

Constitution, Europe, External Affairs and Culture Committee
Thursday 29 January 2026
4th Meeting, 2026 (Session 6)

Budget Scrutiny 2026-27

1. The Committee published its [Pre-Budget Scrutiny 2026-27: Funding for Culture](#) report on 21 November 2025. It received responses to the report from the [Cabinet Secretary for Constitution, External Affairs and Culture](#) on 20 January following the publication of the Scottish Budget on 13 January. It also received responses to the report from [COSLA](#) on 17 December and from [Creative Scotland](#) on 18 December.
2. At this meeting, the Committee will take evidence from:
 - Lucy Cassot, Chief Executive Officer, Museums Galleries Scotland
 - Councillor Rick Bell, Resource Spokesperson and Mathew Sweeney, Chief Officer, COSLA ,
 - Steven Roth, Executive Director, Scottish Ballet
 - Billy Garrett, Director of Culture, Tourism and Events, Glasgow Life
3. At its next meeting, the Committee will take evidence on from Creative Scotland, followed by the Cabinet Secretary for the Constitution, External Affairs and Culture.
4. A SPICe briefing is attached at **Annexe A**. The response from the Cabinet Secretary is attached at **Annexe B**.

Clerks to the Committee
January 2026

Constitution, Europe, External Affairs and Culture Committee
Thursday 29 January 2026**Budget scrutiny 2026-27**

This session the Committee has taken a consistent and cumulative approach to its scrutiny of the Scottish Government's budgets. The focus of the Committee's work has been on the culture aspects of the budget with a particular focus on the arts.

The Committee published its [report on its pre-budget scrutiny 2026-27](#) on 21 November 2025. The themes the Committee explored in the pre-budget have been similar to the work of the Committee on this topic since the start of the session.

The [Scottish Budget 2026-27](#) was published on 13 January 2026. A description of the budget in the Constitution, External Affairs and Culture portfolio is included in Annexe A of this paper.

Pre-budget scrutiny 2026-27

The Committee's [report on its pre-budget scrutiny 2026-27](#) was published on 21 November 2025. The report addressed several recurring themes from the Committee's Session 6 budget scrutiny. These were:

- The ongoing financial context for the culture and heritage sector, and the impact and distribution of additional funding provided by the Scottish Government
- Multi-year funding
- Strategic approaches to funding decisions
- Mainstreaming and cross-portfolio funding
- Alternative funding models

The Government's response to the Committee was issued on [20 January 2026](#). The response did not provide a direct response to many of the recommendations in the pre-budget report. An overview of the report recommendations, and responses to them, is presented in a table format in Annexe B to this paper. A more detailed summary is provided below.

The Committee may wish to explore these themes with witnesses.

Financial context

The Committee's report welcomed "the positive impact on sectoral confidence and stability provided by the Scottish Government's commitment to increase investment in culture by £100 million by 2028-29." It noted the Scottish Government commitment to increase the investment by £20 million in 2026-27.

It also acknowledged that the culture and heritage sector still faces "significant financial challenges as a result of long-term budget pressures and increased operating costs."

The Committee made several recommendations relating to Local Authority funding. Both the Scottish Government and COSLA were asked to respond to concerns that the impact of increased Scottish Government funding for the sector may be being offset by funding reductions by local government. The Scottish Government were also requested to supply additional information regarding how the findings of the Creative Scotland Review will provide clarity about the availability of cultural services in different areas of Scotland.

The report also discussed the role of the Scottish Government's "convening power" to ensure cultural provision across Scotland, and sought further detail on how this power is being used to address potential disparities in cultural provision and local government spending on culture.

On the topic of skills development in the historic environment sector, the report requested the Scottish Government to outline how it intends to co-ordinate across portfolios to address the skills shortage, and for an update on the actions set out in the sector's Skills Investment Plan.

A final recommendation asked the Scottish Government whether the Spending review would include consideration of a capital programme managed by Creative Scotland to support the refurbishment, retrofitting and upkeep of assets that are used for cultural activity.

Responses

The Cabinet Secretary's response agreed with the Committee's general findings on the current financial context. It confirmed that the expected uplift of £20 million was forthcoming in the 2026-27 budget. The conclusion of the response also stated that the spending plans in the budget are:

"supporting collaboration and partnership working with local authorities and other delivery partners."

The letter does not explicitly address the recommendations in this section of the Committee's pre-budget report, as summarised above.

[COSLA responded to the Committee's pre-budget report in December 2025](#). The response stated that:

“Ongoing and continued cuts to Local Government funding over the years, along with more and more ringfenced and directed funding, has meant that necessary cuts have been disproportionately focused on non-statutory service areas like culture and leisure. Although additional, uncommitted funding of £289m in 2025/26 was welcome, this was not nearly enough to deal with all the immediate pressures faced by local authorities which included pay, inflation and the increase in employers’ national insurance contributions.”

They went on to say that there are “serious challenges around the sustainable operation of local galleries, libraries and museums when any increased funding is primarily directed through national programmes.” Their response recommended that the Scottish Government should provide a settlement of over £16bn in revenue in the Scottish Budget to local authorities, as well as an £844m general capital settlement.

Multi-year funding

While the report acknowledges the challenging fiscal environment, Committee’s report asks the Scottish Government to explain “why its 2021 Programme for Government commitment to agree 3-year funding settlements for the organisations it funds directly has not been delivered.” The report notes that the Committee has raised concerns on the limited progress towards this commitment in both the 2024-25 and 2025-26 Pre-Budget reports.

There were also recommendations made in regard to Creative Scotland’s Multi-Year Funding Programme. The Committee welcomed the expansion in the programme and “recognises the added stability and confidence it provides to the cultural organisations it supports.” The report also recognises the potential for tension to arise between the number of organisations supported through the programme and the depth of support that can be offered to each one. The report asked Creative Scotland to indicate how it is evaluating its approach in relation to maximising outcomes and establishing clear metrics to assess the impact of the programme.

The report also asked for Creative Scotland’s approach to evaluating whether the application process for the multi-year funding strikes the right balance between supporting high quality outcomes and ensuring that the application process is not too onerous for organisations.

