

Culture and the Creative Economy in Glasgow City Region, Scotland, United Kingdom

Cultural and creative sectors are a significant driver of local development through job creation and income generation, spurring innovation across the economy. Beyond their economic impacts, they also have significant social impacts, from supporting health and well-being to promoting social inclusion and local social capital. Glasgow City Region in Scotland, United Kingdom has a long history of transformative cultural policy. Cultural and creative sectors are now one of the region's strengths. This paper provides an overview of cultural and creative sectors in the Glasgow City Region, highlighting trends in employment, business dynamics, entrepreneurship and financing as well as cultural participation. It offers analysis and recommendations to support the region in continuing to build on its local cultural and creative ecosystem.

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Executive Summary

Glasgow has a long history of transformative cultural policy and cultural and creative sectors are now one of the region's main strengths

Glasgow was a pioneer in the use of culture as an engine of post-industrial regeneration. Like many industrial cities, Glasgow suffered from the demise of heavy industry and by the mid-1980s was largely regarded as a city in decline. The civic response was to look to culture as an engine of regeneration and renewal. A European Capital of Culture in 1990, Glasgow made substantial investments in cultural infrastructure over a period of more than 30 years. Glasgow's visitor economy also grew, not least as a result of its strong cultural profile.

Glasgow City Region (GCR) looks to the creative industries to support future growth. Glasgow has one of the highest concentrations of creative and cultural sectors (CCS) in Scotland (accounting for around 40% of Scotland's CCS employment in 2019 and over one third of all CCS firms in 2020). Between 2010 and 2020, the number of CCS businesses in GCR grew by almost one-fifth (17%) – more than double CCS growth at a national level (8%).

Key cultural infrastructure has enabled Glasgow to excel in certain subsectors. The GCR has major strengths in screen production and broadcasting, design and architecture, as well as a vibrant live music scene, an internationally recognised visual arts community, and some of the most visited museums and galleries in the UK outside of London. Development of these sectors has been underpinned by the presence of key institutions and organisations, such as broadcasters, and four of the five national performing arts companies, together with a strong general and specialist higher education sector.

Cultural policy in the Glasgow City Region (GCR) is evolving to incorporate economic, social and environmental objectives

Cultural and creative sector policy in the GCR is shifting towards a more ecosystem based approach. The current policy approach of the Glasgow Economic Leadership (GEL) body is focused not only on the growth of the creative sector itself, but also in the application of creativity across the wider economy. This approach sees the application of creativity across areas like manufacturing, technology and tourism as an enabler of innovation far beyond the sector's own boundaries.

Cultural policies also have a strong focus on social inclusion and well-being. Despite steady growth in the city economy over the past decades, Glasgow continues to struggle with persistently high levels of deprivation and health inequalities. The civic policy is increasingly focused on addressing these issues with culture playing an important role.

Glasgow is also looking to CCS to help address climate change and support the region's broader Net Zero targets. First, the sector has a responsibility to reduce its own emissions. This is challenging, particularly for live events and touring, where supply chains can be complex. Reducing emissions across supply chains may also be an opportunity for innovation and employment creation and should be a priority for the sector. Secondly, net zero ambitions across the economy can be seen as an opportunity for CCS to contribute to innovative solutions and cross-sectoral thinking. Digital adaptation and areas like design

can offer innovative solutions to greening in the wider economy and innovation support could align to these objectives.

Museums have been one of the central elements of Glasgow’s cultural regeneration effort but face challenges due to prolonged underfunding exacerbated by the COVID-19 crisis

Museums in Scotland and GCR benefit from strong and growing levels of attendance (in pre-COVID years) but more needs to be done to strengthen their financial sustainability. While the level of capital investment in the sector has been substantial, with many high profile new and refurbished museums opening or in development across Scotland, in most council areas in Scotland, budgets for civic museums services have reduced in the decade prior to the COVID-19 crisis. The cumulative effect of ten years of pressure has left many services operating with the minimum of resources. This may have repercussions on some of the core functions such as sustaining education and learning support. Whereas previously, museums (and other cultural services) could rely on some income for related services such as education, this is now less available, and museums have to find more external funding to support these activities. Many civic museums services may have some short term protection if parent councils are prepared to offer support, but the longer term outlook is challenging for many museums.

Scotland is developing policy to address working conditions for those in cultural and creative sectors

Addressing issues of precarious work in CCS has been a major feature of Scotland’s CCS skills policy. The *Culture Strategy for Scotland* launched by the Scottish Government in 2020 put strong emphasis on fair work as well as on inclusiveness and diversity in the cultural workforce. The strategy recognises the often difficult working conditions for many in the sector (low paid and insecure work), which were exacerbated by the COVID-19 crisis, and pledges action to promote and apply Fair Work principles across CCS. Similarly, promoting fair pay, good working conditions, and employment opportunities across the creative sector was recognised as one of four priority areas in Creative Scotland’s *Annual Plan 2021/22*. Going forward, sector engagement is key to achieve this goal and funders (in the cultural sector for example) can exert leverage on organisations to pay the Real Living Wage and commit to principles such as no zero hours contracts, while being mindful of financial pressures this may create.

Cultural and creative sectors in the GCR face notable skills gaps and, despite a strong Higher Education sector, the talent pipeline is insecure

CCS in the GCR face some notable skills gaps. For example, in the screen sector, the skills base is under pressure, with continued growth over recent years raising skills demand that shows little sign of abating. These skills gaps risk threatening the longer-term competitiveness of Scotland’s screen sector if not addressed. In overcoming this, the industry has expressed a clear preference for practical, on-the-job training that is responsive in a fast moving industry context. Concerns have also been raised around the impacts of Brexit on the ability of CCS to access international talent, not least in areas such as computer games and animation.

Declining uptake for creative courses in further education puts the talent pipeline at risk. Glasgow has a strong Higher Education sector, including The Glasgow School of Art (GSA) and the Royal Conservatoire of Scotland (RCS) which are recognised internationally as centres of excellence for learning in the arts. However, uptake of creative courses in Further Education institutes in Glasgow have been declining, putting the long-term talent pipeline at risk. Whilst modern apprenticeship schemes offer an

alternative to skills development for young people pursuing careers in cultural and creative sectors, CCS aligned apprenticeships are not yet well developed. Suring up the creative skills base of young people in Glasgow is important not only for CCS development, but can also contribute to innovation and growth through the economy, as the transferable skills such courses impart are in increasing demand.

There is a need for more tailored support within mainstream services in regards to business, innovation and financing support for CCS firms

Encouraging enterprise and entrepreneurship is key to build CCS competitiveness. The business support landscape for CCS in the GCR is fragmented and more can be done to improve CCS access to mainstream business support measures. Having business advisors with knowledge of the sector is a straightforward way of improving the uptake of support, and Glasgow has already demonstrated this with the screen sector (Business Gateway has an advisor with knowledge of the sector). There is also growing interest in peer support models, yet no such network currently exists in Glasgow. Mentoring, networking and collaboration are all valuable means of supporting businesses and can be delivered through peer networks rather than publicly funded business support. The Creative Entrepreneurs Club is partly fulfilling this role in Glasgow and could be supported further to deliver wider programmes for the sector. The recently launched creative accelerator programme is also helpful in supporting growth of creative businesses and could be expanded upon.

Innovation is critical to the future success of the economy generally and for CCS in particular. The key priority is to ensure that mainstream provision does not discriminate against creative businesses as a result of a narrow focus on science and technology. For example, survey evidence at the UK level shows that more than half (55%) of CCS businesses had undertaken R&D using the OECD Frascati Manual definition, but only 14% had done so using the narrower definition for tax purposes used by the UK Government. Consideration of CCS in developing the definitions and criteria for R&D tax credits at the UK level for example, could enable wider sections of CCS to access this support. It will also be important to ensure that the CCS in the GCR (and Scotland generally) are aware of and able to take advantage of UK support, such as that provided by UK Research and Innovation. Finally, the role of creativity in wider innovation is increasingly recognised, and programmes such as Glasgow City Council's Design Thinking programme (which supports companies to make use of professional design services to develop their businesses) are useful in this respect and could be rolled out, subject to evaluation. The future Innovation Accelerator planned for development in Glasgow also offers opportunity to further engage CCS businesses in wider innovation networks.

