Looking at the empirical evidence, over the past decade, the Creative Industries have been one of the key drivers of economic growth in Scotland and in the UK.

Between 2010 and 2019, GVA in the UK's creative industries grew at an annual average rate of 5.9% – significantly faster than the 3.5% rate observed across the entire UK economy during that period.

In Scotland, the creative industries employed over 90,000 people in 2019 and generated £4.6 billion in GVA and £4 billion in exports in 2018. However, sustaining this contribution and growing the

culture and creative sector over the coming years, will require similarly sustained investment, something which does not look likely at time of writing.

The Creative Industries are acknowledged as a growth sector where Scotland has a distinct comparative advantage. This potential is recognised in the National Strategy for Economic Development, whilst recent forecasts by Skills Development Scotland for the Creative Industries also show recovery of demand and opportunities in the mid-term (2021-2024) and that in the long-term (2024-2031) strong jobs growth is forecast to continue in the sector.

Further investment has the potential to unlock innovation capacity in the sector and help create both jobs and wellbeing, with clear links to net-zero and Fair Work ambitions.

In terms of Screen, Scotland is home to a vibrant ecosystem of content creators, writers, independent producers, and production companies creating a wide range of films and television programming. Investment to boost production grows the number, quality and diversity of film and television productions from Scotland and secures investment from international screen productions choosing to shoot in Scotland.

In June 2022, Screen Scotland (part of Creative Scotland) published the first comprehensive analysis of the economic impact of Scotland's Screen sector, evidencing the value of Scotland's film and TV industries to the country's employment and economic prosperity.

Commissioned by Screen Scotland and produced by [Saffery Champness](#) and [Nordicity](#), the [independent report](#) illustrated that the screen sector in Scotland contributed £567.6m to Scotland's economy in 2019, providing 10,280 full time equivalent jobs.

The wide-ranging study analyses the economic contribution of the screen sector value chain - film and TV development and production, animation, VFX and post-production, film and TV distribution, TV broadcast, film exhibition - and extends into the supply chains that provide services at each stage of the content process, including facilities, equipment, transport, catering, and accommodation.

Beyond that direct supply chain, the study looks at where the screen sector stimulates economic activity elsewhere in the Scottish economy: screen tourism, the education and training sectors and infrastructure.

The report covers 2019, the year before the onset of Covid and the first full year following the establishment of Screen Scotland in late 2018. A follow up study of 2021, the year in which the current boom in Scotland-based production started in earnest, is in progress and will be published in early 2023.

Pre-pandemic, Scotland's culture and creative sector was extremely strong, important to our people and communities, and impacting on all our lives in many ways, socially, culturally, and economically.

Through the pandemic, thanks in large part to emergency funding support from the Scottish Government, we have helped people and organisations working in culture in Scotland to remain viable and to begin the process of reopening, recovery, and renewal as the impacts of the pandemic recede.

Looking ahead, we would hope and anticipate that budget support for culture and creativity not just be maintained but be expanded to build on the strength that exists and that has been maintained through unprecedented recent circumstances.



## 5. Culture, creativity, health, and well-being

*“Art and creativity have a positive impact on both mental and physical health. Findings have shown that the arts influence the social determinants of health, support child development, encourage health-promoting behaviours, help people experiencing mental illness and support care for people with acute condition”* The World Health Organisation, 2019

There is growing interest in the connection between art and health/wellbeing. We define arts and health provision as arts-related activity led by one or more professional artists, created with explicit artistic and health or artistic and wellbeing objectives, and designed to enhance the health and/or wellbeing of those with a health-related condition or illness, the wider public, and the healthcare workforce.

Recent Creative Scotland research<sup>4</sup> identified 119 organisations delivering arts and health provision in Scotland, with a clustering of provision in Glasgow City, Edinburgh and across the central belt, and other provision in local authority areas including Highland, Moray, Angus, Perth and Kinross, Aberdeen, and Dundee, reflecting variations in population size across the country. However, it should be noted that many organisations with base locations in Glasgow and Edinburgh also operate Scotland-wide, or in a range of other local authority areas.

The research found that [Creative Scotland was the most frequently cited funder](#) of activity, with Local Authorities, the NHS and a range of Trusts and Foundations also providing support.

Most respondents said their [work had been highly disrupted by Covid-19](#), with staff furloughed, and a reduction in capacity. COVID-19 had also slowed the development of new projects due to restrictions and additional contingencies and had exposed and widened inequalities in society, and therefore increased demand for their services. They viewed this as a call to action, requiring imaginative thinking and practical solutions.

