



Scottish Parliament

Constitution, Europe, External Affairs and Culture Committee

Pre-Budget scrutiny 2026/27: funding for culture

Request for additional information

December 2025

67. The Committee welcomes the expansion of Creative Scotland's Multi-Year Funding Programme and recognises the added stability and confidence it provides to the cultural organisations it supports.

1. In 2025/26, Creative Scotland's Grant-in-Aid budget from the Scottish Government is just over £89m and includes an additional £20 million provided to Creative Scotland for the Multi-Year funding programme in 2025/26.

2. As communicated in the Cabinet Secretary's letter to the Committee following the draft budget announcement in December 2024, the Scottish Government aim to provide a further £20m for the Multi-Year funding programme in future years, taking the uplift for this programme to an additional £40m a year from 2026/27 (subject to the usual Parliamentary procedures).

3. The funding uplift and assurances for future years allowed us to conclude the Multi-Year Funding programme in January 2025, enabling more than £200m in support to be provided to 251 organisations over the next three years. This is the highest ever number of Scottish cultural organisations securing regular funding.

4. Creative Scotland's previous programme for Regularly Funded Organisations (RFOs) ran from 2018/19, typically providing funding at around £32-£33m annually. In 2024/25, the final year of the RFO programme, 119 organisations received multi-year regular funding, totalling £32.5 million.

68. The Committee recognises that there is a potential for a tension to arise between the number of organisations supported through Creative Scotland's Multi-Year Funding Programme and the depth of support afforded to each organisation. We ask that Creative Scotland indicate how its approach will be evaluated in relation to maximising cultural outcomes and establishing clear metrics to assess the impact of the Multi-Year Funding Programme.

5. The Multi-Year funding programme has significantly expanded the scope of the creative and cultural organisations benefitting from regular funding for their core costs and programme. Specifically:

- 141 organisations are new to multi-year funding, bringing stability and longer-term certainty to more parts of Scotland's culture sector than ever before
- More than a third of the portfolio (87 organisations) receive awards of between £50k and £120k in 2025/26. This increase in smaller organisations benefitting from year-on-year funding includes many focussed on working in communities and with diverse groups across Scotland.
- Multi-Year Funding supports organisations working across all regions of Scotland, with base locations in 27 Local Authorities, up from 21 previously. Over a third of organisations (36%) deliver their work across all parts of Scotland.
- During the MYF assessment process, 13 further organisations were offered a 12-month programme of development support and funding to enable them to address issues identified in their application. Earlier this month, we confirmed that these organisations have met the requirements to allow them to join the MYF programme from Year 2, bringing the number of organisations funded through the Multi-Year Fund to 264.

Demand for Multi-Year Funding

6. Ahead of the Multi-Year Fund opening for applications, sector briefing sessions and an 'Intention to Apply' process flagged extremely high demand for the programme. We were public about this demand to help manage the expectations of applicants and we kept the Scottish Government and the CEAC Committee apprised of levels of demand throughout the process.

7. We asked applicant organisations to be realistic and restrained in their financial requests to Creative Scotland. We said we would seek to fund organisations at the level of their request as far as possible, in the context of other partner and earned income. Our fund guidance set out the reasons where we might fund at levels lower than requested:

- The information provided by the applicant did not sufficiently justify the level of funding requested
- The balance of funding requested from Creative Scotland compared to other income sources was too high and was not felt to be proportionate
- In the context of a competitive process, with limited funds available, other applicants were able to demonstrate that they would make a stronger contribution to the fund criteria.

8. We received 361 applications at Stage 1 with an annual financial ask of £96m, broadly three times the existing budget for regular funding at that time. Following Stage 1 assessment, 281 organisations were invited to apply to Stage 2 of the Fund, with a collective request for £88.5m in funding annually.

9. Of the Stage 2 Multi-Year applications, 117 were from current RFOs. The requested funding from this group, at £61.4m annually, was a 90% increase on levels of funding for this group, at that time. The range of uplift requested varied from 11% to more than five times the level of prior support.

Levels of Award in the Multi-Year Funding Programme

10. Our assessments identified that (for the most part) the financial asks of Multi-Year applicants were realistic. But there were elements of programmes which did not adequately meet our criteria, where the financial ask was not proportionate, or where the activity proposed sat outside of our remit – for example where programme strands were clearly mainstream education activity. Similarly, there were instances where we were asked to substitute for a withdrawal of funds from another part of the public sector, such as local authorities.

11. In setting our levels of award we used a range of information and expertise:

- Business Plans submitted by organisations as part of their application. These contained: budget and financial projections; a completed financial proforma providing detail on the organisation's financial health; narrative response to question on any increased ask
- Historic data/records of applicant history with Creative Scotland, including detailed review of 5-years of funding history
- Specialism expertise in every sector and experience of appraising budgets and financial needs of creative organisations; dedicated assessor comment on applicant budget/financial ask
- Our Finance team also reviewed the pro-forma to provide a Financial Risk rating for every applicant

- Analysis of reliance on CS income in comparison to other sources and where this is revealed to be high, this was noted as a risk

12. In 2025/26 (Year 1 of the programme), the awards made to the 251 Multi-Year organisations totalled £60m. This is 73% of the overall amount requested by this group (at £81.6m). This rises from 2026/27 (Year 2 of the programme), when the amount awarded to the 264 organisations will be £74m. This budget means that organisations will receive, on average, 86% of the amount requested.

