



# CULTURE COUNTS

23rd November 2017

Dear Katy and Mark,

I am writing to bring to your attention a report which is the result of our Culture Counts core members' event which took place on Fri 6th October at The Mitchell Library in Glasgow. The event allowed us the opportunity to put questions to the sector and to gather evidence on some of the big issues. We hope you find the report useful.

I would like to take this opportunity to provide the CTEER committee with some background information by way of input to the Committee's budget scrutiny for your meeting on 21<sup>st</sup> December 2017.

## **Brexit**

There are wide financial implications impacting on the cultural sector due to the uncertainty caused by Brexit. The issues caused by Brexit cannot yet be measured, though the following areas are already apparent:

- Festivals contract performing artists up to 24 months in advance; European promoters who are soon to be International to the UK (depending on freedom of movement negotiations) may avoid Scottish acts as they have the potential to increase costs due to potential increased taxes and visa charges which are as yet unknown. Similarly festival promoters working in Scotland need to be able to budget to bring in acts though they too are struggling with unknown visa and taxation costs.
- Access to funding distributed by European Organisations depend on partnership working; EU partners may well be avoiding UK partners as it would create project uncertainty which many would find unworkable in the short and longer-term. The total level of EU funding for the culture and heritage sector in Scotland is estimated to be over £59m, covering around 650 projects funded since 2007<sup>1</sup>.

- Uncertainty around membership of the National Import Reliefs Unit causes concern and causes delay in agreements for the loans of cultural artefacts in our museums and galleries.

## Tourism and Culture

The British Council 'As Others See Us' report shows that Britain was ranked 2<sup>nd</sup> overall for "attractiveness" among the top 15 global economies<sup>2</sup>. The top characteristics making Britain attractive were, cultural and historic attractions, cities and arts. In 2015 Scotland attracted over 14.6 million visitors. Spending by tourists in Scotland generates around £12 billion of economic activity in the wider Scottish supply chain and contributes around £6 billion to Scottish GDP (in basic prices). This represents about 5% of total Scottish GDP<sup>3</sup>.

## Scottish Culture Funding Shortfall

For the 2018/19 year we are facing arts cuts to Scotland's share of the national lottery income alongside cuts to local authorities caused by the potential impact of £46million which will also be removed from the sector should the Cabinet Secretary for Finance & the Constitution decide to implement section 24 of the Barclay Review. Further to this the sector has been top-sliced for many years; and we would need an investment of £40 million to bring us back into line with funding in 2010; which would be £48 million including inflation.

The Creative Scotland budget has been reduced significantly over the past five years. Despite this, the Creative Industries are a growth sector for the Scottish Economy (up 23% since 2014)<sup>4</sup> demonstrating their resilience and entrepreneurialism. However cracks in the system caused by cuts to the cultural sector the eco-system that delivers the Creative Industry workforce and economic benefits, take a while to appear. I believe that we have now reached a tipping-point and that funding for the sector needs to be restored urgently or we risk going backwards in terms of industry growth; I would like to make it clear that **we are already going backwards in terms of equalities, diversity and access to the industry**<sup>5</sup>.

Although figures for cultural engagement are growing, there continue to be inequalities in engagement. Those from lower socio-economic groups, from deprived areas or with a long-term physical or mental health condition, and those who do not have university degrees are not engaging in culture to the same extent as the larger population.

- **Creative Scotland 2018/19 is facing a shortfall of approximately £30million<sup>6</sup>.**
- **The Scottish Government's contribution to Creative Scotland has dropped from almost 80% of the total to less than 60%. This was masked to an extent by Lottery funds; these are now in decline, with support for the arts now down over one-third from the peak in 2013/14 and forecast to fall further<sup>7</sup>.**

### **The Wider Cultural Sector**

- **The wider Cultural Sector in Scotland has experienced cuts of £40million since 2010 (£48million in real terms)<sup>8</sup>.**
- **Cuts to local authority funding totalling over £2.6billion since 2010 have directly impacted on the cultural sectors ability to attract people equally to the sector at entry level and as above this may be further impacted if section 24 of the Barclay Review is implemented.**

### **The Barclay Review**

As mentioned above section 24 of the Barclay Review proposes to remove rates relief from Arms' Length External Organisations (ALEOs). As you will likely know, in many cases local authorities across Scotland moved to the ALEO structure to secure the future of local culture and leisure services. This was especially urgent after the impact of the 2008 financial crash and subsequent continued reductions in local authority budgets, as in other areas of public finance.

We know from our membership that ALEOs across Scotland are already financially struggling to provide even the most basic of local cultural opportunities for citizens and that any further reductions in funding could lead to closures of local theatres, galleries, libraries and museums.

