

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. Our individual members are artists, educators and creative workers from across Scotland.

SCAN is calling for an urgent increase in overall cultural spend, along with urgent, targeted and transparent support measures to address the ongoing crisis in the cultural sector.

Surveyed in August 2023, SCAN organisational members reported:

- Reduction in income of up to 40%
- Increase in costs of an average 30%

Organisations are drawing on reserves and face uncertain futures. In July 2023 one SCAN member North Lands Creative in Lybster, Caithness went into administration.

A gallery with 25 employees reports:

“Like many arts organisations across Scotland, we are faced with significant financial challenges, as we work to balance rising costs with falling income. The costs of operating our site significantly exceed our current income...we have been able to manage this deficit in the short term through drawing on our reserves.”

A studio provider reports:

“The most significant costs increase has been gas and electricity - our electricity tariffs increased by 400% in January 2023, and our gas tariffs increased substantially in 2022 with further increases expected when these renew in early 2024 - which we forecast could increase by a further 57% based on today's energy market...we have ringfenced our maintenance budget, but as the costs of services, materials and contractors are also increasing, we are having to prioritise the most essential repairs.”

A community focused festival reports:

“We are at risk of losing staff that we have spent years and resources training and developing, as we near closer to the end of contracts without the ability to extend them meaningfully. This is in opposition to the massive improvements we have made in recent years regarding Fair Work, access and inclusion, and diversity.”

One of Scotland’s most important arts venues with 80 employees reports:

“For this coming year alone, we face a c £300k deficit on a very stripped back programme.”

Individual artists surveyed reported:

- Increases in costs, such as materials, shipping, studio hire and energy costs for practice of between 10% and 50%
- Loss of income (through for example sales, freelance and sessional opportunities and funding) of between 10% and 30%.

Government Spend

Spending on culture has continued to be an extremely low priority for both Scottish Government and Local Authorities in Scotland. The Culture Portfolio is tiny, at around 0.58% of total Government spending (Scottish Budget: 2023-24 [www.gov.scot]). The 2019 CTEEA report, Putting Artists in the Picture, recommended a baseline target for culture funding above 1% of the Scottish Government’s overall budget, on a cross-portfolio basis. SCAN supports this 1% target and calls for the implementation of the report’s recommendations.

It is well established that Scotland is not meeting the cultural spend of international comparators. Scotland’s cultural spend lies around 28th of 34 countries in Europe.

There has been no new available emergency support from Scotland for the sector since the pandemic. For around a year now sector support bodies have been asking for clarity about government priorities as we face the crisis of standstill funding, Brexit and costs crisis increases. For many organisations and for precarious freelancers and individual artists the uneven landscape of arts funding can be hard to understand or access. Current indications are that the forthcoming multi-year funding process at Creative Scotland will result in the loss of significant capacity, loss of workforce and closure of venues or organisations in the sector as standstill funding has created a black hole in the cultural economy in Scotland and available funds are less than half of indicative need for support.

Policy Context

Alongside the budget challenge, and closely bound up with it, the next most significant challenge for culture in Scotland is that the current crisis, and major changes to the funding portfolio within Creative Scotland's budget are unfolding within a highly uncertain strategic and policy context.

The Cabinet Secretary began a series of roundtables on resilience in the cultural sector on December 1 2022. In February the CEEAC wrote to the Cabinet Secretary in response to pre-budget scrutiny. Scottish government officials have engaged with the sector about the Cultural Strategy Refresh from May 2023. At time of submission, in August 2023, the Cultural Strategy refresh is as yet unpublished and there has been no published action plan in relation to the costs crisis or the wider strategy position.

Funding Context

Creative Scotland's Multi-Year Funding Process for organisations is about to be launched, 500 organisations across the country have indicated their intention to apply, with a joint indicative ask of £113 million against project available funding of £45m. The first stage of the application must be submitted in October. The full scheme, including the questions that will be asked, the equalities impact assessment and the full nature of assessment processes have not yet been published. The published guidance for the scheme suggests that it places all applicants for multi-year funding in a single process, for example placing small charities asking for 50k in direct competition with major infrastructural organisations asking for many millions.

There is no upper limit on the ask and at time of submission no indication of banding or clear proportionality in the application process. This will be the greatest upheaval in public funding for the arts in a decade and place significant demand on Creative Scotland itself. Current indications are that the process will result in the loss of significant capacity in the sector as standstill funding has created a black hole in the cultural economy in Scotland and funds cannot match the ask.