A spending review was published alongside the budget covering the next three financial years. This was set out at Level 2 and is therefore not detailed enough to provide indications of spending plans of the national collections, the national performing bodies or indeed Creative Scotland.

Responses

The Cabinet Secretary, in their response to the Committee’s report, confirmed that additional funding for the Creative Scotland multi-year funding programme was part of the budget funding settlement. This funding was supplied with the aim of “increasing financial stability for cultural organisations across the country.”

The letter does not discuss the topic of 3-year funding settlements for directly funded organisations.

In response to the Committee's recommendations in the report, [Creative Scotland responded in December 2025](#). The letter detailed the demand for the fund from cultural organisations and set out the process that was followed to select the organisations that received the funding. The letter also explained the criteria used to set out the levels of award provided to each successful organisation and how it would monitor activities of funded organisations.

Strategic approaches to funding decisions

The Committee's pre-budget report discussed a range of evidence that it had received about stakeholder concerns of "the lack of strategic clarity in funding decisions for the culture sector." The report made four requests of the Scottish Government relating to strategic approaches to funding decisions:

- To set out in detail what progress it has made towards adopting a strategic approach to the delivery of funding for the culture sector over Session 6.
- To provide an "urgent update" of the delivery of the Culture Strategy Action Plan – the report notes that the Cabinet Secretary committed to provide this update in his response to the Committee's 2025-26 Pre-Budget report and the update was not received.
- To provide an update on the ongoing review of the culture sector, including timelines for the review's completion and detail as to whether the review is considering the relationship between the Culture Strategy and increased culture funding. The report also asked that the Scottish Government outlines how the review's findings will be used to inform a more strategic approach.
- The Committee also reiterated its view that "the Scottish Government should seek to adopt an outcomes-based approach to prioritise and maximise the impact of funding, and that clear metrics should be established to assess the impact of cultural investment."

Response

The response from the Cabinet Secretary does not directly address the four recommendations in the Committee's pre-budget report, as summarised above. It does however state that:

"the Scottish Government understands ongoing calls for careful consideration and transparency around how any additional funding could be used for greatest strategic impact, along with alternative approaches to generating funding, to best support the sector going forward.

"There is an ongoing need to ensure that available funding is used both to provide financial security to Scotland's organisations today and to balance that with the need to drive the strategic changes needed across the sector so that the future success of the sector is secured in a way that is sustainable."

Mainstreaming and cross-portfolio funding

The Committee's report noted that the Cabinet Secretary first committed to engaging directly with other Cabinet Secretaries in relation to greater cross-portfolio policy-making and support for culture in 2021, with additional commitments in 2022 and 2023. In 2024 he told the Committee that he was in conversation with partners about where collective priorities lie and how resources can be targeted.

The report goes on to request that the Scottish Government provide "detail as to the content and outcomes of these discussions and how they have contributed to progress towards mainstreaming and cross-portfolio working over Session 6."

Response

The only mention of cross-portfolio working in the Cabinet Secretary's response to the Committee report was in the conclusion, where he states that:

"The Scottish Government spending plans support many of the priorities raised in the Committee's report including ... working across Ministerial portfolios to ensure that culture continues to contribute to positive outcomes in tackling the climate crisis and supporting lifelong learning, for example."

Alternative funding models

The Committee covered a number of different funding models as part of the report. The report notes the progress being made by a number of local authorities to introduce the Visitor Levy, as well as asking COSLA to provide clarity as to the opportunities for support to the culture sector that the Levy might bring.

The Committee's report also noted that despite the "Scottish Government's confirmation in 2022 that it was in the "initial stages" of scoping a Percentage for the Arts scheme, the Committee has not yet received an update on progress towards establishing the scheme." The Committee asked the Scottish Government for "an urgent update" on progress towards establishing the scheme, as well as for details on what the scheme will look like in practice and why they have not received an update to date, despite a commitment to do so in 2024-25.

A request was also made in the report that the Scottish Government sets out what progress has been made over Session 6 on delivering alternative funding models for the sector.

Responses

In the Cabinet Secretary's response to the Committee report, the only mention of alternative funding models is in the comment that:

"the Scottish Government understands ongoing calls for careful consideration and transparency around how any additional funding could be used for greatest strategic impact, along with alternative approaches to generating funding, to best support the sector going forward."

COSLA's response to the Committee report detailed six local authorities that are at various stages of the 18 month minimum process to implement the Visitor Levy. These are:

- [City of Edinburgh Council](#) – 35% of the remaining net proceeds are allocated to Culture, Heritage and Events, including a Cultural Creation Fund, a New Work Commissioning Fund, Culture Infrastructure development, heritage building transformation and a Cultural Philanthropic Trust as well as budget provision for supporting new work, events, exhibitions and public art.
- [Glasgow City Council](#) - culture and events are identified as one of the three main investment areas. This will support the delivery of the Events Strategy 2035 and Cultural Strategy 2030.
- [Aberdeen City Council](#) - proposed investment streams identified included a Culture & Events Subvention Fund and a Culture & Sport Partner Fund.
- [West Dunbartonshire Council](#) - sustaining, supporting and developing the local culture, heritage and events is one of the three objectives and drivers for introducing a visitor levy.
- [Stirling Council](#) – sustaining, supporting and developing the local culture, heritage and events is one of the three objectives and drivers for introducing a visitor levy.
- [Highland Council](#) - sustaining, supporting and developing the local culture, heritage and events is one of the three objectives and drivers for introducing a visitor levy.

Other recommendations

The Committee also made a series of additional recommendations relating to other topics in their pre-budget report. These included:

- That the role of the culture sector be recognised in the Scottish Government's Climate Change Plan, and that the Government consider how funding to support net zero ambitions could be used to further the impact of the sector.
- A request for the Scottish Government to outline how it intends to address the substantial capital investment required in the culture and heritage sector in order for it to meet climate change and net zero ambitions.
- A request for more details on how the Scottish Government is supporting greater use of public transport to cultural events or sites, and how progress is being measured. There was also a request for an outline of the steps being taken to address aviation emissions associated with audience travel.

