



The Scottish Parliament
Pàrlamaid na h-Alba

Anas Sarwar MSP,
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BY E-MAIL

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Dear Anas,

Covid-19: Funding support for businesses

Thank you for your letter of 22 September 2020 regarding the financial support being provided to businesses as a result of the COVID19 pandemic. As you will be aware, the Culture, Tourism, Europe and External Affairs Committee launched an ongoing inquiry examining the impact of COVID19 on Scotland's culture and tourism sectors earlier this year. Details of the Committee's inquiry, which includes regular updates from the Scottish Government and Creative Scotland are available here:

<https://www.parliament.scot/parliamentarybusiness/CurrentCommittees/115008.aspx>

The Committee has also received over a hundred written submissions responding to our call for views. Submissions can be viewed here:

<https://www.parliament.scot/parliamentarybusiness/CurrentCommittees/115079.aspx>

To date, the Committee's scrutiny of the impact of COVID19 on Scotland's culture and tourism sectors has predominately focused on the following areas:

1. The role of the Scottish Government in responding to the Pandemic; and
2. The response of public bodies to the Pandemic.

The role of the Scottish Government in responding to the Pandemic

Since the implementation of lockdown restrictions in response to the pandemic, the Committee has heard from the Cabinet Secretary for Rural Economy and Tourism and the Cabinet Secretary for Economy, Fair Work and Culture on a number of occasions. A complete list of these meetings and the relevant official reports are available on the Committee's inquiry page:

<https://www.parliament.scot/parliamentarybusiness/CurrentCommittees/115008.aspx>

The Response of public bodies to the pandemic

As you outline in your letter, the Scottish Government has introduced a package of measures to support businesses during the COVID19 crisis, and many of these funds are paid out to third parties by public bodies. Your letter also mentions the Audit Scotland report on Covid-19 and the importance of seeking to scrutinise these funds and the outcomes which are derived from these monies.

While the Committee has endeavoured to scrutinise, as far as possible, the allocation of funds, it is clear from the summary provided below that administration of these funds is ongoing and as such it has not been possible to examine them in the kind of detail set out in your letter. In terms of the Committee's scrutiny of those bodies which administer business support funding within our remit, our evidence has focused on the work of—

- Creative Scotland
- Visit Scotland
- Historic Environment Scotland
- Museums and Galleries Scotland

Creative Scotland

Recent announcement of emergency support

The Committee receives regular updates from Creative Scotland regarding their response to the COVID19 pandemic, all of which are available on the Committee's inquiry page:

<https://www.parliament.scot/parliamentarybusiness/CurrentCommittees/115008.aspx>

As you will see from the most recent update, Creative Scotland administers a range of funds. Most recently, it announced a package of £31.5m in emergency support to be applied across five funds. As you will see from the update, the process for awarding these funds is still ongoing and the Committee will continue to monitor how these funds are awarded.

Performing Arts Venue Relief Fund

In addition to the new emergency funding discussed above, Creative Scotland have been progressing with emergency funds that were previously announced by the Scottish Government, including the Performing Arts Venue Relief Fund (PAVRF). On

05 August 2020, Creative Scotland announced 20 venues to be in receipt of the £7.5m from the first strand of this fund. Although the update doesn't discuss the specific organisations in receipt of these funds, the letter does summarise some the impact these monies have had, namely—

“The proposals from the 20 RFOs in receipt of the £7.5m funding indicate that at least 423 jobs will be saved from redundancy, 167 people will be brought back early from furlough and there will be 1,037 commissions for freelancers.”

The update goes on to say that applications to the £5m open fund element of the PAVRF are currently being assessed and decisions will be made and published on 24 September. The Committee looks forward to receiving more information about these funds when we receive the next update from Creative Scotland.

Grassroots Music Venues Sustainability Fund

On Thursday 9 July 2020, the Scottish Government announced £2.2m funds specifically aimed at helping grassroots music venues. Creative Scotland received 98 eligible applications to this fund, with a funding request totalling £3.8m. Applications have been assessed and awards will be made on 22 September. Again, the Committee looks forward to receiving more information about these funds when we receive the next update from Creative Scotland.

Open Fund: Sustaining Creative Development

Creative Scotland's revised 'Open Fund: Sustaining Creative Development' has been open for applications since April 2020. Up until week commencing 16 September 2020, the fund had received 497 applications from individuals with a total ask of £6.2m and 231 applications from organisations totalling of £5.4m. Since the start of July, Creative Scotland have made 219 awards totalling £3.8m through this fund. Assessment of applications continue, and awards are published on an ongoing basis at—

<https://www.creativescotland.com/funding/latest-information/awards-listings>

Screen Scotland Single Project Development

Screen Scotland (Scotland's dedicated screen agency based within Creative Scotland) launched Single Project Development Routes (with the existing Film Development & Production Fund and the Broadcast Content Fund) for both film and television as a response to the impact of COVID-19 and lockdown. These Routes allowed for greater flexibility and faster assessment of applications.

