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Our ref: National Lottery Shortfall Funding 2023/2024

20 September 2023

Dear Iain

Since April 2018 the Scottish Government has provided Creative Scotland with £6.6m per year in the light of the significant reductions, at the time, in the income that you were receiving from the National Lottery. This funding was agreed initially for a three year period and then on a yearly basis.

The draft Scottish Government budget for 2023/2024 which was published in December 2022 did not include the £6.6m. The former Deputy First Minister, Mr Swinney, committed at stage 3 of Budget Bill for 2023/2024 on 21 February to: “provide Creative Scotland with an uplift of £6.6 million for 2023-24 to ensure that its reserve funding can supplement, rather than replace, grant funding... The detail of the budget revisions will be reported to Parliament as part of the autumn budget revision.”

Since that time, the Scottish Government has been reviewing its commitments in the light of the changing financial circumstances - not least the persistently high level of inflation and the impact this has had on overall costs and public sector pay settlements.

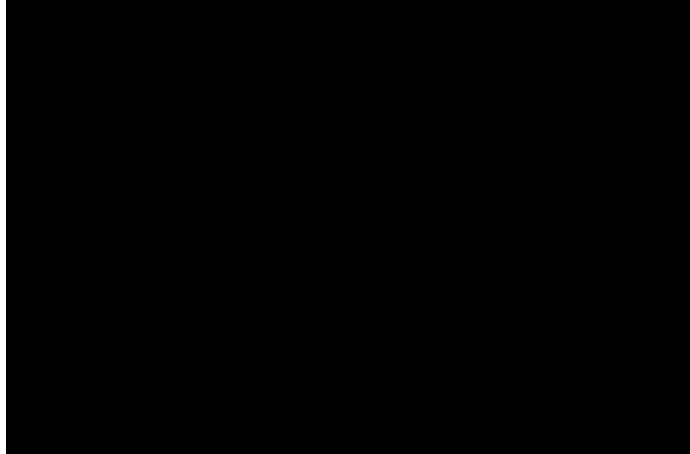
This, unfortunately, has meant that the budgets have had to be reviewed, and previous commitments revisited. I am very sorry to have to inform you that it will no longer be possible for the Scottish Government to restore the £6.6m National Lottery shortfall to you this year.

I appreciate that this will have consequences for your budget. We will be keen to work with you to ensure a minimum impact on the sector in this financial year. I have discussed this matter with the Deputy First Minister, and – subject to the usual Parliamentary procedures and protocols – she is content to confirm that we will be able to provide the funding once again for 2024-25. As you will appreciate, this does not obviate the need first signalled in the Resource Spending Review for Scotland’s public sector, including Creative Scotland to continue to work on options for reform and greater efficiency in the months and years ahead.

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I am aware that there is a further £2 million in funding for Screen Scotland, £1.5 million for Culture Collective and £0.5 million for PLACE that we have still not confirmed will be released to Creative Scotland this financial year. We are still assessing options for this and will confirm whether this funding can be released or not in due course.

I appreciate that this is disappointing news for you and the Creative Scotland Board. I would be happy to answer any concerns and questions you may have when I attend your board meeting on 27 September.



**ANGUS ROBERTSON**

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