Several challenges need to be addressed to improve CCS access to finance. Firstly, information failures (both in regards to CCS businesses knowledge of financing options and in regards to the finance communities understanding of risk in relation to CCS businesses) can constrain access to finance for CCS businesses. Local stakeholders could consider targeted information campaigns and stronger engagement with the finance community to support them in better understanding the business models and growth patterns of firms in CCS. Support for CCS businesses in understanding the implications of different kinds of finance and how finance can help achieve growth plans could also be of great benefit. Information could be provided in the form of a Guide to Finance for Creative Businesses. A useful starting point is the guide produced by the Creative Industries Federation (to which Creative Scotland contributed) which could be quickly adapted for a Scottish audience. Engagement with the Scottish National Investment Bank could also be important, not least in light of its broader social remit. Finally, strengthening support for alternative funding models, e.g. crowd funding or social investment, would also be of benefit.

1 Introduction



About Glasgow City Region (GCR)

With a population in excess of 1.8 million, Glasgow City Region (GCR) is the fourth largest city region in the UK and Scotland's economic powerhouse. The region houses an international airport and an extensive rail and road infrastructure, and the region has almost one third of Scotland's jobs, business base and economic output. The GCR comprises eight of Scotland's 32 local authority areas.¹

The Region benefits from numerous assets:

- access to a highly skilled workforce of 1.2 million across a wide range of industries;
- existing strengths in a number of sectors including financial services, life sciences, engineering, manufacturing and creative and media industries; and
- home to a number of internationally acclaimed successful universities and research institutes that provide the space for innovation and the people to drive the Region's development.

Like many industrial cities, Glasgow suffered with the demise of heavy industry and by the mid-1980s was largely regarded as a city in decline. The civic response was to look to culture as an engine of regeneration and renewal beginning with the opening in 1986 of the Burrell Collection, a large collection gifted to the city and now housed in a museum within Pollok Country Park in the city's south side. This was followed by the Glasgow Garden Festival in 1988, the widely praised year as European City of Culture in 1990, the Glasgow Design Festival in 1996 and the Year of Architecture and Design in 1999. The city has also invested in high profile developments such as the opening of the Burrell Collection, Glasgow Royal Concert Hall, Gallery of Modern Art, Tramway, Riverside Museum, the SECC/ Clyde Auditorium and the SSE Hydro, the redevelopment of the Kelvingrove Art Gallery and Museum, City Hall and the Old Fruitmarket as well as improvements to smaller venues and a host of local libraries and community facilities.

This transformation in the cultural offer of the city has translated into higher than ever before levels of participation and engagement. The infrastructure of cultural venues in the city is extensive and diverse, from the major civic museums to the network of producing and receiving theatres, concert halls of varying scales and a thriving and internationally renowned contemporary arts scene. Growth in the cultural scene continued into the 2000s, with the number of cultural institutions and organisations in Glasgow city increasing by 19% between 2008 and 2018 (Myerscough, 2019^[1]).

However, the underlying purpose of this investment has shifted over time. The initial focus on high profile events and buildings helped to raise the profile of culture in the region and move Glasgow's image and reputation away from declining heavy industry towards that of a modern, vibrant city. Towards the turn of the 21st century, there was growing interest in the economic potential of culture and the creative industries, and Glasgow was again an early leader (Comedia, 1991^[2]). Civic support for the screen sector was strong, and Glasgow quickly developed a reputation for film and TV production, and for design, building on the international profile of the Glasgow School of Art. The city spawned bespoke support providers for the sector, and invested in facilities and infrastructure for artists, film and TV producers and small creative businesses, often using European Structural Funds. For example, the Glasgow Film and TV

¹ These are: East Dunbartonshire; East Renfrewshire; Glasgow City; Inverclyde; North Lanarkshire; Renfrewshire; South Lanarkshire; and West Dunbartonshire.

Initiative in the late 1990s was one of the largest ERDF funded projects in Glasgow, representing over GBP 335 000 of investment (OECD, 2002^[3]).

Glasgow's visitor economy also grew, not least as a result of its strong cultural profile, and cultural policy started to shift towards engaging the people of the city in culture, in particular those in greatest need. Despite steady growth in the city economy, Glasgow continued to struggle with persistently high levels of deprivation and health inequalities. According to 2020 data from the Scottish Index of Multiple Deprivation, 57% of the most deprived areas in Scotland (i.e. those areas ranked in the bottom 15% of the deprivation index) are located within the GCR (Scottish Government, 2020^[4]). Moreover, there has only been a two percentage point reduction in this figure since 2009 (Glasgow City Region, 2021^[5]), Cultural policy has increasingly engaged with these issues and is seen as playing an important role in rising the quality of living for those in the GCR.

