

SUBMITTING EVIDENCE TO A SCOTTISH PARLIAMENT COMMITTEE

DATA PROTECTION FORM

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Date:	17/4/19
Organisation: (if required)	Culture Aberdeen
Topic of submission:	Arts Funding

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CULTURE, TOURISM, EUROPE AND EXTERNAL AFFAIRS COMMITTEE

ARTS FUNDING INQUIRY

SUBMISSION FROM **CULTURE ABERDEEN**

Culture Aberdeen

Culture Aberdeen is a network of organisations committed to the development of a vibrant, inclusive and economically sustainable creative and cultural sector in Aberdeen. Its membership stretches across the cultural, public, private, community and education sectors, including University of Aberdeen, Robert Gordon University, Aberdeen Civic Forum, Aberdeen and Grampian Chamber of Commerce, Aberdeen City Council, Creative Scotland, Aberdeen Festivals, and all the city's cultural organisations.

Culture Aberdeen has developed a ten year strategy which is available to view in detail at: <https://www.aberdeencity.gov.uk/services/leisure-culture-and-parks/culture-aberdeen-cultural-strategy-2018-2028>

The strategy sets out five ambitions for the future of culture and creativity in Scotland's third city:

- Extending and enriching participating and engagement in culture
- Support and development for creative practitioners
- Uses and develops our cultural infrastructure but also recognises the city as a backdrop to cultural activity
- National and international recognition of our creative and cultural sector
- Develops the cultural sector

The strategy has been developed within the context of relevant local and national strategies, including the emerging National Cultural Strategy, the Local Outcome Improvement Plan, the revised National Performance Framework, and Creative Scotland's strategy. It has been fully endorsed by Aberdeen City Council.

What are the major threats to sustainable funding of the arts in Scotland?

At the outset we want to make it clear that there is a symbiotic relationship between cultural organisations and individual artists. One can't exist without the other and a healthy creative ecology is dependent on understanding and promoting this.

Since the recession of 2008-09 and the austerity programme initiated by the UK Government in 2010, it has been a very challenging decade for organisations and individuals securing public and private investment in the arts in Scotland. The future outlook is even more concerning, with local authorities projecting further substantial savings needed over the next three years in non-statutory areas, and the Scottish Government's five-year financial strategy suggesting that the national resource budget will be at best static.

This means that there hasn't been sustainable funding of the arts for some time (assuming

it existed before 2009). Standstill national budgets (with any increase in grant in aid merely filling the gap left by reducing National Lottery funding) mean that at best there has been an estimated 25% reduction in real terms over the last 9 years of national level funds. At a local level, this has been combined with reducing local authority culture budgets. In March Aberdeen City Council approved a 19% reduction in their culture budget for 2019/20. The net impact of the two main sources of public funds in Aberdeen has been a real term cut of approximately 40% over 9 years.

Both national and local level funding come with increasing demands, both in terms of the processes in securing and reporting on the funding and in required deliverables. Simply put, much more is being demanded for much less money.

In neither case has there been any dialogue with the sector or individual organisations or indeed between national and local funding agencies about what is achievable and what 'sustainable' looks like. Funding decisions seem to be made in a strategic vacuum at both a local and national level.

This lack of dialogue and a seeming lack of strategy in decision making then leads to reinforcing geographical inequities in funding spread, with Aberdeen receiving a disproportionately low amount of national level funding.

Despite this, cultural organisations in Aberdeen have sought to diversify their income base, and have demonstrated a remarkable resilience. However, for the reasons set out below, it is questionable for how much longer this can be sustained:

- Overall costs for cultural organisations and independent artists looking to produce their projects continue to rise well above inflation, including in areas such as staffing and energy.
- Austerity has affected the whole of society, so there is limited scope for increasing revenue from box office without impairing access and inclusion, or indeed pricing the organisation and artist out of the market.
- The impact of digital on people's lives has increased the demand for communal cultural experiences, yet cultural organisations have less capacity to maximise this opportunity.
- The corporate, trust, foundation and donor environment is becoming increasingly competitive with success rates declining irrespective of the quality of applications.
- The increased requirements of a more diverse set of funders must be serviced while seeking to contain management costs.

In parallel, the lack of long term funding commitments from both local and national funders impedes organisations' ability to plan effectively. Cultural activity rarely fits into a neat annual cycle. Decisions often come late in the day – with Creative Scotland only confirming funding for the current three year RFO cycle two months before it started, and Aberdeen City Council only agreeing the 2019/20 budget in March 2019. This creates significant levels of uncertainty and a disproportionate amount of time spent going through funding processes rather than producing and presenting culture. Both of these provide major threats to the medium term sustainability of the sector.

Many cultural organisations are facing major issues in addressing future as well as historic pension liabilities. This has the potential to significantly undermine sustainability within the sector in the medium and long term.

There are other publicly funded organisations engaged in developing, promoting or delivering arts activity. In Aberdeen this includes the local Business Improvement District organisation. It is unclear how decisions are taken to fund a BID organisation to deliver cultural activity by a local authority which at the same time is implementing major cuts on local cultural organisations.

Lastly, there has been investment in some major capital projects in recent years in Aberdeen, specifically focused on refurbishing two historic buildings. However, future development, both large and small scale, is compromised by the lack of either regular large or small scale public funds for capital works. This is not sustainable in the medium term.