In total, Screen Scotland received 94 applications of which 85 were eligible for assessment. Awards to a value of £941,750 have been funded to date. Out of 94 applications, 15 were from new applicants who had not previously engaged with Screen Scotland. Assessments are ongoing and it is expected that the full commitment of £1m will be allocated.

In addition, Screen Scotland has also launched a 'Screen Hardship Fund'. The fund, which totals £700K, seeks to support freelance screen practitioners working in all parts of Scotland's screen sector who are experiencing immediate financial hardship due to the loss of income as a result of the COVID-19 pandemic. Applicants can apply for a 'hardship' bursary of up to £2,000. The fund launched on 22 September and closed to applications on 2 October.

Visit Scotland

Most of the financial support offered to tourism industry businesses have been administered either directly by the Scottish Government or by Scotland's enterprise agencies. However, as a response to the COVID19 pandemic, VisitScotland have been involved in administering funds to support Scotland's events sector.

Supporting Scotland's Events Sector

EventScotland, part of VisitScotland's Event Directorate, convened a group of industry leaders to look at the specific needs of the events sector, this led to the establishment of the Events Industry Advisory Group. This also resulted in the creation of a £10 million events support fund, which saw £6 million allocated to support businesses in the supply chain for events.

Historic Environment Scotland

An announcement of additional funding to Historic Environment Scotland (HES) was made by Scottish Government on 28 August 2020. This funding contributes to addressing the significant impact on the HES budget, due to the impact of COVID-19 and in particular the impact on commercial incomes as a consequence of the reduction in visitor numbers to HES sites.

The funding announced amounted to £27.2m, split into two distinct components. £21.3m to support the continued delivery of the range of HES functions, staff costs and operational expenditure incurred on reopening and running the properties in care.

The second component of £5.9m is specifically to support HES grants programmes through which it provides funding to organisations and to historic environment projects across the country. All of these monies will be disbursed to third-party organisations.

Museums Galleries Scotland

On 27 August 2020, the Committee received a written update from Museums Galleries Scotland which is available at—
https://www.parliament.scot/S5_European/Meeting%20Papers/20200827_MeetingPapers.pdf

Museums Galleries Scotland has suspended all grant programmes until further notice to focus resources on supporting the sector through the crisis. Museums Galleries Scotland has received additional funding from by Scottish Government as

follows. Two new grants programmes, the Urgent Response Fund and Digital Resilience Fund, were created to respond to the immediate issues being highlighted by the sector as a result of the pandemic. Details of these fund are provided below.

Urgent Response Fund

In agreement with Scottish Government, £700,000 has been allocated to the Urgent Response Fund, of which £400,000 is earmarked for Recognised Collections. This funding is targeted at independent accredited museums which are most at risk and excludes local authority, ALEO and university museums. Unlike Museums Galleries Scotland's standard grants programmes this funding can be used to cover core costs and is not tied to project outcomes. As of 18 May 2020, 24 organisations had applied to this scheme requesting a total of £562,695 and 6 grants totalling £117,498 have been awarded.

Digital Resilience Fund

The Scottish Government has provided £55,000 of capital funding to support the purchase of equipment to enable museums to work digitally. The Digital Resilience fund is open to all museums (not just Accredited museums) up to £3,000, enabling purchase of laptops, environmental monitoring equipment and other items to enable museums to adapt to working from home and to new models of delivering content. As of 18 May, 42 organisations had applied to this scheme requesting a total of £78,855. Thirty-five grants totalling £61,145 had been awarded. In response to the level of demand Museums Galleries Scotland has allocated a further £60,000 to this Fund from its capital allocation for 20/21.

Following the announcement of a £4m Museums Recovery and Resilience Fund, made possible by Scottish Government support from the £97m of culture funding for Covid-19 response. MGS has created a Covid Adaptation Fund from its regular funding, combined with support from the Art Fund, and this is providing grants for venues to adapt their spaces to be safe for staff and visitors to return.

According to MGS's supplementary written evidence of 27 August 2020¹:

“The emergency funding, to be spent by March 2021, has helped to meet the most urgent needs and to avoid insolvencies in the sector, reduce redundancies, as well as addressing challenges around re-opening and continuing to engage audiences remotely in the immediate aftermath of the pandemic. The funding will enable museums to review and adapt their operating models to enhance their resilience. The funding we have channelled to date to the sector has, in order to prioritise those at greatest immediate risk at that time, focussed on supporting our independent museums, which make up. We now need to address how we support other types of museums to survive the current financial year, as well as looking beyond March 2021 at the ongoing need for support after that date.”

¹ https://www.parliament.scot/S5_European/Meeting%20Papers/20200827_MeetingPapers.pdf

I hope you find the information provided in this letter helpful. As stated previously, the administration of these funds is ongoing and we will continue to examine these issues as part of our COVID19 inquiry.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Joan McAlpine', with a long horizontal line extending to the right.

Joan McAlpine MSP
Convener, Culture, Tourism, Europe and External Affairs Committee