Cultural and creative sectors policy in Scotland and the GCR

Scotland

The Scottish Government has devolved responsibility for policy in many CCS related areas. These include, *inter alia*: culture; economic development; education; health; and planning. However, some policy matters are reserved by the UK Government, and these include areas such as fiscal policy, broadcasting and communications, and immigration and border control, all of which are relevant to the CCS. For example, the independent television production sector is far more affected by broadcasting and communications policy than it is cultural policy. To make matters more complex, broadcasting is a reserved matter for the UK Government, while cultural policy is devolved to the Scottish Government. To take another example, cultural education will be affected by education policy (devolved to the Scottish Government and implemented at local level by local authorities), while cultural policy at national level may play a more important role in areas like performing and visual arts. All will be affected, to varying degrees, by economic policy, but the ways in which this is implemented, and the extent to which the CCS is considered a priority, will vary in different places. Moreover, while cultural policy is devolved, UK wide funding such as the Levelling Up Fund and the UK Shared Prosperity Fund can be drawn upon by local communities in Scotland for cultural related projects. For example, relevant projects include the preservation of cultural heritage and traditional skills, and strengthening local cultural and heritage assets. Finally, with growing interest in health and wellbeing, and in notions such as the wellbeing economy, policy areas like public health are becoming more important for parts of the CCS.

Cultural policy is ultimately the responsibility of the Scottish Government, and three documents are particularly important in this respect.

- **Scotland's Economic Strategy** (2015^[6]) which sets the overarching economic policy priorities for Scotland and highlights four key priorities for supporting sustainable economic growth in Scotland: 1) investing in people and infrastructure to safeguard Scotland's future; 2) fostering a culture of innovation, entrepreneurship and research and development; 3) stimulating inclusive growth and creating opportunity through a fair and inclusive jobs market and; 4) promoting Scotland's international trade, investment, influence and networks.
- **The Culture Strategy for Scotland** (2020^[7]) which sets out a vision for culture in Scotland, supported by three priorities: 1) strengthening culture, prioritising skills and talent as well as investment and support for cultural and creative organisations including the creative industries; 2) transforming through culture, focussing on how culture can

be more embedded across different policy concerns including health and wellbeing and low carbon transition and; 3) empowering through culture, emphasising ways of promoting wider access to and engagement with culture in all its forms.

- **The Creative Industries Policy Statement** (2019^[8]) with eight priorities. They include: 1) developing and retaining skills; 2) developing business support; 3) promoting international profile; 4) promoting innovation; 5) encouraging inclusiveness; 6) strengthening importance of place; 7) focus on design; and 8) strengthening screen.

A range of Scottish agencies have interests in the CCS, and CCS organisations within the GCR will benefit from their interventions and support in a variety of ways. This is a complex landscape and one that is frequently changing. For example, business development support is in a period of significant change in Scotland as the main actors revise their policies and approach. Currently those agencies include:

- **Creative Scotland:** the national agency for the arts, screen and creative industries, and a prime source of funding for the creative sectors (mainly the arts);
- **Screen Scotland:** a subsidiary of Creative Scotland formed as a partnership with the enterprise and skills agencies to support the growth of the screen industries in Scotland;
- **Museums Galleries Scotland:** national agency representing the interests of the museums sector with a strong (but not exclusive) focus on the independent sector;
- **Enterprise agencies:** including Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE) and South of Scotland Enterprise (SOSE) responsible for economic development services; and
- **Skills agencies:** including Skills Development Scotland (SDS) and the Scottish Funding Council (SFC). SDS is responsible for skills and training programmes including apprenticeships across all sectors and SFC is the funding body for further and higher education in Scotland.

Glasgow City Region

Local authorities have direct responsibilities for the delivery of business advice and support services and for local economic development, including employability services and local area regeneration. They are also responsible for a wider range of services and functions which impact directly on the growth of the economy, including, *inter alia*, planning, roads and transport, environmental health, education and childcare, events and tourism, community development and culture and leisure services.

Councils are also the drivers of the recent City Region and Growth Deals, agreements between the Scottish Government, the UK Government and local authorities designed to bring about long-term strategic approaches to improving regional economies. These have required councils to establish regional governance structures to facilitate collaborative approaches to their delivery, and the Glasgow City Region was the first Deal to be signed. This more regional agenda was also given further impetus in the Scottish Government *Enterprise and Skills Review* (2018^[9]) which proposed the formation of Regional Economic Partnerships (REPs) to develop and oversee strategic approaches to regional economic development. As such, the concept of the city region is still relatively new in Scotland, and governance models are still developing.