Response

The response from the Cabinet Secretary does not directly address any of the other recommendations summarised above. It does, however, focus on a number of other funding announcements that form part of the 2026-27 budget for the culture sector. These include:

- That “the Scottish Government’s response to the Creative Scotland Review recommendations will take cognisance of the Committee’s pre-budget scrutiny report.”
- Museum Futures Programme to get additional funding
- Money for youth and community arts
- Public service reform – efficiencies in public bodies
- Money for the National Collections
- A “view” that the National Performing Companies will get their uplift “in future years”

National Performing Companies

The budget provides for a flat cash settlement for the NPCs as a whole.

On 13 January 2026 the Finance and Public Administration Committee held an [evidence session on the economic impact of Scotland’s five national performing companies](#) (NPCs) in a round-table format. Representatives of all five companies participated in the session. The focus of the session was in comparing the costs and benefits of the NPCs to Scotland.

The [note from the clerk to the Committee](#) includes an Economic and Wellbeing Impact Assessment (EaWIA) of Scotland’s NPCs conducted by BiGGAR Economics. It concluded that in 2024/25, Scotland’s National Performing Companies (NPCs) collectively generated £60.6 million Gross Value Added (GVA), 1,280 jobs and a wellbeing contribution valued at £40.5 million. It suggested that this meant that for every £1 of Scottish Government funding to the NPCs, £2 in income was leveraged and that this generated £2.62 GVA and £1.75 in wellbeing benefits.

Topics covered in the round-table session included: the balance between economic gain and charitable objectives; the possible impact of additional funding for the NPCs; financial sustainability; increasing the engagement of young people; reach across different socio-economic groups; social prescribing; the report’s recommendation that the NPCs have more regular meetings with ministers; multi-year funding; and the impact on the arts ‘eco-system’ of direct NPC funding.

One of the key concerns brought up by the panel was the need for sustainable funding to continue and grow the positive impact of the NPCs to Scotland. Alex Reedijk, general director at Scottish Opera, said that the 2026-27 budget was not what the NPCs had been expecting from the Scottish Government. He explained that:

“It is fair to say that, over the course of the summer, there were conversations with the Scottish Government in which it was intimated that it had done a very good thing for Creative Scotland through the uplift in funding for culture and its 250-odd regularly funded organisations. The festivals also benefited from an uplift because of their contribution to “brand Scotland”. As a result, we were travelling, perhaps naively, with a collective sense not of expectation—that is not the right word—but of hope that there would be a recognition that it was “our turn”, because of the lag over the past 15 years and the diminution of our

core funding. As we sit here today, the reality is that that aspiration is unlikely to be met—it could possibly be dashed—which will create a whole series of challenges for us.”

The Cabinet Secretary addressed the NPC settlement in the 2026-27 budget in his response to the Committee’s pre-budget report. He told the Committee that:

“The Scottish Government has protected the budgets of our internationally acclaimed National Performing Companies at almost £25 million collectively, with a view to providing additional support in future years as part of the cultural funding uplift to the additional £100 million by 2028-29.”

The letter also discussed a recent Scottish Government pledge of a further £20 million to the Dunard Centre which “will provide a first class concert hall in Edinburgh and a new home for the Scottish Chamber Orchestra.”

The Spending review indicated that at the level of the Cabinet Secretary’s portfolio, the total resource budget is £354.5m in the 2026-27 budget. This is forecast to rise by £2.1m to £357.6m in 2027-28, and then to rise by a further £32.8m to £390.4m in 2028-29.

Museums and Galleries

As is set out in Annex A to this paper, the 2026-27 budget included a flat-cash settlement for all of the national collections (the National Museum of Scotland, the National Galleries of Scotland, and the National Library of Scotland) as well as the “non-national” museums and libraries. MGS is funded through the non-national museums line. There was, however, an increase in capital funding in the budget, largely due to the funding of the Art Works development in Granton.

The budget also indicated that there would be around £600k to support the development of a new Museum of Empire, Slavery, Colonialism and Migration.

Museum Futures Programme

The [Museum Futures Programme](#) was [launched in July 2025](#) and was developed in partnership by the Scottish Government, Museums Galleries Scotland and The National Lottery Heritage Fund. The initial fund was worth £4 million and offered:

“funding and support to transform how museums and galleries operate by enabling them to collaborate and test new ways of working.”

It is comprised of two funding channels – an open fund focussed on building leadership capacity and organisational change as well as a targeted fund that will support the testing of collaborative and place-based approaches, focused on the needs of communities, as well as organisations with common issues who would benefit from working together. Participating museums also have access to skills development, professional mentoring and specialist advice.

In his [response to the Committee’s Pre-budget Report](#), the Cabinet Secretary confirmed that the programme would receive a “further £4 million investment in

2026-27 to support the development of new ways of working across the sector.” The 2026-27 Budget includes £4.0m for this initiative to continue.

Local authorities

As highlighted in the Committee’s Pre-Budget report, community-based culture is often reliant on support and funding at a local authority level. The report stated that:

“The Committee shares the concerns raised in evidence that the impact of increased Scottish Government funding for the sector may be being offset by funding reductions by local government. We ask that the Scottish Government to respond to these concerns in the context of the £100 million additional investment in the culture sector. We also request that COSLA provides a response to these concerns.”

COSLA’s response said that there are “serious challenges around the sustainable operation of local galleries, libraries and museums when any increased funding is primarily directed through national programmes.”

The local government revenue settlement in the 2026-27 budget sees a real terms increase of £419 million (+2.9%) when the Budget is compared to last year’s Budget document. A smaller proportion of the settlement is ring-fenced for specific purposes or transferred in-year from other portfolios which is something that local authorities may welcome as it increases local flexibility. However, the increase in 2026-27 falls far short of what [COSLA called for in December](#). They campaigned for a revenue settlement of £16 billion in 2026-27, including an additional £750m for social care.

With the Spending Review being published alongside the Budget, local government now has some indication of what funding will be available in the three years up to March 2029. Although this may provide councils with a bit more certainty, the indication is that the core revenue settlement increases initially between 2025-26 and 2026-27 but then falls slightly in real terms over the following two years.