13. From Year 2 onwards, 94% of Multi-Year Fund organisations will receive between 80% and 100% of their request. Of these, 81 will receive between 90% and 100% of their requested amount, and 26 will receive 100% of their request.

14. Of the MYF organisations, 116 were previously funded by Creative Scotland as RFO's. These organisations have received an average 34% uplift on previous levels of funding in Year 1 and a 54% uplift on current levels of funding from Year 2.

Monitoring and Reporting in the Multi-Year Funding Programme

15. As outlined in the MYF Guidance and funding agreements, we ask organisations to submit plans and updates to ensure we have accurate information on the activity being delivered, track progress and understand the impact their work is having. These requirements were flagged in the MYF guidance documents and are subsequently set out in [the MYF Handbook](#), issued to MYF organisations on the commencement of their funding arrangements, and include:

- An Annual Activity Plan submitted at the start of each year and quarterly updates of progress against this Plan.
- A Financial Proforma at the start of each year and quarterly Management Accounts.
- An Equality Diversity and Inclusion Action Plan submitted once a year.
- Copies of Board Papers and Minutes in line with organisations' own governance cycles.

16. Ahead of the start of Year 1, MYF organisations were asked to update us on any changes to their plans since their original MYF application. This included highlighting any activity that would be delayed, re-scoped or would not go ahead as a result of funding awards made at levels lower than requested. Regular engagement with artform specialism teams at Creative Scotland about programming helps ensure that the ambition and high-quality creative outputs envisaged in the application can be realised.

17. Once reviewed and approved, the quarterly Activity Plan updates trigger each organisation's next funding payment. We expect these updates to be a regular agenda item at their Board or equivalent Governance meetings overseeing funded activity. While Creative Scotland does not typically attend board meetings, we may attend as observers where appropriate and organisations are free to invite us if they wish.

18. MYF organisations are also asked to complete a set of data returns that ensure key impact metrics are consistent, comprehensive and robust. The collation and analysis of this data enables Creative Scotland to monitor how the portfolio is performing, report back to our funders and stakeholders, and to advocate for the impact – cultural, social and economic - that organisations achieve. Specifically, MYF organisations submit data through:

- An Annual Statistical Survey to Creative Scotland, at the end of each year, covering areas including workforce, artist support, audience engagement and learning and outreach activity.
- Environmental Reporting to Culture for Climate Scotland, annually, covering emissions and aspects of environmental stewardship
- Audience Data tools provided to performing and producing organisations, through The Audience Agency, on an ongoing basis

19. Creative Scotland's Knowledge and Research team manages the collection of all data from funded organisations and individuals and collates relevant statistics on the sectors we support, for example on cultural engagement and the creative economy. We also use equalities monitoring data, captured on a voluntary basis on the point of application to us, and commissioned population and applicant surveys. These datasets are brought together in Creative Scotland's [Annual Review](#), and are critical to our communications and advocacy work, including responding to press and public enquiries. The Audience Agency report audience data on a similar basis through outputs such as their regular Booking Behaviour reports.

20. We also use collated and anonymised data to report on Creative Scotland's Key Performance Indicators (KPIs) to the Scottish Government, as part of the Performance Management Framework agreed with them in 2023. Our Performance Management Framework was agreed with Scottish Government in 2023 and comprises 12 KPIs that include measures examining the workforce, activities and outputs of multi-year funded organisations. These are aligned to the Scottish Government's Culture Strategy and map up to the outcomes set out in the National Performance Framework.

21. Similarly, collated equalities data (for example workforce profiles) allow Creative Scotland to meet our reporting duties under the 2010 Equalities Act, and we report

sector emissions to the Scottish Government as part of meeting our Public Bodies Climate Change Duties.

22. All MYFOs must also demonstrate compliance with the Scottish Government's Fair Work First policy, confirming their payment of the Real Living Wage and that appropriate channels for the Effective Voice of workers are in place. All MYF organisations have confirmed this for Year 1 of the programme.

23. Creative Scotland has established arrangements for escalation of risks to business viability. We work closely with sector organisations and sector representative bodies to assess financial health. We have escalation protocols internally which ensure the right people are aware while maintaining confidentiality. There are examples of where we have been able to reprofile payments, provide expert advice and signpost to other financial support to help mitigate risks for funded organisations.

69. We note the evidence received relating to the resource-intensive and complex nature of the Multi-Year Funding Programme application process. The Committee recognises that there is likely to be a tension between ensuring that applications are not overly onerous and Creative Scotland ensuring that the awards support high quality outcomes. The Committee therefore asks how Creative Scotland will evaluate whether the process for multi-year funding strikes the right balance.

24. Key feedback from the Funding Review conducted in 2019/20 was that Creative Scotland should create the conditions whereby as many cultural organisations as possible can benefit from sustainable, multi-year funding.

