

European and External Relations Committee
The EU referendum and its implications for Scotland
Written submission from Creative Scotland

1. Introduction

Creative Scotland is the public body that supports the development of arts, screen and creative industries across all parts of Scotland. We enable people and organisations in Scotland to work in and experience the arts and creative sectors. We do this by helping others to create culture through developing great ideas and bringing them to life.

“We want a Scotland where everyone actively values and celebrates arts and creativity as the heartbeat for our lives and the world in which we live; which continually extends its creative imagination and ways of doing things; and where the arts, screen and creative industries are confident, connected and thriving.” [Unlocking Potential, Embracing Ambition](#), a shared plan for the arts, screen and creative industries, 2014.

We aim to achieve this vision through four key functions:

- **Funding** support for individuals and organisations working in the arts, screen and creative industries.
- **Advocacy** on behalf of these sectors, both nationally and internationally.
- **Development** support for these sectors so that they can continue to grow and thrive.
- **Influencing** others to understand the value that the arts, screen and creative industries deliver.

Creative Scotland’s overall budget for 2016/17 is £77.1m, which we receive from the Scottish Government (58%) and the National Lottery (42%). We distribute this funding to the sectors we serve through [three funding routes](#): Regular Funding for up to three years for organisations; Open Project Funding for individuals and organisations for programmes of work for up to two years; Targeted Funding to support specific sectors, projects and initiatives (including Film & TV production).

In April 2014 we published our Strategic Plan, [Unlocking Potential, Embracing Ambition](#), which presents a shared vision for the arts, screen and creative industries for the next 10 years.

At the heart of this plan is a set of five ambitions and that provides a focus for our work and reflects what we want to achieve, in collaboration with the sectors we support.

Our ambitions are that:

- Excellence and experimentation across the arts, screen and creative industries is recognised and valued.
- Everyone can access and enjoy artistic and creative experiences.

- Places and quality of life are transformed through imagination, ambition and an understanding of the potential of creativity.
- Ideas are brought to life by a diverse, skilled and connected leadership and workforce.
- **Scotland is a distinctive creative nation connected to the world.**

These ambitions inform our work, funding approach and decisions, as well as our own development plan over the period 2014-2017.

Alongside this, each year we publish an [Annual Plan](#) which sets out our priority areas of work and our budgets for each year.

We also publish all of the [funding awards](#) that we make on a regular basis on our website and we promote this information via [news releases](#) and via our social media channels.

As part of our influencing and advocacy role, we also work to underline the benefits and value – social, cultural and economic – that the arts, screen and creative industries deliver for the people and communities of Scotland. This is a key aim of our [Creativity Matters](#) initiative, where we seek to raise awareness and appreciation of this value through our communications and engagement activity.

2. Submission to the inquiry

Shortly after the EU Referendum outcome became clear, Janet Archer, Creative Scotland's Chief Executive, issued a statement underlining our continued commitment to supporting Scotland's vibrant arts, screen and creative industries in the context of positive and continued international relationships. It read:

"The implications of the outcome of the EU Referendum will take time to unfold.

"However, we will continue to work with partners in Europe in many different ways. As set out in our 10 Year Plan, working internationally is an important part of what we do to ensure that Scotland remains a successful and distinctive creative nation connected to the world.

"Arts and culture transcend borders and bring people together from across the globe. We will continue to do everything we can to support our vibrant arts, screen and creative industries to make and sustain fruitful, positive international relationships across Europe and beyond."

Following the Referendum, Creative Scotland has kept in close contact with the Scottish Government to understand the implications of the Referendum outcome for Creative Scotland and the arts, screen and creative industries more broadly.

At the beginning of August 2016, in order to capture an understanding of how the referendum result might affect the work of the organisations and individuals whom we support, Creative Scotland conducted a [survey](#) asking broad questions around previous receipt of EU funding, current applications for EU funding and wider concerns or implications of the decisions.

