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Joan McAlpine
Convener
Culture, Tourism, Europe and External Affairs Committee
Scottish Parliament
Edinburgh
EH99 1SP

July 2020
IM/km

Dear Convener

CREATIVE SCOTLAND JULY UPDATE

I hope this continues to find yourself and the Committee safe and well.

I am writing to provide the Committee with another update on our work to support the sector during the ongoing Covid-19 pandemic.

Funding Response to Covid-19

We recognise and do not underestimate the impact of the Covid-19 pandemic on both the work being produced and, critically, on the lives of everyone working in all parts of the culture sector.

As previously noted, Creative Scotland has taken some swift and impactful steps to respond within available resources. This has included:

- Honouring the existing funding agreements with the cohort of 121 RFOs,
- Introducing the Bridging Bursary programme – which is delivering more than £4.3m emergency funding support to people working in the culture sector (supported by Scottish Government, the National Lottery and the Freelands Foundation)
- Adapting £8.5m of existing funds to continue to support the development of peoples' practice and the creation of new work, including Screen development.

The significant new funding recently announced from both the Scottish Government and the UK Government is extremely welcome news (£10m from the Scottish Government for Performing Arts Venues; £97m from the UK Government; £2.2m for music venues).

We are now working with the Scottish Government to determine how the funds are to be spent and Creative Scotland is playing its role in ensuring help and support flows to artists, other freelancers and organisations as soon as possible

Performing Arts Venue Relief Fund

A targeted £10 million fund to support Scotland's performing arts venues was announced by Culture Secretary Fiona Hyslop at the beginning of July.

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Created as part of the Scottish Government's £185m Business Support Fund, the Performing Arts Venues Relief Fund will help venues which cannot yet reopen to their audiences due to the ongoing impact of coronavirus (COVID-19).

The Performing Arts Venues Relief Fund is for both Regularly Funded Organisations (RFOs) and non-RFOs and aims to:

- remove the threat of insolvency prior to the end of March 2021
- allow for specialist / core staff to return from furlough or avoid redundancy to work on future sustainability plans
- increase the opportunities for commissioning and employment of freelance artists and creative practitioners.

We are working with the Federation of Scottish Theatre to help develop the shape and process for the funding and will communicate more on that shortly.

Bridging Bursary Funds

A combination of funding from The National Lottery, Scottish Government and the Freelands Foundation, totalling over £4.3 million, has been distributed to freelance practitioners based in every local authority area.

A total of 2,293 awards have been made, with a total value of £4,302,561. 80% of the total number of requests were approved in Phases 1 and 2.

The Committee may be interested in the further breakdown of these awards, by art form area and by Local Authority area, which is available on the [Bridging Bursary page](#) of our website.

Open Fund: Sustaining Creative Development

Creative Scotland's revised Open Fund: Sustaining Creative Development has been open for applications since April. Up until week commencing 6 July 2020, the fund had received 247 applications from individuals with a total ask of £2.9m and 75 applications from organisations, with a total ask of £1.4m. Assessment of applications is underway and successful awards will be published and included in future updates to the Committee.

Pivotal Enterprise Resilience Funds/Creative, Tourism & Hospitality Hardship Fund

In April 2020, the Scottish Government made available additional grant funding for vulnerable Scottish SMEs that are vital to local, regional and national economies and for tourism, hospitality and creative industry businesses that are experiencing hardship as a result of COVID-19.

Scotland's enterprise agencies worked at pace, with support from VisitScotland and Creative Scotland, to design and deliver this funding via two short-term Funds:

- A £30 million **Creative, Tourism & Hospitality Enterprises Hardship Fund** for small creative, tourism and hospitality companies not in receipt of other COVID-19 business grants. The fund was designed to support companies in tourism, creative industries and hospitality that were experiencing immediate hardship, because they are ineligible for other COVID-19 Government grant support. The focus was to help companies who could demonstrate a negative cashflow position over three months, and those furloughing staff were eligible to apply.
- A £120 million **Pivotal Enterprise Resilience Fund** for viable but vulnerable SME firms who are vital to Scotland's economy. The fund was designed to support companies with working capital to help them continue trading or to come out of hibernation and the focus

was on firms that are vital to local, regional or national economic prosperity and those who can help to kick start the recovery.

Working in a Team Scotland approach, Creative Scotland worked alongside Visit Scotland to support SE, HIE and SOSE in ensuring the funding was directed in accordance with the Scottish Government direction, analysing thousands of applications to ensure sectoral fit.

Work on the disbursement of these funds is now concluding and a full report will be published by Scottish Enterprise shortly.

Digital Pivot Programme

The digital pivot programme opened on 18th May and was set up to work with people who are curious about finding different ways to connect while COVID-19 restricts our movement and ability to physically gather. The project was set up to be delivered in 2 phases, with 12 organisations initially benefitting from 1-1 support with a further 10 in the second phase starting in late July. The focus is on helping people and organisations to start thinking strategically about how they can pivot to take advantage of digital and creative technology to develop their businesses and/or creative practice. The project is also aimed to complement the development of the revised Open Fund, and other Covid-19 related support including consideration of further digital work.

Engagement with the Sector

In addition to ongoing engagement with the sector by Creative Scotland staff, in June, our Chair, Robert Wilson, held a series of online discussions with the Chairs of the 121 Regularly Funded Organisations to discuss the challenges they are facing in relation to the pandemic; how they are adapting to the context it has created; and how Creative Scotland can help address this emergency, working collaboratively with organisations.

