

First Minister John Swinney MSP Scottish Government Edinburgh EH1 3DG

30 August 2024

Dear First Minister,

Open Letter on the closure of Creative Scotland's Open Fund for Individuals, and the delay in opening applications for the Access to Music Making and Strengthening Youth Music Funds

The Scottish Music Industry Association (SMIA), along with the undersigned artists, industry professionals and key music organisations, write to you with deep concern regarding the closure of Creative Scotland's Open Fund for Individuals and the delay in opening applications for the Access to Music Making and Strengthening Youth Music Funds. These decisions, resulting from the Scottish Government's inability to confirm the release of previously allocated Grant-in-Aid funding, have ignited the worst crisis that Scotland's music and wider arts sector has ever faced. A cultural catastrophe is in process. It will lead to both direct and consequential job losses across an already underfunded sector, one which was disproportionately crippled by the pandemic and has yet to fully recover. These funds need to be urgently reinstated or the sector is at immediate risk of collapse. Culture funding must be deemed essential.

The explanation that these decisions stem from emergency spending controls may reflect broader financial pressures, but they are devastating for Scottish culture, the economy and society. Without the ability to secure funding, many artists and industry freelancers will be unable to sustain creative activities. This will lead to critical job losses and sector skills vanishing, damaging Scotland's music industry irrevocably, along with the Scottish economy. It will weaken our cultural foundations, limit international collaboration and end the touring of Scottish works on the global stage. The delay in funding for the Youth Music Initiative will reduce opportunities for young people – particularly those from disadvantaged and diverse backgrounds – and undermine efforts to tackle inequality.

Unpredictable cultural funding decisions in recent years have left our sector facing unsustainable challenges. Artists, who are central to Scotland's cultural output, have been deeply affected by policy changes that have significantly impacted their careers and well-being. This situation is in direct contradiction with the principles outlined in the <u>Scottish Government's Fair Work Action Plan</u>, which emphasises respect and opportunities for workers. The sector that gave rise to the term 'gig economy' is likely to remain the only one where professionals



are excluded from job security, holiday pay, sick pay and pension benefits. Artists and cultural freelancers must be treated with the same respect as those in sectors where recent agreements have been reached, acknowledging their significant contributions to society (such as wellbeing, social inclusion and crime reduction) and the broader economy (such as tourism and hospitality). We respectfully request that these commitments be reflected in the treatment of Scotland's artists and cultural freelancers, and that the relationship between the Scottish Government and the cultural sector be renewed with a spirit of mutual respect.

The disparity between the Scottish Government's stated goals and the current situation is of great concern. While we acknowledge the pledge of an additional £100 million in cultural funding annually by 2028-29, this does not address the immediate crisis. The sector cannot wait years for the investment it desperately needs now.

The previously allocated cultural funding from the Scottish Government for this financial year represented just 0.56% of total Government spending for 2024-25. This is almost 1% below the European average. Scottish culture is already underfunded, and if the Scottish Government continues to withhold previously confirmed funds for this financial year (totaling £10.7 million), this pushes the sector into crisis. Given that the proportion of funding is already so low and the impact of reducing it is so high, failing to sustain this vital support cannot reasonably be understood as being something out-with the Scottish Government's control.

Hundreds of musicians and artists central to our economy have, until now, been able to create music, develop careers and inspire future creative works through essential funding support. Recent research co-commissioned by the Scottish Music Industry Association (SMIA) highlights the size, scale and value of Scotland's music industry. The PhD project, conducted by Dr. Robert Allan, began in 2019, with 2018 chosen as a benchmark year. The key findings will be presented on 5 September, as part of The SMIA Summit 2024:

- In 2018, Scotland's music industry generated an estimated £195 million for the economy, with music tourism contributing an additional £406 million.
- In 2018, the industry supported around 10,373 FTE jobs, with the vast majority around 9,157 carried out by freelancers, who rely on cultural funding to sustain their careers.

Without immediate action, many of these freelancers will be forced to leave the sector, exacerbating inequalities and limiting opportunities for those from less privileged backgrounds. Moreover, the closure of these funds will disproportionately impact those already facing barriers to entering and sustaining a career in music. This will reduce representation across our cultural output, and will see Scotland lose its diverse cultural identity.



Creative Scotland's Open Fund for Individuals has been essential in supporting artists to build sustainable careers. Its closure will, for example, lead to fewer albums being created, which will impact Scottish artists being booked at festivals and, consequently, the entire music ecosystem. 370 eligible albums were submitted for 2024's Scottish Album of the Year (SAY) Award. Without Creative Scotland's Open Fund for Individuals, many of these albums – and the careers they encapsulate and support – would not exist. Last year's SAY Award winner – 'Heavy Heavy' by Young Fathers – was directly supported by Creative Scotland's Open Fund for Individuals.

We urge the Scottish Government to take immediate action to address this crisis. Specifically, we call on you to:

- 1. Confirm the previously committed cultural investment of £10.7 million for this financial year, allowing Creative Scotland to re-open the Open Fund for Individuals and open applications for the Access to Music Making and Strengthening Youth Music Funds
- 2. Ensure that the planned £25 million increase in cultural funding for 2025 will be secured by the start of the new financial year (1 April 2025). Additionally, expedite the distribution of as much of the pledged £100 million annual cultural funding increase by 2028-29 as early as possible.

We implore you to act now to safeguard the sector's immediate survival and support its long-term sustainability.

Sincerely,

Robert Kilpatrick CEO and Creative Director, Scottish Music Industry Association (SMIA)

See below signatory list, along with statements from signatories: