

Constitution, Europe, External Affairs and Culture Committee Funding for Culture inquiry Submission from the Federation of Scottish Theatre (FST)

Introduction

FST welcomes the opportunity to present views to the newly formed Constitution, Europe, External Affairs and Culture Committee. This submission has been compiled by inviting the views of all of our members and undertaking consultation with them before and throughout the pandemic period. It is focused specifically on the performing arts and our membership working in dance, theatre and opera in Scotland. For a wider view across the cultural sector, the submission by Culture Counts, of which we are member, will be an essential contribution to this Inquiry.

About the Federation of Scottish Theatre

FST is the membership and development body for professional dance, theatre and opera in Scotland, bringing the sector together to speak with a collective voice, share resources and expertise and promote collaborative working. As of this week, FST represents 265 members. This encompasses professional organisations and individuals, from national performing companies to individual artists creating their own work, and the independent producers who support them. We count all of Scotland's professional producing companies as members as well as members who provide support to parts of the sector or work in different ways to create, develop and produce live performance for audiences across Scotland, in the UK and overseas.

Current economic model of the performing arts

While public funding is crucial to the performing arts to ensure our ongoing contribution to Scotland and its recovery from the pandemic, the economic model of the performing arts is complex. Organisations and individuals working in the sector generate income from a wide range of different sources. These include fees, commissions, work or collaborations outside or adjacent to the sector, local, national and international residencies, co-production and touring, box office, catering, event hire, rental, merchandise, sponsorship, grant funding from private trusts and foundations, individual giving and borrowing.

Impact of COVID-19

Prior to the pandemic, FST members turned over more than £100 million per annum on public investment of well under 20% of that amount. Research from one of our members, Pitlochry Festival Theatre, showed that every public pound invested in the Theatre produced a return of between £17 and £204. FST members created local jobs and supported - or were - artistic, technical, production and design freelancers all over the country, contributing to a much wider supply chain, and attracting more than 2.5 million people to productions each year.

Ironically, the success of the performing arts in reducing reliance on public funding means that they remain exposed and vulnerable to the unprecedented shut down of demand that occurred, the ongoing uncertainties because of the current 'spike' and the fact that they were one of the last sectors able to re-open or resume work. Even then, this has been at partial capacities due to safety mitigations. In many cases, of course, these are voluntary measures members are not legally obliged to take but are taking to ensure public safety and confidence and to support the Scottish Government's efforts.

The impact of the performing arts

The performing arts in Scotland are highly interconnected, interdependent, and diverse. This diversity includes the scale and range of organisations, buildings, companies, and individuals involved, employed and engaged; the type of work that is created, developed and produced; the geographical locations of the communities served; the multiplicity of business and artistic models; and, the ways in which work and opportunities are created for audiences

and for deep engagement by individuals and communities. Members were keen to stress that audiences and participants are the ultimate beneficiaries of public funding in the performing arts, and that investment in the performing arts is investment in them.

Crucially, the performing arts contribute to an exceptional range of different outcomes beyond the essential cultural value they bring. These include: the economy, community-building, place-making and regeneration, health and wellbeing, tourism, Scotland's national and international reputation, and a more environmentally sustainable Scotland.

Prior to the pandemic and throughout, the performing arts have demonstrated their commitment to playing an active role in Scotland's future health and prosperity in the widest sense - and in its COVID recovery. We invite the Committee to consider this submission with that in mind.

1. What should be the Scottish Government's immediate priorities in supporting the culture sector's recovery through Budget 2022-23?

1.1 Additional relief and recovery funds

Members acknowledge that support from Creative Scotland's Performing Arts Venues Relief (PAVR) Fund was essential. However, with specific scope and timescales, the Fund was primarily designed to prevent immediate insolvency and avoid mass redundancies prior to September 2021 when the Job Retention Scheme ends. Within and beyond our membership, not every venue or organisation was able to access funding through PAVR or the Culture Organisations and Venues Recovery Fund, and there were disparities between the amounts awarded.

In June 2020, in discussion with the then Cabinet Secretary for Economy, Fair Work and Culture, based on information from our membership, we estimated that an investment of £30 million until the end of March 2021 would be necessary. This was made in the context of beginning to exit the first lockdown and on the basis that relief, recapitalisation and additional recovery costs would be primarily within a 12-month period. The reality as we know is that the timeframe has been much longer.