Organisations were asked about the [challenges and barriers to delivering the arts and health/wellbeing agenda](#). The key challenges noted by respondents were:

- Challenges related to [funding](#)
- A need for [increased understanding of the role arts can play in tackling health inequalities and improving health, social and cultural outcomes](#)
- Finding and keeping [practitioners with the required skillsets and confidence to deliver the arts and health/wellbeing agenda](#)
- [Integration of arts into healthcare](#) and for the arts not to be seen as an ‘extra’
- Reaching disengaged people who could most benefit from services, particularly those with [multiple and complex needs](#)
- [Building partnerships](#) between arts organisations and health care providers.
- The reporting and evaluation process.

Organisations and artists indicated they would [like to see Creative Scotland to support them](#) through the provision of [long term, flexible funding](#), focussed on ‘tried and tested’ work in addition to newer

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<sup>4</sup> [Creative-Scotland-Arts-and-Health-Mapping-Report.pdf \(creativescotland.com\)](#)

initiatives. They noted the importance of improving [support](#) for strategy development, [evaluation and impact measurement](#) and resourcing for [social prescribing](#) around arts-based activity.

The opportunity and the willingness to further grow the role that culture and creativity play in improving health and well-being for citizens is clear, building on the considerable work that goes on already, that has continued (despite challenges) through the pandemic and has enormous potential for the future.

Again, nothing demonstrates this better than through the lived experience of creativity and its impact on well-being, exemplified through these case studies:

- Artlink: [Human Threads – artists with profound disabilities](#)
- Cheyne Gang: [how singing helps respiratory conditions](#)
- Project Ability: [young artists during lockdown](#)

## 6. Towards a multi-year funding framework

As has been well-publicised, Creative Scotland is currently developing a new approach to delivering multi-year funding for cultural and creative organisations in Scotland. Work on this is well advanced and our latest update on progress was [published in August 2022](#).

The new multi-year funding process draws extensively on the Funding Review that we concluded in early 2020 and which had significant input from the cultural and creative sector.

The multi-year Funding Programme will be a refreshed and streamlined online, two-stage process, with criteria linked to our Strategic Framework and an underlying ambition to ensure all regular funding relationships are managed through a common approach.

The planned schedule for the multi-year Funding Programme is as below:

Pre-application phase, including external information sessions	November 2022 - January 2023
Guidance published	End January 2023
Stage 1 Applications via online portal	March - April 2023
Stage 1 Assessments	May – July 2023
Stage 1 Decisions	July 2023
Stage 2 Applications via online portal	August - October 2023
Stage 2 Assessments	November 2023 - January 2024
Stage 2 Decisions	February 2024

Contracting	From March 2024
Multi-Year Funding begins	April 2024

Each stage will be competitive, and success is not guaranteed, given we expect to receive a high volume of applications requesting funding that far exceeds the available budget.

A major consideration in the successful implementation of this revised funding approach will be the level of budget made available to us by the Scottish Government.

This budget will determine the scope and scale of the funding programme in terms of the number of organisations we are able to support. We are clear, however, that ‘stand-still’ funding for cultural and creative organisations is no longer viable, particularly in the face of rising inflation and operational costs. As such, with the budget projections set out in the Scottish Government’s Resource Spending Review, we anticipate we may have to fund fewer organisations on a multi-year basis but aim to fund them at a more sustainable level.

We will not know what the budget available to us is from Scottish Government until December 2022, nevertheless, we continue to prepare and work to this timeline, but it may require to be revisited should we not secure sufficient budget certainty from the Scottish Government at the end of 2022.

Alongside the introduction of our new multi-year Programme, through 2022/23, we will continue to run our Open Funds, our Targeted Funds and our funding for Screen Scotland, all of which are detailed in our recently published Annual Plan 2022/23, which includes a restating of our Strategic Framework.

The Open Fund for Organisations is currently being revised and will be relaunched in October 2022 with two distinct strands. The main Open Fund for Organisations will continue to be a rolling programme, offering up to £100k, but with a new online application and assessment process.

A separate time-limited strand will offer funding of up to £200k for activity lasting up to 24 months. To manage the process for this strand, it will have deadlines (dates to be confirmed) and is particularly designed to meet the needs of organisations currently funded annually through project funding and who wish to apply for support from the Multi-Year Programme.

