

## FINANCE AND CONSTITUTION COMMITTEE

### FUNDING OF EU STRUCTURAL FUND PRIORITIES IN SCOTLAND, POST-BREXIT

#### SUBMISSION FROM MUSEUMS GALLERIES SCOTLAND

Museums Galleries Scotland (MGS) is the National Development Body for the museum sector in Scotland. We work collaboratively to invest in and develop a sustainable museum and galleries sector for Scotland, in line with the aims of 'Going Further: The National Strategy for Scotland's Museums and Galleries'. We work with a sector of over 400 museums and galleries, supporting and enabling them to meet their objectives through strategic investment, advice, advocacy and skills development opportunities. We welcome the opportunity to comment on the Finance and Constitution Committee's inquiry into funding of EU Structural Fund priorities in Scotland, post-Brexit.

MGS commissioned research in 2017, in tandem with Creative Scotland and Historic Environment Scotland, to identify EU-funded projects focused on, or linked to, cultural heritage across the preceding ten years. The report (available at: <https://bit.ly/2voXkCe>) established that an estimated £5.6m had been awarded to the museums and galleries sector during 2007-2016. As there are some qualifications to the overall figures quoted in the research, it is reasonable to conclude an average benefit to the museums sector in Scotland over this period from EU funding in excess of £500,000 per annum.

Although clearly a welcome additional supplement to the museums sector, this figure would represent a relatively small proportion of overall museum funding. Despite this relatively small figure, however, the partnerships and initiatives made possible through these funding streams would have provided tangible benefits for both practitioners and audiences alike. Furthermore, almost half of all the funding was allocated to major redevelopment projects at just two venues, the Lews Castle Museum and Archive and the Highlanders Museum Redevelopment Project which, combined, received over £2.5 million. This implies a general benefit to unique, large-scale projects, with a far smaller volume of funding going to a wider variety of institutions over the reporting period.

The perceived complexity and exclusivity of the current systems and general lack of awareness around the support available will have undoubtedly contributed to the relatively low uptake. This lack of experience in applying for funding generally may also have been compounded by a mismatch in organisational capacity particularly amongst venues in those geographic areas which were intended as priority recipients based on the relative need and circumstances of the people living there.

We believe the museums sector could have benefitted to a greater degree from the available funding and that there could be substantial scope to expand the benefit which the museums sector extracts from the available Structural Funds going forward. Indeed, the changes to the existing system present an opportunity to reconsider priorities and establish

new and more effective means of allocating funding towards achieving positive outcomes for society – including on a more locally-dispersed basis.

**1. How should Scotland’s share of post-Brexit structural funding be determined? (for example, should it be on measures such as GDP, needs-based, via the Barnett formula; match funding or based on competition?)**

The UK Shared Prosperity Fund should at least match the £2.4 billion a year that currently flows to communities across the UK as a result of EU Structural Funds. It must be additional to existing local growth funding and provide certainty for investment by using long-term funding cycles.

The UK Government’s own projections for a net loss in UK revenue streams from all models of Brexit settlements. This would lead to an inevitably increased pressure on all areas of public expenditure and it would be unrealistic to expect the Shared Prosperity Fund to be exempted. In any outcome following the UK leaving the UK, there is a considerable risk that funding available to the cultural heritage sector from the successor to the EU funding programmes would be further constrained, which would make it more – rather than less – difficult for Scottish museums to expect to access monies available.

**2. Should the existing structural funding priorities be retained for any new funding approach post-Brexit or are there other national or regional outcomes, strategies or plans to which future funding should align instead?**

MGS believes that the successor to the EU Structural Funds, as well as the decisions on their delivery mechanisms and distribution, should remain devolved to individual nations within the UK. Furthermore, funding should be allocated based on need and targeted according to the priorities based on delivery against outcomes that will most substantially contribute towards positive change in people’s living standards and with a greater emphasis on responding to regional need across Scotland. Allowing funding decisions to be based on solutions that will have the greatest impact on reducing inequality and tackling social, economic, environmental and health outcomes at a local level will support an improved impact in terms of addressing relative need.

As Culture Counts has stated: “From a basic analysis of the European Structural Fund spend 2017/18 the funding appears to be top-down in design. Furthermore, funding does not appear to have been focussed on SMID postcode initiatives, allocating funding to those who need it most. Structural funds allocated from the EU may not have had a focus on improving the outlook for those who need it most.” Therefore, we agree with the proposals of the Joseph Rowntree Foundation that the Shared Prosperity Fund should focus on allocating funds to those areas which need it most and that connections should be in place to ensure that funds create opportunities for those on the lowest incomes.

**3. In terms of the proposal for a UK Shared Prosperity Fund - where should the responsibility for any decisions about funding levels and allocation be taken (for example UK Government, Scottish Government, Local Government or local stakeholders) and what level of autonomy should they have in deciding how funding is allocated?**

As noted above, MGS believes the successor to the EU Structural Funds should remain devolved to Scotland. This would ensure that initiatives in Scotland could remain linked to the delivery against the National Performance Framework and other strategic priorities. Centralising decision-making across the whole of the UK would singularly fail to reflect the diversity of communities and inequality that exists across each of the devolved nations.