COSLA also wanted to see a general capital grant of £844 million in 2026-27. Instead, the Budget provides £494 million. The capital allocation from the Scottish Government continues to fall, decreasing by 14% in real terms over the year.

Culture Summit 2024

In [correspondence received by the Committee in June 2024](#) that provided an update on the Culture Strategy Action Plan, the Cabinet Secretary told the Committee that:

“The Culture Value Summit, titled Connections and Partnerships: The Value of Culture in Communities, was run in partnership with the Convention Of Scottish Local Authorities (COSLA) and held at Verity House on 20 May 2024.”

The purpose of the event was to bring together stakeholders to develop “partnership working across boundaries to further the impact of culture in this space, and address the barriers which are holding us back from collectively doing more.”

While the letter suggested that officials were “evaluating the outputs of the day and considering next steps,” the Committee has received no further correspondence on this topic. There does not appear to have been any published outputs from the event.

Culture in Communities inquiry

In 2023 the Committee undertook its [culture in communities inquiry](#). The Committee published its report on the [Challenges and Opportunities In Delivering A Place-Based Approach](#) on 14 September 2023.

A key consideration of the Committee’s inquiry was the role of local government, alongside national government, in ensuring that communities have opportunities for cultural participation. The report noted:

“the essential role of local government in the delivery of a place-based approach to culture, including through the delivery of cultural services, the provision of spaces for cultural activity to take place in, and the provision of grant funding for cultural activity, at a local and more decentralised level; as well as through empowering communities to grow cultural activities and shape cultural services which meet their needs.”

The Committee took the view that:

“the Scottish Government, Creative Scotland, COSLA and local authorities should work in partnership to assess the ongoing impact of the fiscal environment on local cultural provision, and in line with the Place Principle approach, support a clear way forward for services which will maximise the impact of combined resources.”

Creative Scotland Review

The review of Creative Scotland was undertaken last year and led by Angela Leitch CBE. The report of the review was [published on 25 November 2025](#). The Committee took evidence from Angela Leitch, and Stuart Currie, vice-chair of the review, on [4 December 2025](#).

The report of the review and its recommendations were organised under five themes:

1. Creative Scotland’s purpose, functions and structure
2. Governance and leadership within Creative Scotland
3. Creative Scotland’s performance
4. Creative Scotland’s finances and distribution of funds
5. Collaboration, relationships and partnerships

The review called for Creative Scotland to adopt a “regional approach in its governance structure to enhance its regional relationships” (p26). The review said

that there is no “recognised method for regular dialogue at a local level, unlike other national bodies such as sportscotland” (p. 49), and that “there are a variety of regional partnerships across the country that Creative Scotland could be part of to influence and use for development and advocacy purposes.” (p. 39).

The review explored Creative Scotland’s part in the wider policy landscape and how it collaborates more broadly. The review said, “evidence suggests that Creative Scotland is not sufficiently partnering with others or leading the coordination of support”. (p. 50) The review noted—

“Many partner organisations (for example the National Performing Companies, COSLA, South of Scotland Enterprise, Highlands and Islands Enterprise, Museums Galleries Scotland and VisitScotland) would appreciate more purposeful engagement, highlighting the greater potential impact that could result from closer collaborative working … Several fed back on the opportunity for better knowledge and data sharing, which could support more impactful and comprehensive advocacy.” (p. 32)

The review noted suggested that there was a gap in how Creative Scotland supports the wider arts and culture sector. The review reported that contributors highlighted a “lack of support for the commercial development of the creative industries” (p 14) as well as a “need for Creative Scotland to collaborate more with parts of the sector that they do not fund, such as Museums Galleries Scotland and the National Performing Companies”. (p. 51) The review commented—

“It was not clear how Creative Scotland maximises opportunities by partnering with others. The focus on delivering funding limits Creative Scotland’s capacity to lead or participate in strategic partnerships to amplify impact. The predominately project-based funding model often leads to short-term collaborations, hindering the development of long-term, sustainable partnerships.” (p. 50)

Laura Haley and Ned Sharratt, SPICe

Date: 23/01/2026

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Annexe A: 2026-27 Scottish Government Budget

As with last year, the Scottish Government has opted to present the Budget using the 2025-26 Autumn Budget Revision (ABR) as a baseline. While some of these changes reflect evolving priorities, or additional resources becoming available, some transfers occur routinely each year. This means that the ABR figures are not always a sensible baseline to track spending year on year in this portfolio.

Data in this paper is presented with the budget for 2025-26 (taken from last year's budget documents), the 2025-26 ABR and the 2026-27 budget. Some comparisons in tables are made budget-to-budget, albeit this is not always the most appropriate comparison.

The 2026-27, the overall budgets in the Constitution, External Affairs and Culture portfolio has risen compared to 2025-26. The budget for 2026-27 in this portfolio totals £354.5m in resource (day to day expenditure) and £43.0m in capital. Compared to the 2025-26 budget resource has increased by £33.2m and capital by £8.5m. Compared to the 2025-26 ABR, resource increased by £29.3.

Increasing budgets in this area can be linked to the ongoing increase in funding for the arts. The budget document stated:

“We have honoured our commitment to the culture sector with an increase of over £70 million compared to 2023-24, progressing well towards our commitment of a £100 million per year increase by 2028-29.”

The budget document also noted that the Scottish Government will:

- continue to fund the Museum Futures Programme (£4m resource)
- provide £11.65m (capital) for The Art Works project
- provide £1.25m (capital) to The King's Theatre in Edinburgh

There are a number of changes in budgets that are not explained in the budget documents (specifically the Level 4 spreadsheet) published by the Scottish Government. SPICe has sought clarification on these changes from officials.

Real terms

The data in this paper is presented in cash terms. Real terms is where inflation is factored in and provides a better estimate of the purchasing power of the budgets. Generally, SPICe uses HMT's GDP deflator to calculate real terms. The expected inflation in 2026-27 under this measure is 2.23%. Any increase in funding less than 2.23% could be described as a real-terms decrease. It is worth noting that this is an economy-wide measure and different sectors or public bodies may face different levels of rising costs. Members are welcome to contact SPICe directly should they wish to be provided any of this data with real terms calculations.