## **7. Other policy imperatives for Creative Scotland**

Creative Scotland’s Strategic Framework (see below) sets out four priority policy areas that our funding and development work seeks to deliver. The scope of our work in these policy areas, and the ability of the culture sector to contribute to successful outcomes, will be influenced by budgets available.

### What we want to see:

- 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.

### We will do this by:

- Ensuring that the funding we distribute from Scottish Government and the National Lottery delivers the widest possible public benefit across Scotland.
- Advocating for the arts and creativity, promoting policy and practice that enhance their growth.
- Using our skills, knowledge, and expertise to enable creative development.

### We will prioritise:

- 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

### We will commit to:

- Increasing the diversity of who receives and benefits from our support.
- Ensuring all our support contributes to fair pay, conditions, and employment opportunities.
- Significantly reducing the environmental impact of our work and those we support.
- Responding to local contexts, promoting artistic development and business sustainability across all parts of Scotland.
- Building on our existing support for international collaboration and artistic exchange.

In terms of our work in sustainability, in 2019 the Scottish Government declared a climate emergency and introduced legislation setting national targets to reduce emissions to net-zero by 2045 at the latest and the Programme for Government reinforces the urgency of action on Climate Change.

Sustainable Development is one of Creative Scotland's four corporate priorities, aligning with the Culture Strategy for Scotland and other key national and international strategies and policies such as the National Performance Framework, the Just Transition, the declaration from the 2021 G20 Culture Ministers Meeting and the UN Sustainable Development Goals.

To frame our work in this area, in April 2022, we published our [Climate Emergency and Sustainability Plan](#) setting out the actions that we will take, in collaboration with the people and organisations in Scotland's culture and creative sector, to help address the climate emergency, move our own operations to net zero by 2030, and the sector as a whole to net zero by 2045. There is a need for sustained investment to effectively lead sector delivery against these commitments. The creative and cultural sectors will be required to prioritise spending on business adaptation to meet the Net Zero target date of 2045 nationally (2030 in Glasgow and Edinburgh) and to do develop and implement strategies that ensure net-zero is achieved in a climate-just manner.

As regards our ambitions around Fair work: The Scottish Government's vision is for Scotland to be a leading Fair Work Nation by 2025 with people in Scotland having a world-leading working life where Fair Work drives success, wellbeing and prosperity for individuals, businesses, organisations, and society. The 'Fair Work First' approach is being developed by the Scottish Government, trade unions and business to develop support and advice for employers to support Fair Work practices in their businesses including employing disadvantaged groups.

In line with this, Creative Scotland has identified Fair Work as one of four corporate priorities. We are committed to promoting fair pay, conditions, and employment opportunities across the creative sector. This policy has considerable cost implications for the creative and cultural sectors, particularly if we implement conditionality for public sector grants, requiring payment of the Real Living Wage, in line with the commitments made in the 2021 Programme for Government.<sup>5</sup> Our current Review of Fair Work in the sector (an action from the Culture Strategy)<sup>6</sup> identifies financial constraints as the key barrier to delivering Fair Work in the sector, which has traditionally been characterised by low pay, poor job security and freelance work. Future budget availability will be critical to successful achievement of Fair Work outcomes.

## **8. In Summary**

Following years of stand-still funding, the Scottish Government stepped forward during the Covid-19 pandemic with significant emergency investment which helped people and organisations working in culture to navigate these unprecedented circumstances. Significantly, this provided reassurance to those people and organisations that their work was valued as a positive force for Scotland's citizens and a vital contributor to our society, our economy, our health, and well-being and to our collective quality of life.

Now, the culture and creative sector in Scotland faces an uncertain future where funding support is likely to contract significantly. Accordingly, much is at risk for employment in the sector, the likelihood of significant business failures, loss of geographic provision, the quality and volume of cultural output, contraction of audiences, and damage to Scotland's international reputation.

And yet, we are just at the point where we are emerging from the challenges of the pandemic with ambition, drive, and the opportunity to renew our collective cultural offering both at home and internationally, for all the benefits and value that will deliver culturally, socially, and economically.

Sustained public funding is the lynchpin. We are at a pivotal moment.

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<sup>5</sup> [A Fairer, Greener Scotland: Programme for Government 2021-22](#), page 54

<sup>6</sup> [A Culture Strategy for Scotland](#), page 53