It is important to note that Creative Scotland's organisational spend is just one element of a complex ecology of funding for Scotland's artists, art worker and art organisations. Individual artists report that affordable studio provision and access to paid opportunities is key to resilience and these are the areas where they are experiencing some of the greatest pressures.

Cross Portfolio working and partnership

As the committee heard last parliamentary session, The Culture Collective Programme, which invested in partnership and in some grassroots organisations in Scotland, with a clear strategic focus around employment opportunities for artists, geographical reach and community focus, is now reaching an end.

The discussion of cross-portfolio initiatives remains an aspiration within the cultural strategy and within the committee's findings. Many experienced stakeholders within the cultural sector and within areas such as health and social care stand ready to share expertise and to discuss mechanisms and initiatives in this area, but neither government nor major funders have yet engaged in significant work to understand potential or current mechanisms or to devise new policy initiatives in this area. The Creative Scotland Multi-Year process aligns its funding criteria to cross portfolio aspirations such as Net Zero, but does not unlock new mechanisms, funding pipelines or partnerships to drive this.

UK Government

SCAN welcomes the Scottish Government's support for the retention of the cultural tax reliefs and in particular Museums and Galleries Exhibition Tax Relief, and is grateful for the advocacy with Treasury and DCMS.

The cultural sector in Scotland recognises areas where there are significant benefits to co-operative working, advocacy and joint initiatives with UK institutions and UK government departments and looks to the Scottish Government to have ambitious, productive and co-operative relationships within the current devolution settlement.

DCMS/BEIS

For those SCAN members who engage in international activities and those who are engaged in commercial activities, particularly through international art fairs, exhibiting overseas, working with commercial galleries, there remains significant need arising from the impact of Brexit and the higher costs of international transport, travel, loans and exports. This is an area where the help of BEIS and DCMS could have a significant impact in supporting travel, international exhibiting and cultural export.

Net Zero

The approach to Net Zero provides a tremendous opportunity for cultural organisations to make significant and positive change, including new initiatives and the futureproofing of the cultural estate. We know that many individuals and organisations within the culture sector are aligning their programmes and values around climate awareness and action.

Currently there is no capital funding at all for Creative Scotland funded organisations, which means that it is impossible for them to undertake carbon adaptation of their buildings, and the landscape for the wider cultural estate from national collections to local authority museums is highly variable. Organisations find themselves in a complex position where they are asked to provide leadership in climate awareness, work hard on their own carbon management through mandatory reporting and reduction commitments but are unable to access carbon adaptation funds and see that other sectors of the economy or channels of public investment are not mobilised or committed to these goals.

A joint approach with Westminster to investment in Net Zero is vital, otherwise this simply becomes another impossible cost for the cultural sector to bear.

Other support

We know that audiences and artists are making powerful calls for arts organisations to deliver programme and funding strategies that meet their ethical positions, yet discussion with Scottish Government increasingly places emphasis on reliance on philanthropy and sponsorship. While most Scottish cultural organisations engage with trusts and foundations, a future greater emphasis on philanthropic funding, individual giving or corporate sponsorship, places very high reputational and practical risk on organisations and artists with few tools available to support them in due diligence, investment policy making and support for the process. At the same time the small amount of support circulating through schemes like Culture & Business has experienced funding delays and/or reductions.

The development of this kind of support is not a substitute for core funding and public investment. The Scottish Government is also at risk of misunderstanding the nature of, and availability of, philanthropic investment in culture. The pandemic and costs crisis has seen greater competition than ever for this kind of support.

Trusts and foundations rarely provide support through a motivation to replace core funding, or substitute for government investment, but are more likely to build targeted and strategic initiatives with clear aims, and short to medium term focus. A shift in emphasis to greater reliance on philanthropy and/or sponsorship is fraught with conflict around greater policy goals, resulting in the kind of conflicting positions across Scottish government policy that were revealed around the recent proposed alcohol advertising legislation.

Organisations need support and positive frameworks to explore what kind of philanthropic support or sponsorship is appropriate for their own programmes, ethical frameworks and for the communities they work with. Artists need to feel confident that they are working in safe and appropriate contexts. Audiences will increasingly be concerned to align themselves with values.