

Scottish Contemporary Art Network, Evidence Submission for session January

CEEAC Culture Funding Draft budget scrutiny 2023-2024

Scottish Contemporary Art Network (SCAN) is the member-led network which connects and champions Scotland's contemporary art community. Our network of over 300 organisational and individual members work at the heart of communities from Shetland to the Scottish Borders and from East Lothian to the Western Isles. Our members are a network of free at the point of access galleries, community organisations, and venues together with the artist-led initiatives, agencies, workspaces, and production facilities that support artists to pursue their livelihoods. These anchor local communities, drive the visitor economy, support artists to produce their work and open their doors and activities to their neighbours and visitors alike.

This submission will focus on the impact of Creative Scotland cuts and the role of Regularly Funded Organisations.

SCAN's Response to the Draft Culture Budget for 2023-2024

SCAN members are dismayed that the Culture Budget for 2023-2024 will dramatically weaken cultural provision for audiences in communities across Scotland, and place jobs and fair work for artists and culture sector workers at risk. The proposed 10% cut to Creative Scotland's Grant in Aid represents a hollowing out of the culture funding after more than a decade of steady erosion.

The fragile cultural economy, in the wake of the pandemic, and in the midst of a costs crisis, has memorably been described as experiencing the "perfect storm" by Creative Scotland's Chief Executive. This cut, which is targeted at the Regularly Funded Organisations, Scotland's nationwide network of core cultural infrastructure, leaves culture without a lifeboat. The reduction means that Creative Scotland will have £6.6million less in 2023/24 to support RFOs for which £34m is required each year to maintain funding at current levels.

Should elements of Scotland's arts infrastructure fall now they won't return. We know that the overall culture budget is a very small proportion of Scottish Government spend so reductions here will wreak havoc but not reap significant savings.

Impact on jobs and workforce

The RFO network as a whole, supports around 5000 permanent jobs and over 3500 freelancers every year. These are jobs that if lost will not return. The cut creates two stages of jeopardy for 120 organisations across the culture sector and across Scotland.

In the year 2023-2024 Creative Scotland is now unable to provide planned additional funding to help RFOs, the bedrock of cultural provision, to mitigate the effects of around 14% long term, real terms [reduction in funding](#) and support pandemic recovery. There has been no additional support to deal with the costs crisis.

In 2024-2025 if there is no cost-of-living increase in support, if current cut results in a new low baseline for culture, or if Creative Scotland needs to pass on further cuts, many organisations report they will be unable to survive. Policies in development, such as social prescribing, will rely on nationwide expertise and infrastructure to be implemented. With current timelines, such initiatives will come too late to prevent the depletion of expertise and the survival of core cultural infrastructure, and there will be significantly reduced capacity to deliver Scottish Government aims around health and wellbeing.

While it is welcome the draft budget for Culture recognises the impact of high fixed costs on some visual arts stakeholders, for example, some of the national collections, the RFO network similarly must maintain permanent public buildings, meet high energy costs and meet pay settlements for their workers, the increase in the living wage for their workers in Spring 2023, and a 10% increase in artists fees set by the Scottish Artists Union. For permanent salaried workforce, organisations need to meet the needs of their workers and benchmark increases against the Scottish public sector pay deal.

Role of Visual Arts RFOs

There are 23 visual arts RFOs across Scotland and 3 multi-arts RFOs which have significant visual art programmes as part of their provision. They largely operate as small independent charities with public programmes and support for artists. In some cases, these are the anchor organisations in communities. Some provide core facilities such as studio provision, or production facilities and expertise, without which visual artists could not make work in

Scotland. All these organisations are working in relation to the National Performance Framework and government agendas and pressing issues such as net zero, community wealth-building and health and wellbeing.

The majority of visual arts organisations receive small annual sums of less than 200k a year, transforming this core investment into significant cultural programmes, community assets and capacity, cultural jobs and support for artists. Flagship organisations, who receive hundreds of thousands of annual visitors and employ significant numbers of permanent workers have also experienced long term erosion of funding and are digging into reserves, and are struggling to meet building and energy costs. Many of those who have also received support from local authorities report the complete loss or reduction of such funding since 2020, or envisage cuts in support in 2023/4.

The contribution and challenges facing RFOs are detailed in three case studies at the end of this document.

Current Impact of the Costs Crisis

SCAN surveyed members in late 2022.

- 90% of respondents have been impacted by the Costs Crisis.
- Over 70% of respondents described the impact of the cost crisis as substantial
- One quarter of artists and freelancers who responded have already been forced to seek additional or alternative work.