25. We were aware that this would be a highly competitive fund that would be required to support a wide range of activity. In the preceding years, current funding for the existing RFO programme had been at standstill levels and organisations were experiencing significant financial challenges from inflation and cost-of-living pressures. As noted above, early sector briefing sessions and an 'Intention to Apply' process flagged extremely high demand for the MYF programme.

26. Understanding the scale of demand, coupled with feedback from the Funding Review, helped us to design an application and assessment process that sought to be proportionate: balancing the ask on applicants with the need to have sufficient information to make well-informed decisions in a highly competitive context. Given the prevailing fiscal environment, we expected our budget for Multi-Year to be very challenging relative to the ask in the Fund, as communicated to the Committee throughout 2023 and 2024.

27. To make informed decisions about which activity to support, applicants were asked to provide a level of detail that would enable us to make the best decisions according to our six published Funding Criteria. These criteria align to our Strategic Framework, which in turn responds directly to the Scottish Government's Culture Strategy and the wider aims of the National Performance Framework. They are:

- Quality and Ambition: supporting people and organisations working in art and creativity to make work of quality and ambition that enriches life in Scotland for everyone.
- Engagement: ensuring more people from all parts of society access, participate in and value a range of artistic and creative activities.
- Equalities, Diversity and Inclusion (EDI): supporting a more diverse range of creative people, communities, and activity, and promoting an equality of opportunity to create, participate and engage.
- Environmental Sustainability: helping tackle the climate emergency across Scotland.
- Fair Work: promoting fair pay, conditions, and employment opportunities across the creative sector.
- International (optional only for applications involving international activity): developing innovative and sustainable ways of strengthening international collaboration and promoting artistic and cultural exchange.

28. At each Stage we asked applicants to respond to three application questions in each of these areas – 18 questions in total. At Stage 2 we asked applicants to submit their Business Plan and highlight specific plans to the commitments set out in Stage 1.

29. We also assessed the management and financial risk associated with the applications received, based on information supplied in the application and the programme Budget. We needed to assess the financial health of organisations and whether plans were budgeted realistically as part of our financial risk assessment.

30. The application process therefore mapped directly onto the outcomes we want to see for the sector while providing assurance that public benefit would be delivered by sustainable organisations with sound governance and financial management.

Support to unsuccessful organisations

31. In total 28 organisations were unsuccessful in Stage 2 of the Multi-Year Fund. Of these:

- 13 organisations were identified as being of strategic importance and offered the MYF Development Stream and Year 1 confirmed funding. We [announced this](#)

[month](#) (December) that these organisations have successfully addressed their development needs and will join the MYF group from April 2026.

- 15 organisations were offered access to the Transition Support Programme providing support to organisations previously funded on an ongoing basis.
- 3 organisations were also eligible for Transition Funding due to having an extensive funding history with Creative Scotland. This was made available from Creative Scotland's National Lottery reserves.

32. An aligned Transition Support Service, delivered by our partner, Community Enterprise, provided expert advice and support on financial health and restructuring business plans scenario planning, and diversifying income streams. They also offered the opportunity to explore alternative operating models, assess collaboration, partnership, or merger opportunities.

Evaluation of the Multi-Year process

33. We have run a programme of independent internal audits alongside the MYF programme, working with our internal auditor, Azets. Three audits have examined the programme:

- The first focussed on the Intention to Apply and Stage 1 application, assessment and decision-making process.
- The second focussed on the role of the Stage 2 Portfolio Review process in the final decision making and on post-decision communications planning.
- A third internal audit is currently live. This looks specifically at how we undertook After-Action Reviews during and following the MYF process to learn lessons from our approach to feed into future planning.

34. Both completed audits concluded that we had designed and implemented an effective, well-documented process with strong governance oversight for assessing organisational funding applications. The Stage 1 audit made a series of advisory recommendations to help mitigate risks and provide assurance in Stage 2 decision making. The Stage 2 audit, following independent observation of all the Portfolio Review decision making meetings, describes how we managed the final decision-making phase. It found that decision-making meetings achieved their intended objectives, and that communications and post-announcement activity were well-planned.

35. A thorough After-Action Review was undertaken after Stage 1, with findings populating a Lessons Learned database, and informing a series of refinements to the Stage 2 process. Post-Stage 2 we again surveyed staff for feedback on the process and further input from organisations will be undertaken to help inform future processes. Internal and external feedback suggests that both the MYF Development Fund and the

Transition Support Programme have been received positively and their impact will be reviewed in the New Year.

Future iterations of Multi-Year funding

36. As part of ongoing delivery of the Multi-Year Funding (MYF) programme, Creative Scotland is considering options for the long-term evolution of the MYF. Specifically, we are exploring a shift away from the current competitive model (where an open application process is launched every 3 years) towards a rolling or continuously managed programme, with opportunities for organisations to remain in, join, or exit the portfolio based on performance, strategic relevance, and available budget. Early scoping work is underway and, as noted above, we would aim to seek sector input on this work as it progresses during 2026.