In the immediate term, we have been involved in conversations with the Deputy First Minister and Chief Medical Officer about the current COVID situation and the likelihood of further restrictions should the situation worsen. In the absence of **workable, affordable insurance or confirmed emergency funding**, a reintroduction of stronger restrictions will be devastating for the performing arts which is only now, in the last two months and with very little notice or opportunity to plan, able to make its first steps to re-opening.

1.2 Investment in restart and renewal

Because it was emergency relief, PAVR or COVR could not replace the lost income which is usually reinvested for the future. This enables essential work on creative and artistic planning, programming, development, commissioning and production; artistic, employee, audience and organisational development; or, maintenance of buildings or other assets.

It also cannot be underestimated how long it will be before income and activity levels can be restored to anywhere close to pre-pandemic levels and 'full' recovery is possible, particularly under current funding levels. Estimates suggest between three to five years. Organisational reserves have in many cases already been spent on survival; are already greatly reduced; or, where organisations accessed relief funding, will soon be seriously diminished given the extended period of recovery predicted.

Public funding for the arts is relatively small and in decline. Total funding for the arts in Scotland is much less than 1% of the total budget. Whilst FST members welcome the Scottish Government's support for arts and culture, Creative Scotland's practice of allocating flat cash funding, on standstill for most recipients for many years, is effectively a cut in funding. More than two-thirds of our regularly-funded members received the same cash award from Creative Scotland for 2018-21 as they received for 2015-18. For several, this is the same cash amount as their grant in 2010 when Creative Scotland took over responsibility for funding. This is a real-terms cut of more than 25% in ten years. Its impact on sustainability is palpable. We wholeheartedly welcome Creative Scotland's funding review and indications that different relationships between the funder and those in receipt of its funding are planned for the future. Without additional funding, however, reversing the impact of this lack of investment will be challenging for many years to come.

Throughout the last year, FST members have been engaged in a sector-wide strategic planning exercise, to develop a renewed and long-term vision for the contribution a vibrant theatre, dance and opera sector can make to Scotland. The process has been an engaging one and has seen our members actively commit to a sector that is greener, fairer and more inclusive. In doing so we have developed strategic relationships with a range of new partners, including the Fair Work Convention and the Wellbeing Economy Alliance.

The sector strategy aims to strengthen the performing arts in Scotland for the benefit of audiences everywhere, with members committing to the following themes:

- Wellbeing: prioritising fairness and wellbeing for people and nature
- Access: championing equitable access to create, participate and engage in performance activity
- Sustainability: making more effective and sustainable use of our resources
- Partnership: nurturing greater collaboration and partnership working

In March this year, in the context of this strategy development, FST Co-Chairs wrote to the then Cabinet Secretary for Economy, Fair Work and Culture, inviting her to consider **the creation of a Performing Arts Sector Recovery, Rebuild and Adaptation Fund**. This is even more relevant now. Such a fund would create the financial stability required to allow for future change and adaptation to take place strategically and in a managed way as we recover and adapt. Such a fund would also give our members the confidence to look to the future, to move forward with purpose and energy, connecting with audiences and communities across the country as we emerge from COVID restrictions. It would enable an increase in engagement with society and the changes required to ensure Scotland leads in tackling the climate crisis and builds a just and fair society.

1.3 Freelance support

The performing arts ecology is intrinsically linked and its freelance workforce is vital. The hardest hit, yet the most poorly and inconsistently supported, many highly skilled and experienced freelancers have not, since the beginning of the pandemic, worked in their chosen roles. Some have been forced to leave the industry altogether. New entrants to the industry have had their careers stalled indefinitely. This is a real crisis for the sector. Although relief funding like PAVR was helpful, its purpose was ambitious and, even in the short-term, could not possibly assist every freelancer in the performing arts whose livelihood was detrimentally affected.

Individual members of FST and groups like Freelancers Make Theatre Work make the point that supporting freelancers through organisations is crucial, given the interdependence of the relationships between the two. However, it is not the only way and there are alternatives and tangible benefits to funding freelancers directly,

moving the emphasis crucially from ‘hardship’ to skills and jobs creation. **Sustained and increased investment at both organisational and individual level is the only way to support a thriving ecosystem.**

Creative Scotland’s Bridging Bursaries provided a lifeline for some but again were short term and provided in the context of crisis. With increased funding available, this could be a model extended to support other skills development across the sector. Creative Scotland’s Artists Bursaries which closed in 2014, and the Dr Gavin Wallace Fellowship, are other models where artists and freelancers are supported either on their own terms, or in mutually beneficial partnership with organisations. We welcome the improvements to Creative Scotland’s Open Fund for Individuals and see a great deal of potential in scaling up that Fund.