In relation to economic policy, the Glasgow Economic Leadership (GEL) was established in 2011 to provide independent leadership and direction to economic development activity in Glasgow. It serves to champion the implementation of the recommendations made by the Glasgow Economic Commission. The Commission identified a number of key sectors of

Glasgow and these formed the basis of the work of GEL. Despite the scale and importance of the sector, and the history of civic interest in its growth, the CCS was not one of the identified sectors and had no representation on GEL.

GEL has established a sub-group on the creative economy, and intends to produce a Creative Economy Strategy for Glasgow. For now, this will focus on Glasgow City but as the economic development infrastructure across the eight local authorities that make up the GCR become more closely aligned, the policy interest in the sector may once again expand. Indeed, work is now underway to develop a new Regional Economic Strategy for the GCR and the extent to which the CCS features will be instructive.

Importantly, the focus of this renewed policy interest is based more on creative economy thinking than it is on the creative industries as a key sector. This new approach is interested in the growth of the creative sector itself, but also in the application of creativity across the wider economy. It is a broader and more open approach that is not restricted to more traditional notions of business growth. Instead, it sees the application of creativity across areas like manufacturing, technology and tourism as an enabler of innovation far beyond the sector's own boundaries.

For the other partner councils across the GCR, policy interest is more around culture and its role in community wellbeing. All have some cultural assets although for some these may be limited. Others, such as North and South Lanarkshire have larger cultural services which are mainly focussed on delivering against social outcomes relating to poverty and health (See Table A B.1.).

Beyond cultural policy per se, two major policy priorities have risen up the agenda: inclusive growth and climate change and the transition to “net zero”. Inclusive growth is about creating a fairer, more equal economy and society and is a central policy priority of the Scottish Government. The Scottish Government has also committed to reducing all greenhouse gas emissions to net zero by 2045 at the latest, and to achieving a ‘just’ transition to a net zero economy and society. Glasgow City Council has set the target of the city to become carbon neutral by 2030. Reduction of emissions and achieving a just transition are increasingly important drivers of policy across all areas as Scotland.

The policy landscape for CCS in the GCR is therefore complex, encompassing different levels of government, different institutional actors and different policy priorities. The eight Local Authority areas which make up the GCR operate within institutional frameworks at the local level, at the Scottish level and at the UK level. Different areas of policy relevant to CCS are fragmented, with different actors and policy frameworks operating in tandem. Policy priorities in this context are also multifaceted with the GCR working to incorporate economic, social and environmental objectives into its CCS policy.

2 Employment and Skills



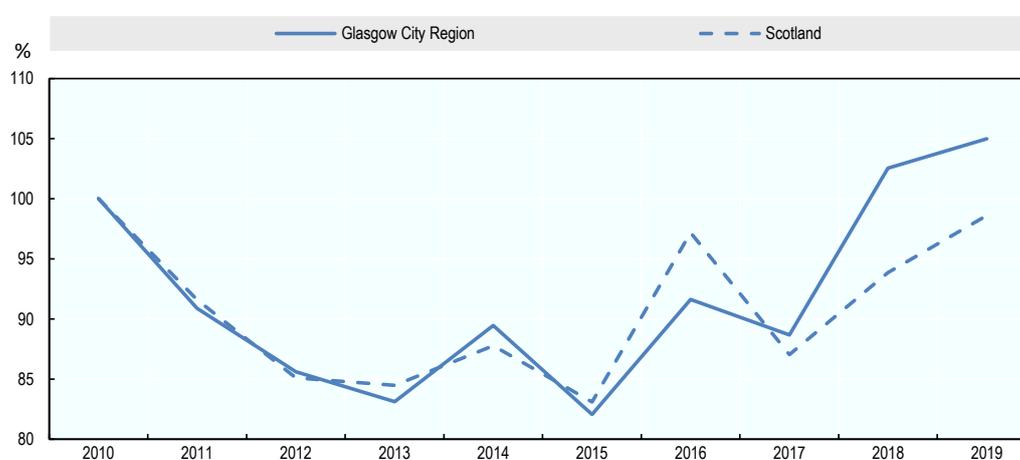
CCS employment

Employment in cultural and creative sectors

The Glasgow City Region accounted for 40% of Scotland's CCS employment in 2019.² There has been 5% growth in CCS employment in the region since 2010, outperforming Scotland as a whole which has experienced an overall decline in CCS employment in this period, with growth of -1%. Figure 2.1, shows that total employment fell consistently at both geographic levels over the three years to 2013, following the 2008 financial crisis, whereafter it generally trended upwards.