SPORTA (Association of Culture and Leisure Trusts) have recently surveyed their members in a Barclay Review impact study and they reported that as trusts are focused on services best fitted to each unique community, the impact to leisure and cultural services will be felt in different ways in different areas. However, the result, nationwide, would be:

- a. Facility closures
- b. Redundancies
- c. Significant price rises
- d. Reduction in opening hours
- e. Loss of programmes not financially sustainable
- f. Withdrawal of sports club and sports development support

### **What does the cultural sector deliver for the people of Scotland?**

#### **Here are some highlights:**

- The positive benefits of music have been explored in a wide range of disciplines. A systematic literature review by Professor Sue Hallam finds that there is a relationship between active engagement in music and cognitive, educational, social, emotional, health, physical and behavioural benefits, including improved aural perception and language skills, literacy, memory, spatial reasoning, educational attainment, educational motivation, social cohesion and inclusion, pro-social behaviour, empathy and emotional intelligence<sup>9</sup>.

- Research conducted using Scottish Household Data, demonstrated that people who have attended a cultural place or event in the previous 12 months are almost 60 per cent more likely to report good health compared to those who have not<sup>10</sup>.
- Learning through arts and culture has been shown to improve attainment across many other aspects of the school curriculum. Participation in structured arts activities increase cognitive abilities, and taking part in structured music activities improves attainment in maths<sup>11</sup>.
- 95% of the Scottish population believes that creative activity is essential for children and young people's learning and well-being<sup>12</sup>.
- One third (33%) of visitors chose Scotland as their holiday/short break destination because of its reputation for history and culture and 9% because of 'My Scottish Ancestry'<sup>13</sup>.
- Culture and heritage is celebrated throughout the country, with Scotland's cities, towns and villages playing host to over 200 festivals each year. Events cover the length and breadth of Scotland all year round.
- The arts sector has an incredible reach. In 2015/16 over 1.6 million opportunities were created for young people to participate in music and youth arts through organisations supported by Creative Scotland.
- Edinburgh's status as 'The World's Festival City' continues to attract artists, audiences and media from over 70 countries, audiences of over 4m and generating £261m annually.

### **Why is the cultural sector going backwards in terms of equality, diversity and access to the industry?**

Artists and cultural freelance workers often experience inequalities in work and barriers to career progression. The particular problems that they face include low / unfair pay and conditions, working for free, intermittent and unreliable work leading to a greater tendency to follow portfolio and freelance careers. Because of these barriers, arts and cultural industries continue to lack diversity in terms of ethnicity, class and disability. A recent survey by Creative Scotland in 2017 reveals that<sup>14</sup>:

- Respondents are highly educated, have comparatively high levels of home ownership, and a higher than average number of people were privately educated (14% compared with 4% in Scotland as a whole). In addition, nearly half received financial support from family or friends to support their professional career in the arts. This finding suggests that **those who are in a stronger financial position are often better able to sustain a career in the arts.**
- Economic challenges were more acutely felt by women, people with parental responsibilities and disabled people.
- A high proportion (41%) of the arts workforce are working as freelancers, and work in other roles to support their artistic careers, and around a third work part time. (Freelance work is notoriously insecure, with freelancers losing out on sick pay, pensions and other employment benefits).
- Respondents highlighted the challenge of maintaining artistic practice while having to work out-with the sector for financial support.
- Incomes within the sector are well below the national average (the median income reported was just £20,000).

We are calling for the budget for 2018/19 to recognise the vital role of public subsidy in securing the creative economy and addressing the challenges of equality and diversity within our sector.

**Just 2 per cent of the £2billion allocated to Scotland would go towards ensuring the delivery of 'Culture for All' making access to arts and culture a reality for people in Scotland.**

We would be pleased to meet you or your officials or to provide further information if that would be helpful.

Yours sincerely,

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- 1 <https://www.historicenvironment.scot/archives-and-research/publications/publication/?publicationId=4a41c670-4e72-47b6-86e6-a79200c37cd8>
- 2 <https://www.britishcouncil.org/organisation/policy-insight-research/research/as-others-see-us>
- 3 <http://www.gov.scot/Topics/Business-Industry/Tourism>
- 4 <http://www.gov.scot/Topics/Statistics/Browse/Business/SABS/KeyFacts>
- 5 [http://www.creativescotland.com/\\_data/assets/pdf\\_file/0017/42920/Arts-and-Diversity-Survey-Summary.pdf](http://www.creativescotland.com/_data/assets/pdf_file/0017/42920/Arts-and-Diversity-Survey-Summary.pdf)
- 6 Culture Counts Excel Creative Scotland Cuts since 2010 (Enclosed/Attached)
- 7 <https://www.thestage.co.uk/news/2017/502931/>
- 8 Culture Counts Excel Wider Cultural Sector Cuts (Enclosed/Attached)
- 9 The Power of Music, Hallam, S.2015
- 10 Healthy Attendance? The Impact of Cultural Engagement and Sports Participation on Health and Satisfaction with Life in Scotland, Scottish Government 2013
- 11 Cultural Learning Alliance, 2011
- 12 Scottish Opinion Survey TNS, September 2014
- 13 Scotland Visitor Survey 2015 and 2016, Visit Scotland 2016
- 14 [http://www.creativescotland.com/\\_data/assets/pdf\\_file/0017/42920/Arts-and-Diversity-Survey-Summary.pdf](http://www.creativescotland.com/_data/assets/pdf_file/0017/42920/Arts-and-Diversity-Survey-Summary.pdf)