

Budget scrutiny 2023-24: Funding for culture

Constitution, Europe, External Affairs and Culture Committee
19th/August/2022

Built Environment Forum Scotland (BEFS) is an umbrella body for organisations working in the built environment in Scotland. Drawing on extensive expertise in a membership-led forum, BEFS informs, debates and advocates on the strategic issues, opportunities and challenges facing Scotland's historic and contemporary built environment. BEFS is a supporting member of the [Climate Heritage Network](#).

Other relevant consultation responses from BEFS can be seen below, as many issues overlap and demand associative consideration:

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- <https://www.befs.org.uk/wp-content/uploads/2021/09/BEFS-Culture-Funding.pdf>
- <https://www.befs.org.uk/wp-content/uploads/2020/05/BEFS-AGER-Response.pdf>

BEFS was also involved in the National Partnership for Culture workshops which took place in 2001. The reports from these are commended to the committee as extremely relevant for informing future actions, and meeting challenges, as outlined by the cultural-heritage sector.

- <https://www.gov.scot/groups/national-partnership-for-culture/> - and especially
- <https://www.gov.scot/publications/national-partnership-for-culture-workshop-4-measuring-change-workshop-report/>

BEFS also worked with Creative Edinburgh, Creative Lives, Go Industrial, Museums Association, Regional Screen Scotland, Scottish Contemporary Art Network, Scottish Council on Archives, and West of Scotland Regional Equality Council on a project led by Museums Galleries Scotland to form a Cultural Manifesto for the Local Government Elections. The manifesto demonstrates both the value of Culture & Heritage, but also sets out the asks needed to support cultural-heritage from a Local Government perspective.

- <https://www.museumsgalleriesscotland.org.uk/media/2698/culture-and-heritage-a-manifesto-for-local-government.pdf>

Question from the Committee:

1. 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?

Covid brought about certain crises conditions, and necessary emergency funding. Innovation in grant funding – with increased flexibility and understanding was seen as key..

The following Resource Spending Review has raised many concerns as to what future support (and financial resource) may be available to the cultural-heritage sector.

Reconsideration of the public body landscape, and the resultant potential impact on all our places, raises further concerns for the future.

The multi-year estates programme, to make use of property and assets has the potential for benefits, but as heritage is not reflected within net-zero budgets, this programme could fail to harness skilled, long-term, employment opportunities, as well as failing to take into account the embodied energy (and potential) in our existing estate sites.

BEFS 2021 response to the committee (linked above) remains relevant, we then stated:

There needs to be a greater understanding across Scottish Government directorates of what cultural heritage can deliver; exploring a cultural capital approach. Supporting early years cultural heritage interventions makes future champions for cultural heritage - and supports a more sustainable future; as well as greater wellbeing, and skills development for those involved. BEFS will continue to highlight that the traditional skills are as essential to delivering net zero as they are to maintaining our cultural heritage.

The early years interventions are also supported by the **National Partnership for Culture** (linked above) findings in relation to *Workshop 1 – Culture and Wellbeing*.

Workshop 2 – Culture and Fair work also highlighted:

- *Without parity of funding timescales, there is not parity of Voice, Opportunity, Security & Respect.*
- *In addition the use of ‘just in time’ funding to Agencies from Government, and that in turn being the case for funded organisations should perhaps be highlighted separately to freelancers and their individual issues receiving payments. Both are systemic problems, but one is perhaps in the gift of Government to change.*

The more recent Manifesto (linked above) makes pragmatic suggestions, including: considerations for multi-year funding; rates relief, and increased collaboration across services. The place of our cultural environment to support net-zero ambitions, both through our sites and through engagement activities is also made clear.

2. 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?

Culture Counts – have suggested, and BEFS supports the view that, Scottish Government should host a Cultural Value Summit.

BEFS would strongly suggest that this be inclusive and support cultural-heritage as understood and championed both the *Culture Strategy* and *Our Place in Time*.