Arts and Culture

The Arts and Culture Level 2 contains funding for Creative Scotland, the national collections, the National Performing Companies and others. These areas of spend are looking at in more detail below. Overall the spending plans for this level 2 are set out below:

Arts and Culture (£m)

	2025-26 Budget	2025-26 ABR	2026-27 Budget
Resource	205.3	205.6	227.3
Capital	20.5	20.5	27.0

The resource funding is planned to increase by around £22m in 2026-27 compared to 2025-26. Capital funding is also planned to increase by around £6.5m.

Creative Scotland

The majority of additional money under Arts and Culture in 2026-27 is to be found in the Creative Scotland Level 3. The following table shows the budgets for 2025-26 and 2026-27. The table shows resource budgets only – there is no capital budget in this area but there is a small amount of non-cash (depreciation) which is not shown here.

Creative Scotland (Resource £m)

	2025-26 Budget	2025-26 ABR	2026-27 Budget
Creative Scotland Multi-Year Funding	53.9	62.9	73.9
Youth Music Initiative	9.8	9.8	10.0
Screen Scotland	11.3	11.3	12.0
Creative Scotland Operating Costs	4.8	4.8	4.8
Total - Creative Scotland	79.7	88.7	100.6

The line for Creative Scotland's multi-year funding increased by £20m comparing budget to budget. There had been an in-year transfer of £9m during 2025-26 from the Other Arts area – this funding has been re-baselined into Other Arts for 2026-27 and this is explained further below.

Funding for the YMI and Screen Scotland also will see increases in 2026-27 compared to 2025-26.

Other Arts and Activity

This Level 3 line covers a range of funds and the table below shows data on the resource budgets.

Other Arts and Activity (Resource £m)

	2025-26 Budget	2025-26 ABR	2026-27 Budget
Culture Arts Delivery and Policy	4.5	4.7	2.5
Other Arts and Activity	17.6	4.2	16.0
Museum Futures Programme		4.0	4.0
Royal and Ceremonial		0.4	0.4
Sistema	2.7	2.7	2.8
V&A Dundee	3.8	3.8	4.0
Total - Other Arts and Activity	28.6	19.9	29.7

The Scottish Government describes the Culture Arts Delivery and Policy line as:

“Supports operational delivery for Directorate for Culture and External Affairs teams. Supports the delivery of the Culture sector review; Creative Scotland review, public sector reform and implementation of Culture Strategy.”

This line is reducing by around £2m compared to 2025-26. Officials confirmed that this is due to transfer of the Major Events to the Deputy First Minister’s portfolio.

Other Arts and Activity is described as “revenue funding for other cultural opportunities and priorities including EXPO and Festivals.” There was a significant movement out of this line in-year in 2025-26. Some of that was a movement into the new lines Museum Futures Programme and Royal and Ceremonial. £9m was transferred to Creative Scotland line and included:

- Culture Collective (£4m);
- Festivals Expo Fund (£4.8m); and
- Festivals Edinburgh (£0.2m).

These funds are included in the Other Arts and Activity in the budget for 2026-27. Taking account of the baselined shift in budgets to Museum Futures Programme and Royal and Ceremonial, the Other Arts and Activity has increased by around £2.8m – the Scottish Government spreadsheet states that this is due to support the “new Museum of Empire, Slavery, Colonialism and Migration (£600k); Glasgow, Aberdeen and Edinburgh film houses (£500k); SLIC (£100k); Expo Fund (£1.2m)”.

Both Sistema and V&A Dundee saw increases in their budgets of 4.1% and 5.3% respectively.

National Cultural Collections

Budgets in the National Cultural Collections includes both resource and capital. Capital in this area can cover both the maintenance and construction of physical assets as well as purchasing works for the collection. The following two tables set out the resource and capital budgets in this area.

National Cultural Collections (Resource £m)

	2025-26 Budget	2025-26 ABR	2026-27 Budget
National Museums of Scotland	28.7	28.8	28.7
National Galleries of Scotland	21.2	21.2	21.2
National Library of Scotland	17.8	17.8	17.8
Non National Museums	3.7	3.7	3.7
Non National Libraries	0.9	0.9	0.9
Total	72.4	72.5	72.4

All of the bodies supported under this area of spend will see a flat cash settlement compared to the 2025-26 budget. Non-national Museums funds, “museums and galleries across Scotland via Museums Galleries Scotland, and direct funding for the Scottish Maritime, Mining and Fisheries Museums.” Non National Libraries provides funding to the Scottish Library and Information Council.

National Cultural Collections (Capital £m)

	2025-26 Budget	2025-26 ABR	2026-27 Budget
National Museums of Scotland	1.9	1.9	2.9
National Galleries of Scotland	6.2	6.2	17.5
National Library of Scotland	2.7	2.7	3.7
Non National Museums	1.8	1.8	1.7
Non National Libraries	0.0	0.0	0.0
Other Cultural Capital	8.0	8.0	1.3
Total	20.5	20.5	27.0

While the resource settlement for this area was flat cash, there has been movement in the capital budgets with the overall capital budget increasing by around £6.5m and significant shifts within this area.

The largest increase was for NGS and this includes funding for the Art Works development in Granton. The funding under “Other Cultural Capital” in 2026-27 is to support the King’s Theatre.

National Performing Companies

The National Performing Companies budgets overall are flat in cash terms. The table below shows the resource budgets.

National Performing Companies (Resource £m)

	2025-26 Budget	2025-26 ABR	2026-27 Budget
Scottish Opera	8.7	8.7	8.6
National Theatre of Scotland	4.5	4.5	4.5

Royal Scottish National Orchestra	4.4	4.4	4.4
Scottish Chamber Orchestra	2.3	2.3	2.2
Scottish Ballet	4.7	4.7	4.9
Total - National Performing Companies	24.6	24.6	24.6

There were small shifts in how the funding, mainly the SCO's budget fell by £100k and Scottish Ballet's budget increased by around £130k.

Other areas of the Constitution, External Affairs and Culture portfolio

There are three other areas of spend in this portfolio which are covered briefly here. Members are welcome to contact SPICe directly if they wish to explore these areas in more detail.