An example of a hugely ambitious initiative is [Creatives Rebuild New York](#), a three-year, \$125 million initiative providing guaranteed income and employment opportunities for up to 2,700 artists throughout New York State. The project will work to alleviate unemployment of artists, continue the creative work of artists in partnership with their communities and arts and cultural organisations, and enable artists to continue working and living in New York State under less financial strain. The project’s budget of \$125 million is funded by The Andrew W. Mellon Foundation, the Stavros Niarchos Foundation and Ford Foundations.

1.4 Sector-wide skills development programme

We have been in discussions with Skills Development Scotland, the entertainment unions and others about the long-term impact of the pandemic on the workforce. We have received indications of a large number of formerly employed and freelance practitioners leaving the performing arts, or finding a return to full-time working particularly challenging. This will potentially leave a large skills gap of experienced craftspeople that we cannot afford to lose or to not train, support and develop.

Simply making work will be a challenge, alongside the strong will there is to ‘build back better’ and pursue the aims of our strategy and others in relation to equalities, diversity and inclusion; anti-racism; and the climate emergency and sustainability. **An extensive, sector-wide investment in skills development** is required, responsive to the particular needs of the performing arts and aligned with ambitious outcomes for the sector.

1.5 Local authorities

Members have deep concerns about the steady decline in local authority funding. Many of our members are working under both local and national budgeting pressure, as well navigating different policy priorities between the two. There is a need to **think strategically about how local authority funding interacts with other funding sources, and to align funding partnerships around shared values and outcomes.**

1.6 International working

The challenges for our members’ ability to work internationally have been compounded by the twofold blow of the pandemic and Brexit. Prior to this, Scotland’s performing arts sector was an exemplar of international co-operation. It was extremely active internationally in a whole range of different ways. The sector led and facilitated long-term international collaborations. Countless productions of plays by playwrights living and working in Scotland were produced in other languages across the world. The work of Scottish performing artists toured extensively, and there were reciprocal residency opportunities here and overseas for and with international artists, partners and co-producers.

During the pandemic many of our members have sustained their international relationships through innovative use of digital technologies and prototyping new models and methods. Strategic and longer-term investment in innovation and skills development in this area would ensure Scotland’s international cultural reputation recovers in

alignment with ambitions to tackle the climate crisis. This aligns very closely with UNESCO's priority of, "enhancing the competitiveness of cultural and creative industries," described below.

As outlined in the Culture Counts manifesto, we fully support the proposal to **invest in an 'Office for Cultural Exchange' safeguarding international touring, festivals and residencies.**

1.7 Infrastructure

"The state of the estate," was discussed with deep concern amongst members. Lack of **capital investment and availability of capital funding** has led to neglect of our theatre buildings. This is not simply in terms of protection and conservation but as 'futureproofed' hubs within communities that can contribute to Scotland's climate change targets.

2. Do you agree with UNESCO that "a degree of restructuring is inevitable" [1] as the sector recovers from COVID? If so, what approach should the Scottish Government adopt?

As you can see from the content of this submission, we are in strong alignment with the objectives of the *UNESCO Policy Guide for a Resilient, Creative Sector*:

I. Direct support for artists and cultural professionals

Measures intended to allow artists and cultural professionals to continue pursuing their creative work by protecting their income, safeguarding their jobs or providing guaranteed social security.

II. Support for sectors of the cultural and creative industries

Measures intended to guarantee the survival of bodies encountering a severe lack of liquidity or cash-flow.

III. Enhancing the competitiveness of cultural and creative industries

Measures intended to assist the cultural and creative industries in readying themselves for the new conditions on the domestic market and international trade.

The Guide appears well researched and includes an interesting range of international perspectives. It is our view that **any restructuring recommended is long-term, planned and carefully executed.**

2.1 Do no harm

Concern was expressed by members about the concept of restructure that might happen quickly and without clear policies or priorities at a time when the sector is at its most vulnerable and has not yet had sufficient opportunity to move from, "survival mode," to anything approaching recovery. Care must be taken not to destroy what, despite the devastation of the past 18 months, the sector has managed to both conserve and achieve.

3. A crisis can also trigger new ways of thinking – should the Scottish Government rethink how it supports the culture sector?