Figure 2.1. Employment Change

(2010 = 100%)



Source: ONES BRES

However there is wide variation in growth rates across sub-sectors (Table 2.1). Looking at employment growth in the sector as a whole can however mask important divergences at the subsector level. For example, in the Books and Press sector there was a large decline in printing-related employment, which fell by 1,365 jobs in GCR between 2010 and 2019, likely a result of the long term shift towards digital publishing. Newspaper publishing employment decreased by 15%, and employment in retail sale of newspapers and stationery in specialist stores fell by 44%. Architectural activities on the other hand saw employment grow by 67%, although some care is needed in interpretation as this may also reflect the recording of employees on the basis of the location of the companies' headquarters (see also below). In Visual Arts, where overall employment increased by 11%, employment in photographic activities declined (although the data do not capture freelancers, a high proportion of those working within this area), while the number of those working in design activities increased by 40%. Similarly, in Audio-visual and Multimedia, employment in screen production and broadcast activity grew by 11% in GCR, whereas jobs in record shops have substantially declined (-62%), and employment in video/DVD rental has disappeared entirely (from 190 in 2010), reflecting the shift to online distribution.

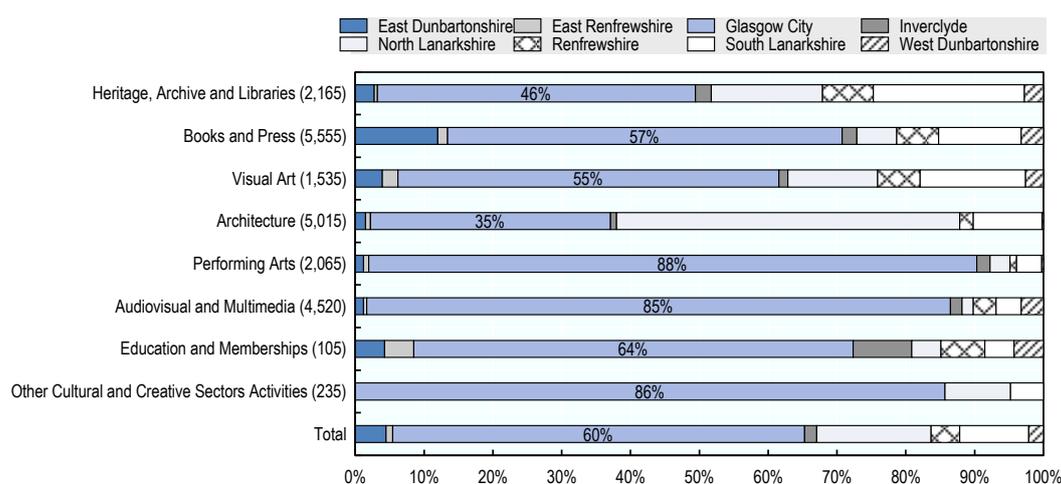
² This figure has been arrived at using the UK Standard Industrial Classification codes (SIC codes) that align most closely with the Eurostat CCS definition (detailed in the Annex). Sub-sectors that Eurostat define as only 'partially cultural' have not been included in the analysis.

Table 2.1. CCS Employment by Sub-Sector (2010-2019)

	Glasgow City Region				Scotland			
	2010	2019	Change	% Change	2010	2019	Change	% Change
Heritage, Archive & Libraries	1,820	2,165	345	19%	9,200	12,500	3,300	36%
Books & Press	7,845	5,555	-2,290	-29%	21,150	12,550	-8,600	-41%
Visual Art	1,340	1,535	195	15%	2,650	2,950	300	11%
Architecture	2,080	5,015	2,935	141%	6,000	10,000	4,000	67%
Performing Arts	2,280	2,065	-215	-9%	5,050	4,950	-100	-2%
Audio-visual & Multimedia	4,545	4,520	-25	-1%	8,460	8,270	-190	-2%
Education & Memberships	230	235	5	2%	450	800	350	78%
Other Cultural & Creative Sector Activities	50	105	55	110%	225	425	200	89%
Total	20,190	21,195	1,005	5%	53,185	52,445	-740	-1%