Historic Environment Scotland's grant in aid is planned to be £57.2m in resource in 2026-27. This is a fall of £2.1m and was expected as part of an agreement between HES and the Scottish Government whereby HES would have greater flexibility to effectively carry reserves across financial years. The estimated expected income of HES in 2026-27 is £74.9m which is an increase of £2.8m compared to the estimate for 2025-26. The expected increase in income would offset the reduction of the GIA. There is also a capital budget for HES of £10.0m which is the same as 2025-26.

The resource budget for National Record of Scotland increased by around £4m in year in 2025-26 and by a further £4m in the budget for 2026-27. This is largely in relation to funding for the Census 2031 and the resource funding for NRS in 2026-27 is £36.4m.

Total funding for External affairs in the 2026-27 budget is £32.1m resource and 2.0m capital. External affairs resource budgets have risen by around £4.9m (£5.3m compared to the ABR) year on year and by £2.0m in capital funding.

Spending review

The Government also published a spending review covering 2026-27 (the current budget) and indicative figures for 2027-28 and 2028-29. The figures are presented at Level 2 and presented as the sum of resource, capital and financial transactions. At the Level 1 data (ie portfolio level) this data is disaggregated by resource, capital and FTs. The Scottish Government did not consult prior to publishing the spending review on this occasion. This Committee contributed to the consultation on the resource spending review in 2022. [Its pre-budget report that year](#) called for figures to be presented at Level 3 in the context of providing greater certainty over multi-year funding.

The table below is replicated from the [Government's 2026 Spending Review](#).

Constitution, External Affairs & Culture Spending Plans (Level 2)

Constitution, External Affairs & Culture Spending Plans (Level 2)

Level 2	2026-27	2027-28	2028-29
Arts and Culture	254.3	301.8	290.2
External Affairs	34.1	31.9	31.6
Historic Environment and Architecture	68.8	68.8	68.8
National Records of Scotland	40.4	43.4	47.3
Total Constitution, External Affairs and Culture	397.5	445.9	437.8
<i>of which</i>			
Total Fiscal Resource	354.5	357.6	390.4
<i>of which Programme Costs</i>		337.6	340.9
<i>of which Operating Costs</i>		16.9	16.7
Capital	43	88.3	47.4
Financial Transactions (FTs)	—	—	—

The Spending review set out the priority areas for this period. It said:

“Cultural delivery will expand through multi-year funding, sector innovation, heritage development and community arts. International development work will continue across health, education and equalities with partner countries, alongside humanitarian response.

“The portfolio is embedding fiscal sustainability through sector-wide collaboration and organisational reform. Public bodies are developing a prioritised pipeline of shared capital investment solutions, including joint storage projects.”

Local government

Local government has a key role in supporting cultural services and assets in their areas. The following table shows the spend (and planned spend) on these areas over the past five years.

Local authorities, Culture and Heritage (£m)

Subservice	2021-22	2022-23	2023-24	2024-25 Provisional Outturn	2025-26 Budget Estimate
Museums and Galleries	42.2	48.4	54.6	51.2	50.2
Other Cultural and Heritage	56.1	63.3	64.5	55.7	56.4
Library Services	94.9	104.4	110.3	110.2	113.4

Spending on library services accounts for more than half of local authorities' expenditure on Culture and Heritage.

The Cabinet Secretary for Finance and Local Government said in [her statement to Parliament on 13 January 2026](#):

“Overall, the funding for local government will increase by 2 per cent in real terms, comparing budget with budget—a settlement that is fair, and which recognises the important role of local government in the delivery of key services.”

The [Spending Review noted that in future years](#), local authorities budgets are likely to be under pressure with resource forecast to fall in cash terms in 2027-28. [It also stated:](#)

“Local Government continues to deliver reform and efficiencies. In the year to June 2025, the workforce fell by 0.7 per cent, equivalent to around 1,500 FTE.

“The future fiscal outlook for Local Government will bring challenges that will require it to participate in further efficiencies, and undertake transformation of services, in line with our strategic ambitions. However, Local Government will have the flexibility in how they find the savings that are equivalent to the quantum necessary and fit their local circumstances.”

Annexe A

Annexe B: Prebudget report recommendations and responses

The Committee's report [Pre-Budget scrutiny 2026-27: funding for culture](#) was published on 21 November 2025. The majority of the Committee's recommendations were directed to the Scottish Government. Some recommendations were also directed at COSLA and Creative Scotland.

The response from the Scottish Government did not address many of the recommendations directly. However, it made some general comments, such as:

“I want to reassure the Committee that the Scottish Government’s response to the Creative Scotland Review recommendations will take cognisance of the Committee’s pre-budget scrutiny report.”

And:

“The Scottish Government spending plans support many of the priorities raised in the Committee’s report including supporting collaboration and partnership working with local authorities and other delivery partners; increasing the number of multi-year funded organisations through Creative Scotland; increasing opportunities across the country for cultural engagement; and working across Ministerial portfolios to ensure that culture continues to contribute to positive outcomes in tackling the climate crisis and supporting lifelong learning, for example.”

The table below summarises each of the Committee's recommendations and provides a summary of the response from Scottish Government, COSLA and Creative Scotland. Where the relevant field is grey, the recommendation was not directed at that organisation.

Para.	Recommendation	Scottish Government	COSLA	Creative Scotland
	Context			
20.	Welcomed commitment to increase investment in culture. Expectation of £20 million increase for 2026-27.	Confirms an additional £20 million for 2026-27.		

Para.	Recommendation	Scottish Government	COSLA	Creative Scotland
21.	Significant financial challenges remain for the sector but recognises additional funding has been committed in a tight fiscal environment.	Discusses the challenging financial position in which 2026-27 budget is set.		
31.	Concern about reductions in local government funding for culture. Asked for Scottish Government and COSLA to respond to concerns.	States: “supporting collaboration and partnership working with local authorities and other delivery partners.”	Stated there are “serious challenges...when any increased funding is primarily directed through national programmes.” Recommended that the Scottish Government should provide a £16 billion boost in revenue in the Scottish Budget to local authorities, as well as an £844m general capital settlement.	
32.	Would welcome additional clarity about how the findings of the Creative Scotland Review will be used to address issues surrounding the level of local government culture funding and disparities in cultural provision.	No direct response.		
33.	Asked for detail on how the Scottish Government is using its “convening power” to address potential disparities in cultural provision across Scotland.	No direct response.		
38.	Requested detail on how the Scottish Government is targeting investment in skills shortages and an update on the actions set out in the Historic	No direct response.		