If Help is not Forthcoming

Organisations

Organisational members report that they are using their reserves. Many are already cutting staff hours, reducing staff numbers where possible and will need to consider redundancies.

- One half of respondents will cancel programmes and projects
- One half of respondents will reduce the services they provide

Amongst individual artists and creative freelancers

Individual artists and freelancers report hardship and opportunity loss. Some are turning to Universal Credit and others are considering exiting the profession

- 20% will Increase personal Debt
- More than 40% will seek work outside culture sector

What our members are Telling us.

1.Impacts and challenges of the Costs Crisis

Rising Operational Costs

“We have recovery funding that will support increased cost of living for the next 12 months but our core organisational costs have risen far beyond the funding available to us after that time.”

“Utility costs have risen exponentially to heat and power our leased, antiquated, and inefficient building. Yet there is little alternative, and this remains one of only empty space in our area that artists have been able to co-opt and utilise.”

“Materials, shipping, Brexit issues, fuel and travel costs all up.”

“Single largest cost impact is gas and electric but all costs including servicing related to H&S and equipment parts have also risen - impacted also by Brexit.”

“We don't run a building but the increased cost of fuel, goods and services has affected our budgets.”

2. Fair Funding for Fair Work

Organisations recognise they must meet pay increases, such as the increase in the Living Wage in 2023, and a 10% increase in artists fees set by the Scottish Artists Union. These must be met despite the fact that funding is at a steep real terms decline. Our individual artist and freelance members report that they are experiencing personal hardship.

“We are facing the challenge of raising additional funds to cover staffing and all activity and building/overheads costs. Keeping up with levels of fair pay and subsequently retaining staff.”

“We have been working to increase rates of pay and the cost of inflation has negated this. We are looking to provide additional cost of living rises this autumn but we will struggle to meet the cost of these rises.”

“The organisation is run with one member of staff on a fixed salary 12-month contract set by our funder. The salary conditions are not enough to support me (I'm also a single parent) and I'm therefore also on universal credit and It's just not enough to live on.”

Case Study 1, Importance of RFOs in community-wealth building

Deveron Projects, Huntly

Director, Natalia Palumbo

“In terms of impact on hospitality, business, education, the importance of core funding for culture is most evident in towns and villages. Deveron Projects has a team of six people and supports approximately 50 artists a year (from residents to visiting facilitators and researchers etc); audiences from all over the UK attend more than 200 events a year, and rent property, stay in local B&Bs, shop locally, go to local pubs and restaurants, contribute to local schools and initiatives. This has an instant impact on a town like Huntly.

Since 2019, Deveron Projects has worked with a local design team of architects, surveyors and builders to vision, design, build and open a new multi-purpose venue, introducing a civic space for regular events and a crafted garden for art and ecology; an active presence in Huntly town square.

The project's aim is to build a place that can act as both a space for the local community and for an international creative community - a space to host events or even incubate community businesses. At the same time as developing the property, Deveron Projects started two food projects: Heritage Bakehouse and Neep & Okra, exploring the capacity for a new community bakery in Huntly and a unique local food ecosystem. Deveron Projects supported them to become independent, hosting them free of rent and overheads in Square Deal for 12 months, demonstrating the building's functionality as a space for incubation for local initiatives.

In May 2022, we opened the building more broadly to the community. Square Deal has already been a fantastic venue for pop up meals, community lunches and talks, cooking workshops, meetings and more. The venue will continue to host Deveron Projects' Home Programme (Friday Lunch, Reading Together, Food Chain); provide a space for artists in residence to test ideas; and provide a space for the community to hold their own events and projects. From 2022, Square Deal became free to use for community groups and available for hire for commercial organisations.

Deveron Projects has played a massive role in the regeneration of Huntly and is still one of few organisations who could be in a position to act as custodians of historic buildings and contribute to a previously declining town centre. In terms of evaluation, a lot of verbal feedback that we receive at community events clearly demonstrates the impact that our programme has on the wellbeing of already isolated community members. “

Case Study 2, Impact of RFO Cuts on Rural Communities

Atlas Arts, Skye, Raasay and Lochalsh.

Director Ainslie Roddick

“Many organisations simply won’t survive even standstill funding, I want to know how much this had been considered by the government, in particular in relation to rural and small communities, the wider economic impact and opportunities for young people. The budget news compounds the cuts already faced by cultural spaces and projects – community arts organisations, writers’ groups, cinemas, theatres, galleries, festivals – who have been surviving on standstill funding since 2015. That is, the same level of funding for seven years, with no additional uplift even for inflation.