3.1 Acknowledge the immediate priorities are also the long-term priorities

Although it is challenging to confront, many of the issues outlined under the first question about immediate priorities will not be fully resolved within one fiscal year.

3.2 Long-term, increased support to achieve maximum impact

As well as exposing its fragility, the COVID crisis has revealed the extraordinary resilience of the people and organisations in the sector, who have adapted their practice and ways of working at every stage. Those organisations

unable to deliver their programmes in person have ‘pivoted’ to producing work on digital platforms, staging work outdoors or exploring manifold ways of reaching audiences and participants. Many members have expanded their output, re-purposed their activities and contributed to the national COVID effort. Local communities have been offered innovative ways to engage with a whole range of activities. Freelancers and those within organisations have developed new skills, campaigned, given generously of their time in contributing to taskforces, committees and working groups discussing and charting possible future strategies for the performing arts, or volunteered their expertise to support others. If this is possible during a pandemic, imagine the potential and the contribution to Scotland’s recovery that **longer-term, increased funding** could achieve?

By fully understanding the impact of culture, advocating for it and exercising excellent stewardship of public funds, it is possible that the Scottish Government could lead the way to a healthy, more equitable and sustainable future for the performing arts and wider cultural sector.

4. 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?

As discussed above, any tool which allows the sector more time and space to plan and work in a way that contributes to recovery and a healthier long-term future would be welcome.

4.1 Unify the landscape

The cultural policy and funding landscape is increasingly complex and difficult to navigate for our members who are already steering complex businesses, balancing funding and income generation from a range of different sources, even when relatively small.

Members suggested, “**a new unity of funders and support.**” Those bodies with a remit for making or influencing policy, distributing funding and developing specific areas within the different sectors in Scotland, not culture alone, would share an understanding of the potential of culture and the creative industries and work more effectively together towards shared goals and outcomes. This includes cross-portfolio within the Scottish Government (which directly funds some parts of our sector but not others), the National Partnership for Culture, Creative Scotland, COSLA, Skills Development Scotland, Scottish Enterprise, Highlands and Islands Enterprise, South of Scotland Enterprise and others.

The ability to access **more impactful support from Enterprise Agencies** was also discussed as something members would welcome the Scottish Government intervening in or advocating for.

4.2 Measure the performance of culture differently

Members discussed whether a different performance indicator for culture, that reaches beyond the metrics of growth, would be more meaningful. This seems particularly important as we move towards a future which we all hope will prioritise fairness and wellbeing for people and nature; champion equitable access to create, participate and engage in performance activity; make more effective and sustainable use of our resources; and, nurture greater collaboration and partnership working.

5. Summary

Crucially, the performing arts contribute to an exceptional range of different outcomes beyond the essential cultural value they bring. These include: the economy, community-building, place-making and regeneration, health and wellbeing, tourism, Scotland’s national and international reputation, and a more environmentally sustainable Scotland.

Prior to the pandemic and throughout, the performing arts have demonstrated their commitment to playing an active role in Scotland's future health and prosperity in the widest sense - and its COVID recovery. We invite the Committee to consider this submission with that in mind.

In summary:

1. Additional relief and recovery funds

- Workable, affordable insurance or confirmed emergency funding

2. Investment in restart and renewal

- The creation of a Performing Arts Sector Recovery, Rebuild and Adaptation Fund

3. Freelance support

- Sustained and increased investment at both organisational and individual level is the only way to support a thriving ecosystem.

4. Sector-wide skills development programme

5. Local authorities

- Think strategically about how local authority funding interacts with other funding sources, and to align funding partnerships around shared values and outcomes.

6. International working

- Invest in an 'Office for Cultural Exchange' safeguarding international touring, festivals and residencies.

7. Infrastructure

- Capital investment and availability of capital funding

8. Restructuring

- Any restructuring recommended is long-term, planned and carefully executed to 'do no harm.'

9. Acknowledge the immediate priorities are also the long-term priorities

10. Long-term, increased support to achieve maximum impact

- By fully understanding the impact of culture, advocating for it and exercising excellent stewardship of public funds, it is possible that the Scottish Government could lead the way to a healthy, more equitable and sustainable future for the performing arts and wider cultural sector.

11. Unify the landscape

- A new unity of funders and support
- More impactful support from Enterprise Agencies

12. Measure the performance of culture differently

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Federation of Scottish Theatre
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