Para.	Recommendation	Scottish Government	COSLA	Creative Scotland
	Environment sector's Skills Investment Plan.			
39.	Requested outline of how the Scottish Government intends to co-ordinate across portfolios to address the skills shortage.	No direct response.		
48.	Will the Spending Review include consideration of a capital programme managed by Creative Scotland for refurbishing and retrofitting cultural assets?	No direct response.		
Multi-year funding				
55.	Asks that the Scottish Government explain why its 2021 Programme for Government commitment to agree 3-year funding settlements for the organisations it funds directly has not been delivered.	No direct response.		
67.	Welcomed expansion of Creative Scotland Multi-Year Funding Programme and recognises "the added stability and confidence it provides to the cultural organisations it supports."	Confirmed additional funding for the Programme and said it was supplied with the aim of "increasing financial stability for cultural organisations across the country."		
68.	Asked Creative Scotland to indicate how its approach will be evaluated to maximise cultural outcomes and establish clear metrics.			Detailed the application process, the documentation applicants must provide, the collection of data and the use of metrics in the process.
69.	Asked Creative Scotland how they evaluate whether their processes balance the need for high quality			Discussed 3 audits of the Programme undertaken by an internal auditor. Stated that: "Both completed audits

Para.	Recommendation	Scottish Government	COSLA	Creative Scotland
	outcomes with ensuring applications are not “overly onerous.”			concluded that we had designed and implemented an effective, well-documented process with strong governance oversight for assessing organisational funding applications.”
	Strategic approaches			
82.	We ask that the Scottish Government sets out in detail what progress it has made towards adopting a strategic approach to the delivery of funding for the culture sector over Session 6.	<p>The Government did not set out progress towards adopting a strategic approach to the delivery of funding for the culture sector over Session 6 in detail. It did say:</p> <p>“the Scottish Government understands ongoing calls for careful consideration and transparency around how any additional funding could be used for greatest strategic impact, along with alternative approaches to generating funding, to best support the sector going forward.</p> <p>“There is an ongoing need to ensure that available funding is used both to provide financial security to Scotland’s organisations today and to balance that with the need to drive the strategic changes needed across the sector so that the future success of the sector is secured in a way that is sustainable.”</p>		

Para.	Recommendation	Scottish Government	COSLA	Creative Scotland
83.	To provide an “urgent update” of the delivery of the Culture Strategy Action Plan – the report notes that the Cabinet Secretary committed to provide this update in his response to the Committee’s 2025-26 Pre-Budget report and the update was not received.	No direct response.		
84.	That it provides an update on the ongoing review of the culture sector, including timelines for the review’s completion and detail as to whether the review is considering the relationship between the Culture Strategy and increased culture funding. The report also asked that the Scottish Government outlines how the review’s findings will be used to inform a more strategic approach.	No direct response.		
85.	The Committee reiterated its view that “the Scottish Government should seek to adopt an outcomes-based approach to prioritise and maximise the impact of funding,” and that “budget choices could be more significantly aligned with the NPF.”	No direct response.		
	Mainstreaming and cross-portfolio funding			
104.	The report notes that the Cabinet Secretary first committed to engaging directly with other Cabinet Secretaries in 2021, with additional commitments in 2022 and 2023. In 2024 he told the Committee that he	The Scottish Government did not details of the “content and outcomes of these discussions and how they have contributed to progress towards mainstreaming and cross-		

Para.	Recommendation	Scottish Government	COSLA	Creative Scotland
	was in conversation with partners about where collective priorities lie and how resources can be targeted. The report requests that the Scottish Government provide “detail as to the content and outcomes of these discussions and how they have contributed to progress towards mainstreaming and cross-portfolio working over Session 6.”	portfolio working over Session 6.” It did say: “The Scottish Government spending plans support many of the priorities raised in the Committee’s report including...working across Ministerial portfolios to ensure that culture continues to contribute to positive outcomes in tackling the climate crisis and supporting lifelong learning, for example.”		
	Alternative funding models			
124.	Noted progress on introducing the Visitor Levy - requested COSLA to provide clarity as to what opportunities for support the Levy might bring to the culture sector.		Details six local authorities that are at various stages of the 18 month minimum process to implement the Visitor Levy – including providing information on the expected cultural benefits in each case.	
125.	Invited the Scottish Government’s view on the provision of basic income for artists in Ireland.	No direct response.		
126.	The Committee asks the Scottish Government why, there has been no further update on the progress towards establishing a Percentage for the Arts scheme. Asked that the Scottish Government provides an urgent update on progress towards establishing the scheme and detail as to what the scheme would look like in practice.	No direct response.		

Para.	Recommendation	Scottish Government	COSLA	Creative Scotland
127.	Asked that the Scottish Government sets out in detail what progress it has made over Session 6 on delivering alternative funding models for the sector.	“the Scottish Government understands ongoing calls for careful consideration and transparency around how any additional funding could be used for greatest strategic impact, along with alternative approaches to generating funding, to best support the sector going forward.”		
	Climate change and Net Zero			
135.	Recommends that the sector’s role be recognised in the Scottish Government’s Climate Change Plan and that the Scottish Government considers how funding to support net zero ambitions could be used to further the impact of the culture sector on public attitudes.	No direct response.		
138.	We invite the Scottish Government to outline how it intends to address the substantial capital investment required in the culture and heritage sector in order to meet its climate change and net zero ambitions.	No direct response.		
145.	Requested more details on how the Scottish Government is supporting greater use of public transport to cultural events or sites and how progress is being measured.	No direct response.		
146.	Asked the Scottish Government to outline what steps it is taking to address aviation emissions associated with audience travel.	No direct response.		