BEFS agreed that, *There is a need to improve understanding of cultural value at local level*. This event could not only support wider Health and Wellbeing contributions, but also the cross-departmental thinking which brings in how cultural-heritage supports good place-making, local economies, and the drive to net-zero.

Good places support good health and wellbeing.

3. 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?

Whilst the statement indicates that Ministers should take action, the resulting onus on an already over-stretched sector to seek funding from other investment vehicles (vehicles also impacted by covid and cost of living crises) fails to meaningfully sustain cultural-heritage. Many heritage organisations that had significantly diversified their income streams found themselves failing to receive appropriate support during covid, due

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to the (encouraged) diversification. This diversification also often grew organisations, in ways that then became unsustainable as visitor and funding models changed.

The drive to innovation and revenue raising within the Spending Review, with a focus on public bodies, also appears to fail to take into account the additional resource needed for such innovation; particularly at a time when all budgets seem increasingly squeezed.

4. 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?

BEFS also agrees that a ‘whole system’ approach is essential when considering the Spending Review and previously assessed where the wider aspects relating to cultural-heritage found themselves within the Review Document. (Extract from blog post May 2022: <https://www.befs.org.uk/latest/befs-bulletin-resource-spending-review/>)

[Comparisons with previous Budgets] become trickier at this point, because, as stressed this is not a Budget – so some high-level figures have been pulled together [by BEFS] into various pots as can be seen below.

BUDGET 2021 DESCRIPTION	RS REVIEW 2022 EQUIVALENT WHERE POSSIBLE	Budget	Budget	Budget	Review	Review	Review	Review	Review
		2020-21	2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	2026-27
		£m	£m	£m	£m	£m	£m	£m	£m
Building Standards	Building Standards	2	16.7	11.8	4	4	4	4	4
Planning and Environmental Appeals		0.7	0.7	0.6					
Cities & Investment Strategy		205.6	209.8	233.2					
Regeneration		47.4	111.6	96.4					
Planning (Level 2)		8.3	11.5	13.7					
	Cities Investment, Regeneration and Planning** ** Cities Investment, Regeneration and Planning level 2 expanded to include Planning which was previously a separate level 2.				30	36	36	34	30
Creative Scotland and Other Arts		67.3	63.2	69.3					
Cultural Collections		79.2	75.7	90					
Major Events and Themed Years		6.6	8.2	18.2					
Culture and Major Events Staffing		4.4	4.7	5.1					
National Performing Companies		22.9	22.9	22.9					
	Culture and Major Events				177	173	173	177	183
HIE		58.2	67.6	64.3					
SOSE		28.1	35.7	37					
visit scotland				49.2					
Scottish Enterprise			342						
Tourism (level 2)		50.6	65.1	51.2					
	Enterprise tourism and trade * Enterprise Tourism and Trade level 2 expanded to include all the Enterprise Agencies (Scottish Enterprise, Highlands and Islands Enterprise and South of Scotland Enterprise) and Visit Scotland.				260	253	228	226	237

Until further detail is available there are only a few assumptions that can be made.