This survey has now concluded and its findings form the basis of the written evidence provided below.

3. Summary of survey findings

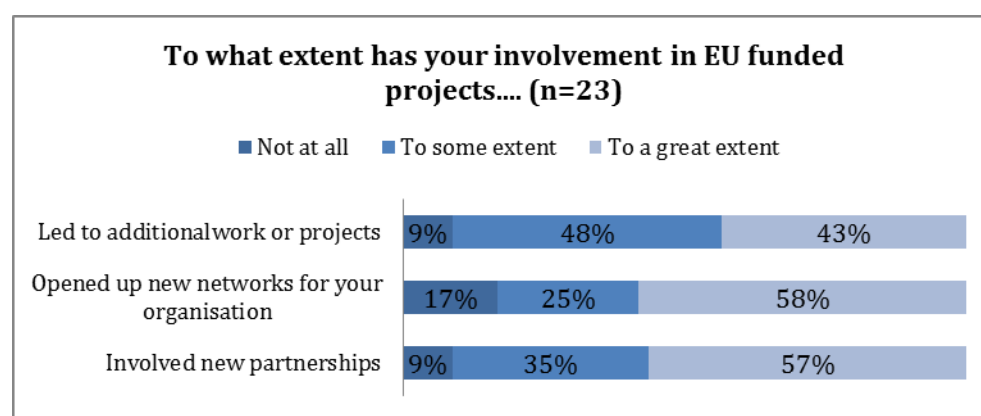
We received 188 responses from individuals and organisations working in the arts and culture sector in Scotland. Of those, 78 (40%) had received EU funding in the past and 19 are in the process of applying for EU Funding or are planning to.

Projects supported with funding from the EU range from international networks such as the European storytelling network and the Green Art Lab Alliance to youth work programmes and co-productions with European partners.

Grants received from EU sources ranged from £16k to £170k with this funding coming from a number of different sources, listed below:

Creative Europe
LEADER
Erasmus +
Culture 2007-2013 (Strand 1.1 Multi-annual cooperation projects)
Education, Audiovisual & Culture Executive Agency
European Research Council
Year of Scotland's Islands
Erasmus
Other EU partner country
Progetto Leonardo
MEDIA Programme

The survey clearly tells us that European Funding is highly valued by those who have received it. The table below shows that respondents very strongly agreed that the involvement in EU funded projects opened up new networks and helped develop new partnerships.



Respondents to the survey also provided details of partnership working with organisations across 15 European Countries (not all of which are EU member states) with many projects involving collaborations between multiple countries including:

Bulgaria, Denmark, Estonia, Finland, France, France, Germany, Iceland, Latvia, Lithuania, Netherlands, Portugal, Romania, Spain, Sweden.

More generally, the main concerns that respondents expressed regarding the outcome of the EU Referendum are:

- **Travel and the free movement of people:** specific concerns around the ability to travel and to recruit or collaborate with European partners.
- **Connections, co-productions and international exchange:** key issues include rising costs and bureaucracy hampering the ability to co-produce and make connections for international exchanges, co-productions and other international collaborations.
- **Trade:** anticipated problems of accessing international markets and also the issue of touring work internationally with some respondents stating that uncertainty was already having a negative impact on trade.
- **Funding:** concern regarding whether funding sources such as through Creative Europe will be accessible in the long term, and concern that the general economic fall out will lead to budget cuts at the national and local level for culture.
- **Rising Costs depreciation of the Pound:** concern regarding general rising costs of arranging travel and specific costs incurred by the depreciation of the pound.
- **Staffing and job security:** uncertainty around current EU staff members and concerns from EU nationals currently working freelance in Scotland.
- **A move away from Internationalism:** concern that an exit from the EU will lead to more inward focus and that international reputation will be damaged.
- **Loss of support for rural areas** (3 respondents): respondents from more rural areas of Scotland (e.g. Dumfries & Galloway and the Western Isles) both highlighted the support EU funding has brought to their rural areas.

