

Creative Scotland will dip into its reserves after government funding cut

Creative Scotland says that it will have to dip into National Lottery Reserves to keep up its regular funding at previous levels in the next financial year.

Following the [Scottish Government's budget](#) announcement last week which proposes a reduction in funding for Creative Scotland of around £7million – the Board of Creative Scotland met on Monday to discuss the implications of the funding gap.

The Board says it fully appreciates the challenging context in which The Scottish Government has reached its decision, and the pressures that are being felt by everyone across all parts of society, but they are extremely disappointed by the settlement.

The board points out that the cut comes at a time of significant pressures for cultural organisations due to the impact of the pandemic, rising inflation, falling income and spiralling operating costs, when the value of culture and creativity to people's lives has never been more important.

In an effort to address this, at its meeting the Creative Scotland Board agreed to use a proportion of its National Lottery reserves to maintain funding for Regularly Funded Organisations (RFOs) at 2022/23 levels.

National Lottery reserves have been accumulated and earmarked to ease the transition to a new funding framework.

Using these reserves to cover the reduction in Scottish Government funding means that Creative Scotland will no longer have the flexibility of using these funds for other support, including the potential for an RFO supplementary fund previously referred to in our [Future Funding for Organisations update on 3 November](#).

The Board also explained that National Lottery reserves are finite and so can only be a time-limited solution to address [Scottish Government budget](#) reductions in 2023/24.

As the Scottish Government budget does not give any indication of funding for 2024/25 and beyond, we cannot confirm RFO funding levels for 2024/25.

Creative Scotland say they will continue to act responsibly and pragmatically, but, if Scottish Government cuts continue beyond 2023/24, Creative Scotland will require to pass those on to the sector.

All other 2023/24 budget areas will be reviewed and published in Creative Scotland's 2023/24 Annual Plan in Spring 2023.



Creative Scotland Board Update to Scottish Government Budget Announcement 2023/24