There was general positivity about the ongoing work of Creative Scotland to support the sector through the challenges presented by Covid-19 and, across all sessions, a number of themes emerged:

- The need for ongoing flexibility and understanding
- A request for clarity over future funding to enable forward planning
- A call for ongoing Creative Scotland leadership and advocacy in making the case for the value of the sector, the challenges being faced and the need for additional resources
- A concern about Local Government support reducing in light of extreme financial pressures
- The move to digital being both an opportunity and a challenge
- A recognition of the wider operating environment and the challenges of viable physical distancing for venues and facilities, coupled with audience confidence to re-engage
- The need to address risks of widening inequalities
- A call for further sector networking sessions to share learnings and collectively discuss how to adapt to a new and different kind of future, recognising it as an opportunity to strengthen the role of culture in the wellbeing and prosperity of the country.

We also continue to regularly convene meetings with the Sector Development Bodies and the Scottish Government to map the ongoing impacts being felt and discuss the needs of the sector to help manage the challenges.

The sector bodies involved in these meetings are:

- Artlink Edinburgh
- Arts and Business Scotland
- Craft Scotland
- Culture Counts
- Federation of Scottish Theatre

- Festivals Edinburgh
- Literature Alliance
- Publishing Scotland
- SCAN
- Scottish Music Industry Association

In May, we conducted a formal survey with Regularly Funded Organisations to better understand the financial, staffing and resource implications of the pandemic on their work. 111 of the 121 RFOs responded to the survey which provided extremely stark information on the projected impact of Covid-19 on the sustainability of these vital cultural organisations. For example, it is estimated that the loss in income to these organisations by the end of September 2020 will be in excess of £30m, rising to over £42m by March of next year.

This survey and its findings are also extremely helpful in informing our ongoing discussions with Scottish Government and other partners on future funding and emergency measures we need to take to address the impact of the pandemic on the culture sector as much as possible.

Key findings can be found on our website: <https://www.creativescotland.com/funding/funding-programmes/regular-funding>

Audience Intention Research

Following an open tender process, we have appointed researchers to undertake an ongoing programme of research to understand the intention of the public to re-engage with cultural activity. This includes the extent and pattern of recovery, considering when and how people will participate and attend and how this will vary between different types of activity and socio-demographic characteristics. Further, the research will consider what will help enable people to engage, including identifying potential barriers and incentives. The research methodology includes working with the sector, and the results will be published on our website with regular updates.

Screen Scotland Funding

Screen Scotland Bridging Bursary

The Screen Scotland Bridging Bursary ran from 30 March through to 20 May. All requests have now been processed. The fund received a total of 814 applications to the value of £1.7m. 665 requests were awarded against a value of £1,370,058. 157 requests were ineligible under the criteria of the fund.

Single Project Development Fund

Parallel Single Project Development (Film Development and Broadcast Content) funding routes were implemented by Screen Scotland in March to support the Scottish screen sector to adapt during the Covid-19 pandemic.

The two funding routes, Film and Broadcast, were resourced to jointly provide £1million of ring-fenced funding for Scotland's independent film and television production companies to support them to develop creative and ambitious projects across film and television in scripted and unscripted genres, for live-action and animation over the coming three-six months. Both funding routes closed on 26 June.

To date, the Broadcast route has awarded £245,758 towards development while £187,851 has been awarded under the Film route. Assessments are still ongoing for the remaining applications.

Film and Television Production

As part of the BFI co-ordinated *Screen Sector Task Force*, Screen Scotland has been working towards the resumption of production of film and high-end TV. Screen Scotland was directly involved in the development and consultation process with industry, unions and others that led to the prompt publication of industry guidelines, *UK Working Safely During COVID-19 in Film and High-end TV Drama Production*, published on 2 June, which outlines health and safety guidance for production

While production is starting to recommence, the sector continues to face a number of key challenges for resuming at anticipated 2020 levels. The lack of insurance cover for Covid-19 related risks of delay or abandonment is proving to be one of the most significant roadblocks for companies of all sizes. Screen Scotland is involved with making representations to the UK Government to resolve this matter.

Screen Scotland has also been working with the Scottish Government on introducing an exemption to quarantine regulations for UK qualifying films and HETV, where the incoming cast or crew member travels only between their accommodation and the production base.

Cinema and Exhibition

Now we are in Phase 3 of the Scottish Government's Routemap, cinema sites can reopen. Screen Scotland is working closely with Scottish Government to put appropriate fiscal and safeguarding measures in place to support independent cinemas to reopen.

Screen Scotland is also working directly with INDY Cinema Group to provide a package of support to cinemas so that they can host Drive-Ins in order to re-engage with and provide a safe, secure environment for audiences reluctant to return to cinema auditoria.

In response to short-term incapacity, many film festivals have made the decision to pivot to an online offering. Screen Scotland has made changes to the Film Festivals Fund in order to support film festival resilience. The fund now enables film festivals across Scotland to develop and deliver festival screenings and activity that is in part or wholly digital. The changes are designed to help festivals to continue to reach audiences while social distancing measures continue to impact their viability.

Strengthening Support for the Sector

As part of Screen Scotland's ongoing strategy to increase production opportunities and its more immediate priority to foster resilience within the sector, the appointment of three new senior strategic roles, Head of Scripted, Unscripted and Production, were announced in June.

To conclude

I hope the Committee finds this update useful and we will continue to keep the Committee updated on progress, with a further update in August.

If there are any questions, please don't hesitate to contact me.

Your sincerely



Iain Munro
Chief Executive