While this survey merely provides a snapshot of opinion from the cultural sector in Scotland, responses were consistent. As such, the survey does provide a good indication of the importance of EU funding for the cultural sector and highlights the significant concerns that both individuals and organisations working in arts and culture have.

A more detailed report on the survey results has been provided to the Scottish Parliament Information Centre (SPICe) to contribute to their own analysis.

4. Creative Scotland, the EU and internationalism

Working internationally is critical to the work of Creative Scotland and our role as defined in statute by the Scottish Parliament.

One of the outcomes against which Creative Scotland's performance is measured each year, as detailed in our [Annual Review](#), relates to international engagement in terms of increasing international opportunities for those we support through funding; increasing the amount of international touring; and increasing positive international perception of cultural work from Scotland. It is not yet clear how the outcome of the EU Referendum will impact on Creative Scotland's ability to deliver against these outcomes.

Nevertheless, one of our five ambitions continues to be to ensure that Scotland is and remains a distinctive creative nation connected to the world. This means that Creative Scotland works, through our funding, advocacy, influence and development, in order to:

- Deepen artistic and creative practice through international dialogue and exchange;
- Support international touring and showcasing in Scotland to engage audiences and promote cultural understanding;
- Support creative organisations and practitioners to access and develop relevant global markets.

Success in this area of work means that:

- Scotland is recognised internationally as an important centre for the arts, screen and creative industries.
- Our richly diverse culture has strong traditional roots and an appetite for experimentation and innovation.
- We are known to embrace international cultures, welcome visiting artists and inspire audiences with work from across the world.
- Artists and creative practitioners have opportunities to deepen their practice through international dialogue, exchange and collaboration.
- Excellent work from Scotland is widely promoted and enjoyed and effective partnership working enables new international opportunities and markets to emerge.
- Long-term relationships and partnerships are in place that maximise benefits and impact for artists, creative practitioners and audiences in Scotland and abroad.

Through our funding, Creative Scotland supports work across the arts, screen and creative industries that engages with audiences at home and abroad. We also engage in international advocacy, external relationship building and cultural diplomacy in order to benefit the creative people and organisations we are here to support.

During the previous Parliamentary term, we submitted evidence to the European and External Relations Committee detailing how our work connects internationally and this submission can be read here:

http://www.parliament.scot/S4_EuropeanandExternalRelationsCommittee/Inquiries/ConnScotInq_Creative_Scotland.pdf

For example, 85% of the cultural organisations that we support through [Regular Funding](#) work internationally, while in 2015/16, more than a third of the funding support awarded through [Open Project Funding](#) supported work with an international element.

A strong and recent example of this type of work is our support for the Edinburgh International Festival, one of our Regularly Funded Organisations. The International Festival's key message in 2016 was *Welcome World*, signalling a signals a set of values held close to people in Scotland that are at the core of who we are as a people and how we want to be as a nation. Our creative economy relies on positive international collaboration and the success of the Festivals is testimony to that. The most recent Economic Impact report commissioned by Festivals Edinburgh measures their economic impact at £280m in Edinburgh and £313m in Scotland, representing a 19% and 24% increase on the figures reported in 2010.

Alongside the Edinburgh Festivals, each year Creative Scotland hosts 'Momentum', an international delegate programme in partnership with British Council Scotland and Festivals Edinburgh. We invite delegates from countries around the world to come to Edinburgh and experience the Festivals, connect with Scotland's creative community and generate longer term relationships leading to further opportunities for our artists, including international touring. Delegates can be representatives of international arts bodies, Government agencies, funders, festival organisers or producers.

Each year more than a hundred delegates from more than 20 countries benefit from this programme creating new international opportunities for our artists and creative organisations.

Creative Europe Desk, Scotland

Creative Europe is the European Commission's financial support programme for the creative, cultural and audiovisual sectors in Europe. The new programme, which will run up to 2020, brings together a Culture sub-programme and provides funding for the cultural and creative sectors, and a MEDIA sub-programme, which invests in film, television, new media and games.