Source: ONES BRES

When looking at the breakdown of CCS employment by local authority (Figure 2.2) Glasgow City unsurprisingly dominates, with 60% of the total (2019 pre-COVID figures). Performing Arts employment is particularly concentrated in Glasgow City, with 88% of Performing Arts employment coming from this area. Audio-visual and Multimedia employment is similarly highly concentrated in Glasgow City (85%). This is largely employment in the screen sector, including the headquarters of BBC Scotland and STV, and numerous production companies with a presence in the city. Heritage, Archive and Libraries however, show more of a spread across the eight local authority areas, reflecting that each local authority maintains a library service. Nevertheless, employment in museum activities is dominated by Glasgow (with 500 employees of a GCR total of 665) again reflecting the scale of civic services and assets. Around 50% of all Architecture employment is located in North Lanarkshire, with 2,500 jobs recorded in the area. This may be the result of a large employer (in engineering or construction) recording jobs at a central office location in North Lanarkshire that are not necessarily based in the area.

Figure 2.2. GCR Sub-Sector Employment by Local Authority (2019)

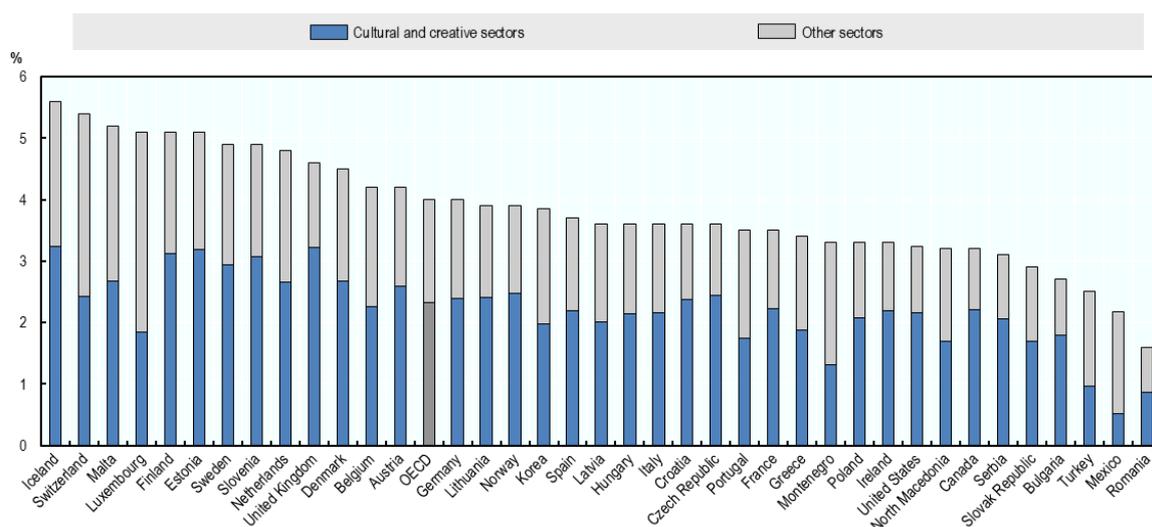
Note: May not sum to 100% due to rounding

Source: ONS BRES

Cultural and creative employment across the economy

In addition to considering employment directly in cultural and creative sectors, it is important to note that much cultural employment occurs outside of CCS. Cultural and creative employment includes all those working in CCS (industry sectors) and all those working in cultural and creative jobs in other sectors of the economy (for example, a designer working in the automotive industry). International data show an average of around 40% of cultural employment across OECD countries can be found outside of CCS. In the UK, this figure is slightly lower, with around 30% of cultural employment occurring outside of CCS (Figure 2.3).

Figure 2.3. Cultural employment as a share of total employment within and outside cultural and creative sectors, 2020



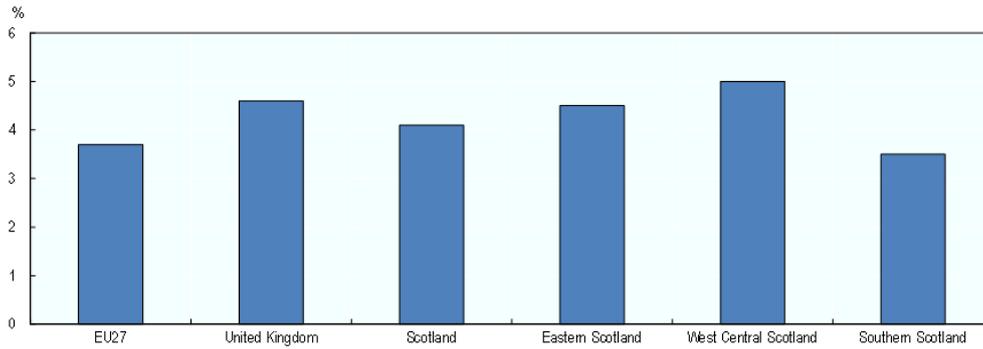
Note: Data for Canada, Mexico, United Kingdom, and United States are from 2019. Please refer to Eurostat (2018) for the list of cultural and creative sectors included in the calculation.