Annexe B

Cabinet Secretary for Constitution, External Affairs and
Culture

Angus Robertson MSP



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Clare Adamson MSP
Convenor Constitution, Europe, External Affairs and
Culture Committee
Scottish Parliament

20 January 2026

Dear Clare,

Pre-Budget scrutiny 2026-27: funding for culture

I would like to thank you and the Committee Members once again for the opportunity to give evidence in September 2025 as part of your pre-budget scrutiny on funding for culture. The detailed examination and careful reflection the Committee has given to the information gathered is evident in your report of 21 November 2025.

Financial Context

The Scottish Government faces a challenging financial position over the medium-term and delivery of the actions set out in the Fiscal Sustainability Delivery Plan and Public Service Reform Strategy will, therefore, be key. Set against a backdrop of constrained resources and a rising demand for public services, the draft budget for 2026-27 continues to fund the social contract that is at the heart of this Government's approach including our commitment to increased funding for culture.

The draft budget has been developed through effective engagement and negotiation across Parliament to build broad support and our focus remains aligning government spending with the delivery of our four priorities: eradicating child poverty, growing the economy, tackling the climate emergency, and ensuring high quality and sustainable public services.

Scottish Government funding for culture

The positive impact of recent increases to the Scottish Government's budget for culture has been broadly welcomed by the Committee and stakeholders as reflected in the Committee's recent report. An additional £20 million for culture in 2026-27 will bring the cumulative annual increase in the culture budget to £70 million when compared to the 2023-24 allocation.

However, the Scottish Government understands ongoing calls for careful consideration and transparency around how any additional funding could be used for greatest strategic impact, along with alternative approaches to generating funding, to best support the sector going forward.

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There is an ongoing need to ensure that available funding is used both to provide financial security to Scotland's organisations today and to balance that with the need to drive the strategic changes needed across the sector so that the future success of the sector is secured in a way that is sustainable.

Creative Scotland

That is why in the draft budget that was published on 13 January, the Scottish Government has earmarked an additional £20 million for direct delivery to the sector through the Creative Scotland Multi Year Funding programme, increasing financial stability for cultural organisations across the country.

The Scottish Government is aware that many of the [Independent Review of Creative Scotland](#) recommendations set out in the Angela Leitch's recent report speak to leadership for the sector on many of the issues raised by the Committee. I want to reassure the Committee that the Scottish Government's response to the Creative Scotland Review recommendations will take cognisance of the Committee's pre-budget scrutiny report.

Screen Scotland

Increasing investment in Screen Scotland by £800,000 will build on the successes of film and television production in Scotland in support of the Scottish Government's goal of £1 billion Gross Value Added by the sector to the Scottish economy by 2030.

Museum Futures Programme

The draft budget also prioritises support for innovation and sustainability through a second year of our pioneering Museum Futures Programme, with a further £4 million investment in 2026-27 to support the development of new ways of working across the sector.

Youth and community arts

Scotland's young people and communities will have increased opportunities to engage in culture through planned increases to the Youth Music Initiative (YMI – increased by £215,000) and Sistema Scotland (increased by £100,000) and through ongoing funding for our flagship community-led arts programmes, Culture Collective and Creative Communities.

Public Service Reform

The draft 2026-27 budget for culture builds on previous funding uplifts and seeks to continue to support the changes that will make a difference to how the sector is supported going forward. This includes our ongoing work with our public bodies to drive efficiencies, strengthen partnership working and increase income streams where applicable.

Historic Environment Scotland

The agreed revised Framework Document with Historic Environment Scotland (HES) provides the organisation with greater financial freedoms to manage its commercial income. As part of this agreement, HES is continuing to reduce its dependency on public funding towards its operational budget as its commercial income continues to grow. This is the second year of that agreement which sees a further £2 million reduction in resource funding providing HES in 2026/27 with £57.2 million as part of a five- year plan to reduce funding of HES by £10 million.

National Collections

The Scottish Government is committed to ensuring our National Collections have the resources they need to meet to meet pay pressures and other inflationary issues, including Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

through efficiency savings where possible so that any additional funding available in 2026-27 can be directed towards activities that will increase sustainability going forward. The Scottish Government also plans to provide increased funding to the V&A Dundee (an increase of £200,000) in recognition of the significant national and international activity needed to maintain its status as Scotland's premiere museum of design and to drive the innovation needed to become less reliant on public funding going forward. Significant capital investment of £11.65 million in 2026-27 leading to a total investment of £55.9 million over three years for a collaborative and visionary project – The Art Works. This will establish a National Collections Hub for National Galleries of Scotland and National Museums of Scotland, delivering significant socio-economic benefits as part of City of Edinburgh Council's Granton Regeneration.

National Performing Companies

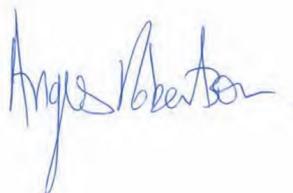
The Scottish Government has protected the budgets of our internationally acclaimed National Performing Companies at almost £25 million collectively, with a view to providing additional support in future years as part of the cultural funding uplift to the additional £100 million by 2028-29.

The Scottish Government has also recently pledged a further £20 million to the Dunard Centre which will provide a first class concert hall in Edinburgh and a new home for the Scottish Chamber Orchestra. This is in addition to the £10 million already provided as part of the Edinburgh and South East Scotland City Region Deal. The draft budget also commits to providing an additional £1.25 million capital in 2026-27 for the redevelopment of the King's Theatre in Edinburgh, bringing the total SG funding package to £12.8 million over the lifetime of the project subject to further due diligence requirements.

Conclusion

The Scottish Government spending plans support many of the priorities raised in the Committee's report including supporting collaboration and partnership working with local authorities and other delivery partners; increasing the number of multi-year funded organisations through Creative Scotland; increasing opportunities across the country for cultural engagement; and working across Ministerial portfolios to ensure that culture continues to contribute to positive outcomes in tackling the climate crisis and supporting lifelong learning, for example.

I look forward to hearing the Committee's thoughts on the draft culture budget for 2026-27 and to hear their ideas on key priorities for the Spending Review period when I appear at Committee on 5th February.



Angus Robertson

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