- *Building Standards appears to have a significant budget reduction, from £11.8M to £4M, this could reflect a reduction in current programmed activity. (Review p45)*
- *The section within the Review stated as covering Cities Investment, Regeneration and Planning sits at around £30-36M over the following 5 years. This is dramatically less than either the Cities Investment or the Regeneration Budget separately given at the December Budget (2021); and considering that Planning is also included within this represents a significant potential area of diminished budget and capacity across the sector. £30M would reflect less than 10% of the current budget pot across the areas listed currently, however this revision may also take into account the UK Shared Prosperity Funding directed from UK Government. (Review p47)*
- *Culture and Major Events is not given any explicit detail, but if it was to cover the previous areas of: Creative Scotland, Cultural Collections, Major Events, Staffing and National Performing Companies as previously, the budget of £177-183M would reflect at least a 10% reduction – but where reductions could fall is also unclear. (Review p58)*
- *Enterprise, Tourism and Trade – this has been expanded as a descriptor to include all the Enterprise Agencies and Visit Scotland; whilst figures are a little tricky to unpick (and Scottish Enterprise was used extensively in delivery of Covid measures) this also appears to be a significant reduction; but to which Agencies, and to what extent, remains unclear. (Review p47) The December Budget previously stated, £370.5 million to support our enterprise agencies and £49.2 million for VisitScotland . The Review 2022-2023 envelope would reflect only around 60% of that intent, and this is before taking Tourism into account.*
- *In the Budget overview in December we commented on Registers of Scotland funding, noting that: “A reduction in the Registers of Scotland budget also suggests that access to data (such as through ScotLIS) will not be taking the necessary steps forward in the timeframes many of us would advocate. Without access to data about our existing housing stock, delivering net zero will be an almost impossible task.” At that point funding was listed as reducing down to £8.5M in 2022-23. In this Review they have no distinct budget-line set against them, and are described as: broadly self-funded by fees they charge for their services.(p47) Without further detail this appears to detract from, and undermine, the broader digital aims presented earlier in the Review document.*
- *The Skills and Training Budget also appears frozen at around £270M per year for the life of this review, this is also concerning given the investment in skills necessary across multiple areas to enable an effective transition to net zero.*
- *Scottish Funding Council Budget in December was listed as £1,973M – funding now appears to be frozen at £1.501M for the coming five years.*

Any budget freezes, at this point – and with the threat of increasing inflation and growing costs – represents significant cuts, by any other name. That these freezes appear to sit within skills and SFC funding brings direct and serious threats to the future skills and knowledge markets of all sectors.

BEFS concludes that the uncertainty for our cultural-heritage because of the uncertainty of how our places can be supported through planning, tourism, culture, regeneration, and the very data we need to plan for the future, appears to be in a state of flux.

We’d also draw attention to the visualisation produced by Culture Counts: source - <https://culturecounts.scot/culture-budget-tracker>

Comparing Key Budget Lines for Culture (Cash terms) 
10 Year Tracker of Scottish Government culture budgets

£ Millions



Source: Scottish Government Budget Webpage, Scottish Government Budget Archive • Before 2015-16 Historic Environment Scotland (HES) was known as Historic Scotland
COVID 19 Funding is recorded at Level 2 of ScotGov budgets and has been excluded from this chart.

5. 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?

From 2021 BEFS response – national strategies continue to be produced, often without delivery plans and mechanisms, costings, or acknowledged inter-connection (or understanding of hierarchy) between strategies.

Specifically, are there opportunities to develop a more strategic approach through, for example, the medium-term financial strategy, a multi-year spending review and the National Performance Framework? How cultural-heritage can, and does, deliver across the policy spectrum is not fully articulated in Scotland's NPF. Our existing built environment, and our heritage assets (of all types and ages) can, and do, contribute positively towards net zero; as do traditional skills which not only enhance our places, but enable the provision of warm homes and long-term, skilled, employment opportunities. These are only some examples which are not yet captured. Culture and heritage strategies need to be clarified so the funding is implemented accurately.

The government’s own outlined funding of Historic Environment Scotland, even with the nod towards multi-year settlements, whilst reducing to pre-pandemic levels over the coming five years tends more towards uncertainty than sustainability:

Given the expected state of inflation, rising costs, as well as the scale of works implied by the ongoing examination of all high-level sites relating to the Properties in Care, it could be suggested that this budget presents constrained conditions; particularly with domestic budgets squeezed and the return of international tourism far from certain.

6. 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?

Culture Counts is also supporting the use of the TVL scheme – not the only as a step needed, but one which can and should support what makes our places vibrant, thriving, attractive options for visitors.

Further thoughts on this were previously expressed by BEFS Board Member, and heritage professional. Where not only is the TVL supported, but how the funds raised, must be hypothecated are discussed. Extract below.