What are the main challenges for artists and cultural freelancers in obtaining funding in Scotland?

Creative Scotland's arts strategy from 2016 highlighted that around 80% of artists in Scotland earn less than £10,000 per annum through their artistic output. For culture to thrive, it is essential that the independent role of artists as self-directing decision makers and influencers is supported. They need access to clear foundational funding routes at different stages: to enable them to focus on their research and development, take risks in the production of work, and create opportunities for artists to find audiences and vice versa.

Partnerships between artists, freelance creative producers and cultural organisations are often essential to realising all these parts of the artistic process and bringing additional resources to the table. Ensuring these interdependent parts of the cultural sector can flourish needs multiple support routes.

It would be useful to develop a clearer map of key flows of funding across Scotland benefiting different parts of the freelance cultural workforce. Understanding and maximising these flows is likely to be even more critical for the future as pressures continue to mount on all levels of public sector budgets, at the same time as further threats to lottery income.

There are additional challenges for people from outwith majority and middle class communities in developing and sustaining artistic careers. To change this profile for the better, a sustained pipeline of support is important for talented people to develop and progress as well as to enter the culture sector. Focused and co-ordinated support opportunities to provide long-term pathways for individuals, albeit limited in number, may prove more effective in growing a diverse new generation of cultural leaders than a higher volume of interventions that do not systematically address gaps and transition points.

Lastly, there is a specific issue for artists and other creative talent based outside of the central belt with talent attraction and talent retention. If the opportunities aren't there then people won't stay. The opportunities won't be there unless there is a strategic recalibration of national level funding outside of the central belt.

What measures could the Scottish Government take to ensure a sustainable level of funding for the arts?

The Scottish Government's consultation on a culture strategy for Scotland in 2018 included a section on 'sustaining culture' and the consultation responses from a diverse national cross-section of consultees should inform this parliamentary inquiry, as well as the inquiry results feeding into future national arts funding policy. The draft culture strategy acknowledged that culture is allocated relatively small amounts within overall public sector budgets yet it achieves much for many. There is a growing gap between the resources available and the potential benefits that Scotland's creative talent offers our society.

A future arts funding framework should aim to galvanise all parts of the sector and stakeholders to create an enabling environment for generating additional investment. This task of creating the conditions to help generate new investment is a fundamental first-order priority for sustaining culture across Scotland. Questions around how national public funding for culture is best distributed should not overshadow this primary goal.

Culture Aberdeen therefore welcome the Scottish Government commitment to explore the potential of powers such as the Scottish National Investment Bank, devolved tax and legislative powers. In particular there is a key opportunity to empower local authorities to help find new solutions such as through the forthcoming Transient Visitor Levy legislation. Increased incentives for philanthropic donors would also help to increase the attractiveness of Scottish propositions.

These vehicles can release foundational public support against which private income can be generated to multiply the investment of the public pound, including supporting innovations that could generate tradeable assets, new sources of value or outcomes of interest to social impact investors. In exploring these new directions, it will be important to build on the principle of drawing on arms-length non-political specialist expertise to develop cultural policy and funding models that has been critical to the development of Scotland's cultural community.

The draft culture strategy also reflected a growing recognition of the role of culture in making progress in health and well-being, economy, education, reducing inequality and increasing environmental sustainability. The increasing interest in culture from public policymakers should be accompanied by co-creation approaches with match funding from these sectors, building on models such as the Cultural Commissioning Programme in England.

Whilst it is excellent that culture is now properly recognised within the national performance framework, and that there is a draft national cultural strategy, it is questionable whether it will be deliverable unless there is a statutory duty for local authorities relating to supporting cultural access and provision, otherwise other statutory responsibilities will always be given priority.

Relevant international examples of best practice?

The latest Quebec culture policy published in June 2018 committing the government to encourage cultural philanthropy through fiscal measures, and increase levels of government support to unprecedented levels for creation, production and sharing of high quality and innovative culture, may be worth consideration. Their cultural strategy also commits to practical measures for improving the lives and livelihoods of artists – including

exploring means of adapting fiscal measures to their reality. Quebec has been a pioneer in adopting two statutes on the status of the artist and introducing assistance programs as well as tax or social protection measures for artists.

In Brazil, the cultural foundations SESC and SESI were set up by philanthropic leaders of the commerce and industry sectors in 1946 to promote social welfare, cultural development and improving the lives of workers, their families and the communities they live in. Their revenues come from a 1.5 percent tax paid by every company according to the size of their payroll, and directed to the cultural foundations. Their funded programmes focus on citizen engagement through a wide range of interventions including connecting grassroots cultural movements in favelas and community centres to the practice of world-renowned invited artists.

In Australia in 2014-15, the federal government decided to reallocate funding worth nearly £60m over four years - a third of the ongoing arts funding - away from the arms-length Australia Council for the Arts to create a directly run government programme. The arts sector protested and a subsequent Australian Senate inquiry published a report in December 2015. The report expressed strong support for the system maintaining arms-length non-political specialist expertise in arts funding through the Australia Council; and advised that the funding policy and framework should aim to support the whole cultural ecosystem including small and medium sized organisations and independent artists, having regard to the challenges of operating across urban and rural Australia. As a result of this controversy and policy changes following the 2016 elections, the frameworks of the previous period are no longer in place and the Australia Council has had its funding and its policy leadership in these areas reinstated.