Creative Scotland hosts the **Creative Europe Desk, Scotland**, which promotes awareness and understanding of Creative Europe. It provides free advice and support for applicants from the UK and organises workshops, seminars and industry events. Creative Scotland employs two members of staff to run the Creative Europe media and culture desks.

<http://www.creativescotland.com/resources/professional-resources/other-sources-of-support>

As an indication of scale, so far in 2016, Creative Europe has awarded €4.8m to 54 different UK organisations for cultural projects, including seven in Scotland. Shortly after the EU Referendum, Creative Europe issued the following statement:

“As part of its remit, Creative Europe Desk UK encourages international and especially European working, and believes in the strength of collaborating across borders.

Following the EU referendum result there are no immediate material changes to the current arrangements for those who have successfully applied, are currently being assessed, or are planning to apply for Creative Europe funding in 2016 and 2017.”

5. Opportunities

Creative Scotland is committed to providing strong leadership and delivery of business continuity on behalf of the sector. We will work with partners such as Scottish and UK Governments, the Scottish Creative Industries Partnership, Creative Industries Council, Creative Industries Federation, British Council Scotland and other UK Arts Councils to achieve a positive outcome for Scotland’s arts, screen and creative industries.

There are considerable implications for the Scottish and UK Screen sector regarding the outcome of the EU Referendum. As such, Creative Scotland is part of a Screen Sector ‘task force’, co-ordinated by the British Film Institute (BFI). The task force consists of representatives from across the UK Screen sector and has been established in order to:

“Ensure that the UK’s screen sectors (film, high-end television, video games, animation and visual effects) continue to be internationally competitive and culturally diverse once the UK has left the EU.”

In a response to the Creative Industries Council Europe Working Group, the task force highlighted its top five priorities for the screen sector following the EU Referendum as:

- The need to reduce uncertainty and boost confidence
- The need to maintain the Creative Sector Tax Reliefs for the screen sector
- Freedom of people working in the screen sector to move between the UK and other EU member states on a continuing and reciprocal basis
- Access to EU funding (e.g. through Creative Europe, noted above)
- Qualification of UK works as ‘European’ for the purposes of quotas (of relevance for both profile and trade).

The Creative Industries Economic Estimates report published earlier this year by the Department for Culture, Media and Sport (DCMS) shows that for the UK creative industries overall, GVA increased by 8.9% between 2013 and 2014, greater than the economy as a whole (up 4.6%). Between 1997 and 2014 creative industries GVA increased 6% p.a. compared with 4.3% for the UK economy as a whole.

Therefore, investing in Scotland's creativity and talent presents a major opportunity for Scotland's future economic growth and competitiveness. It is imperative we continue to find ways to sustain industry momentum and build on the acceleration of success achieved in recent years.

Opportunities include:

- More control over industrial strategy, for example copyright enforcement
- Protecting support for the creative industries in Scotland through redeployment of resources
- Targeting training and skills development to increase employment for Scotland's creative sector
- Working with the education sector to ensure that students from overseas, studying creative subjects, continue to be attracted to study, and subsequently work in Scotland
- Positioning the creative industries at the heart of any new bi-lateral or multi-lateral Free Trade agreements
- Re-joining the Council of Europe's Eurimages scheme as a symbol of commitment.

6. In summary

Creative Scotland is committed to supporting those working across the arts, screen and creative industries in Scotland to engage internationally. We will continue to support artists, creative people and organisations who, themselves, maintain extremely fertile international relationships - enabling international artists and creative practitioners to connect with Scotland.

Approximately £2.5m each year of our budget is dedicated to international engagement with further funding and partnership working supporting international connections.

Regardless of the implications of the outcome of the EU Referendum, we remain committed to developing this area of our work to fulfil our international ambitions and priorities, ensuring that Scotland continues to be *a distinctive creative nation, connected to the world.*