It appears too that whilst major events and themed years have received increased investment, smaller community focused organisations and freelancers may not be protected. ATLAS Arts has since 2015/16 received £150,000 each year from Creative Scotland, and this has until now given us some security to plan ahead to make sure our work has the greatest impact. The funding helps us grow our income and projects from a relatively stable core. With this we had been able to ensure that next year we can support four salaries, two ‘boat build cafes’, a community boat race, a new Gaelic children’s book, a Gaelic artist residency, two long-term artist commissions with Scottish artists, the sharing of community cinema equipment, a free to use publication studio, a library of community made books, film screenings and multiple partnerships across Skye, Raasay and Lochalsh. Talking in numbers and data only gives a tiny picture of the value of art, but our team tries to be a connective tissue, working as part of a community to carry and reinforce the work of other people and organisations locally. The Scottish government’s Culture Strategy notes that “that culture is central to Scotland’s wellbeing and cultural, social, economic and environmental prosperity” placing “culture as a central consideration across all policy areas, including: health and wellbeing, economy, education, reducing inequality and realising a greener and more innovative future”. We at ATLAS Arts believe totally in the vital role art plays as part of a healthy, connected, fairer society. Cuts to the cultural sector will mean the loss of jobs, and will also have huge ripple effects on education, health and wellbeing, Gaelic, nature, the economy, young people’s opportunities and rural communities.

In recent years our work has included cooking apprenticeships with local restaurants, and huge investment in local highlands and islands freelancers. ATLAS creates jobs and training opportunities for young people that have a huge effect in our rural location. We have a community boat building project underway, building two St Ayles Skiffs in Plockton and in Portree, aiming to bring back a lost boat race from Plockton to Portree. Culture creates community and resiliency, reinforcing the Scot gov aim of Supporting our communities. Our projects explore land ownership, land management, relationships to tourism, housing, ecology, climate, exploring the futures of the Highland and Islands with local people - in preparation for a changed future. We connect all of these conversations to the rest of the world, celebrating Scotland in the world through the sharing and making of Gaelic and Scottish culture, and learning about our history. I see so many people tell of the moment they realised they could be something different when they first encounter art, people finding comfort and belonging, transformed by a book, emboldened by a film, finding community in a project, or shelter in a cultural space. We do need to fight to keep our cultural ecology, because once it's gone, it's gone. The arts sector has been implementing Scottish government fair work practices, paying increased living wage and artist union rates each year. We have vastly increased bills and a local economy to support. I recognise that there are difficult decisions being made and the pressure on our public services is huge. I would never position my own organisation as more worthy than any other public organisation for support. I want to be clear what this financial position means for the culture sector in Scotland, as well as for the objectives of the Scottish government's wider programme. A 10% cut will require salary savings for us, and will wipe out our programme budget."

Case Study 3, Impact of Standstill Funding for RFOs

Fruitmarket Gallery, Edinburgh

"Our position in Scotland's cultural life:

Audience figures are gradually returning to near pre-pandemic levels with 96,000 visitors since April 2022.

We have worked with 221 individual artists and worked in partnership with 42 cultural and community organisations in our programme and engagement work.

Through a diverse programme with a range of cultural opportunities for artists and audiences, we have supported a range of creative practitioners to develop and present their work including; 78 visual artists, 18 writers / poets, 30 zine / comic book makers, 17 book makers / illustrators, 11 dancers, 55 musicians, 7 performance artists, 3 photographers and 2 video artists Film makers. This has involved the following opportunities; 36 exhibitions, 104 showcases for creative practitioners, 4 public speaking fees and 59 performances.

Financial position:

Despite our success, and our vital role in Scotland 's cultural and our future existence have become precarious.

- Our energy costs have more than doubled this year
- The cost of applying the Living Wage and its equivalent across our team of 53 is an additional £105K
- We will end the year having used £106K of our reserves
- By the end of 2024-25 we expect to have used up all of our reserves on running the organisation
- After 2025 we will have a funding gap of more than £300K in addition to our £450K fundraising and £700K earned income targets

The amount of our only public funding (through Creative Scotland) has not changed in 16 years. In this time we have:

- Doubled the size of the building with contingent staffing, heating and other costs
- Greatly increased our programme of events, engagement and cross-artform activities meeting demand from practitioners and audiences.

Our public remit is clear, our cultural and social impact undeniable and this can only be sustained if we have an underpinning of public subsidy and the accountability which follows.”