<https://www.befs.org.uk/latest/waiting-for-the-levy-to-break-suggestions-for-the-hypothecation-of-scotlands-transient-visitor-levies/> (from 2020)

As outlined in the European Commission’s Tourism Policy, the taxation of tourism for a specific purpose, including environmental, cultural, heritage, and social purposes is allowed and many cities within the EU have chosen to allocate revenue for varying related purposes. For example, Hamburg stipulates that revenue is to be invested in tourism, cultural, and sporting projects, while Malta stipulates its use for the maintenance of touristic zones. Other cities, such as the Lithuanian city of Palanga, require the revenue be used for much broader needs, such as the improvements of city’s infrastructure and marketing of tourism.

The Scottish government’s promise to allow local authorities to determine the needs of the locality can serve as a great tool for economic investment in our communities, however, for many countries such as France and Bulgaria that have hypothecated revenue for the purposes of infrastructure or tourism related investment, a greater risk of further perpetuating the problem needs to be realised.

Further, concern is raised over the overwhelming lack of hypothecation of revenue to the mitigation of tourism impacts on our built heritage assets – assets which are in many cases, the primary draw for tourism. While it can easily be argued that heritage could fall under any of the above listed categories, a definitive hypothecation of a portion of the revenue is the only way to ensure the appropriate funds are allocated to mitigate the impact of tourism on our precious and treasured heritage. Additionally, the establishment of an infused revenue stream for heritage-based assets can provide the opportunity to fund more local projects and reduce the stress of current grant-based funding.

Further innovative solutions were made in the **National Partnership for Culture Workshop 3 – Culture and Education** report, these included:

- *create more long-term cross-portfolio funding opportunities, which will in turn bring better partnership working and more sustainable funding. Consideration should also be given to place-based long term funding models which would increase access to opportunities and improve life chances of individuals in communities.*
- *build and develop better coordination and collaboration between the culture sector, local authorities and communities to provide local authorities with an improved understanding of local cultural initiatives. This would support an enhanced understanding of actions that would be beneficial in the context of local schools and community learning.*

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- *create national or regional standardised funding requirements and evaluation to deliver more streamlined sets of data. This could help the sector to identify and share good practice, and work to make the reporting a more efficient process.*
- *ensure that career initiatives, such as the Developing the Young Workforce, are further supporting careers guidance which provides examples concerning careers in culture and the creative industries.*

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Moreover the report from the **National Partnership for Culture Workshop 4 - measuring change** – is commended to the committee in full. <https://www.gov.scot/publications/national-partnership-for-culture-workshop-4-measuring-change-workshop-report/>

Without knowing more about our cultural-heritages – the workforce, the needs, the places themselves we will not be able to make robust, sustainable plans for the future. The gathering, sharing, and assessing of what we know, what we need to know, and how we use that information will be central to innovative solutions to sustain cultural-heritage for the future.

The main ideas on how to move forward were [but BEFS reiterates that the Measuring Change report in full is of value]:

- *a scaled up version of the omnibus survey from Creative Scotland that it is multiagency and provides a single source which can be shared*
- *a centralised reporting system that is completed once rather than continuous reporting to multiple organisations*
- *a cultural observatory and who would own this centrally [Tourism is being formed, and BEFS would be keen to ensure that cultural-heritage is either included or Culture and Heritage receive similar observatories]*

Participants put forward the following points:

- *create a standard set of questions that are embedded in all surveys in the sector that would ensure a centralised collectable set of data.*
- *consider how to work with other data gatherers, such as tourism sector, to build questions into their surveys that would capture culture data.*
- *consider a reporting system that ensures that organisations and individuals are not reporting multiple times.*
- *consider working with a neutral third-party organisation that collates information from organisations.*
- *ensure that indicators provide enough information to demonstrate an accurate description of the cultural landscape and that are able to highlight any issues as they arise.*
- *consider how to ensure that indicators are balanced and flexible to fit with demand and supply information.*

BEFS responses to a number of Consultations in relation to the Built Environment can be found at: <https://www.befs.org.uk/resources/consultations/>

RESPONDENT INFORMATION

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The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference: **Publish response with name**

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We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise? **YES**

I confirm that I have read the privacy policy and consent to the data I provide being used as set out in the policy. **I CONSENT**