Source: OECD calculations on Cultural Statistics, Eurostat; American Community Survey, 2019; Canadian Labour Force Survey, March 2019; Mexican National Survey of Occupation and Employment, 2019 quarter 4; and Australian Census, 2016.

Looking at cultural employment as a whole, all employment in CCS plus employment in cultural jobs outside of CCS, Scotland has a relatively high share at 4.1% of total employment in 2019³. This is slightly under the UK average of 4.6%, but higher than the EU27 average of 3.7%. However, there is wide variation across different areas of Scotland, ranging from 3.5% in Southern Scotland, to 5% in West Central Scotland (Figure 2.4)

³ Eurostat: Cultural employment by NUTS 2 regions

Figure 2.4. Cultural employment as a proportion of total employment, 2019



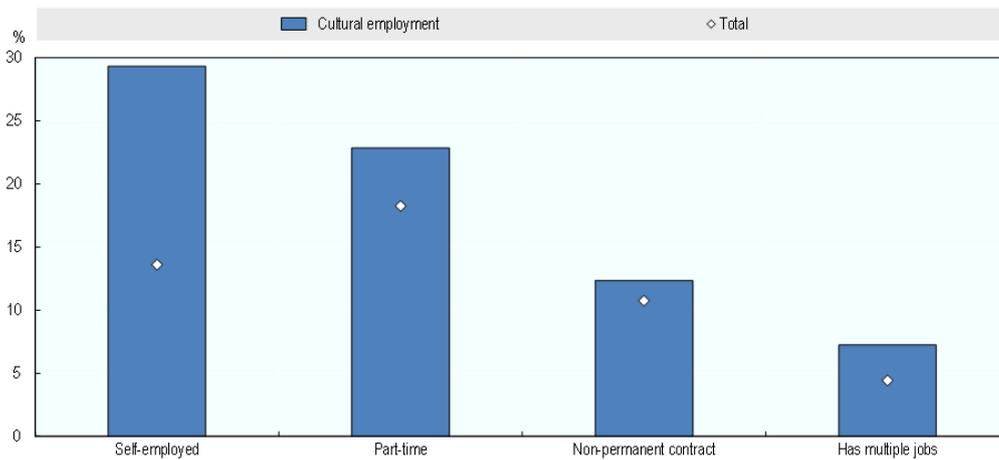
Note: North Eastern Scotland has not been shown due to unreliable data for this region
 Source: Cultural employment by NUTS regions, Eurostat

Precarious employment

Creative sectors consist of many micro-firms, freelancers and other professionals where job insecurity and working conditions are a major challenge. These providers are vital in providing content for large public or private sector companies. Furthermore, many cultural organisations have to rely on volunteers, flexible working, short-term contracts or project-based working to reduce costs. Cultural workers, including those in cultural employment outside of CCS, are much more likely to be self-employed, to work part time, to have non-permanent contracts and to hold multiple jobs (Figure 2.5).

Figure 2.5. Cultural employees are more likely to be in non-standard forms of employment and hold multiple jobs

Share of workers who are self-employed, work part-time, have non-permanent contracts, or have multiple jobs, OECD average, 2020



Note: OECD average includes Austria, Belgium, Canada, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Türkiye, United Kingdom, and United States. Data for Canada, United Kingdom, and United States are from 2019.
 Source: OECD calculations on Cultural Employment Statistics, Eurostat, American Community Survey, 2019, and Canadian Labour Force Survey, March 2019.

Cultural employment is also characterised by high levels of informality in terms of working culture and governance structures, network-based recruiting practices and verbal contracts. Creative workers often have to undertake non- paid positions or do in-kind work or favours, and internships to access the field or maintain employability. Uncertainty and job insecurity leads many creative workers to take on a second job. Evidence also suggests that creative employment is characterised by competition for work, power imbalances, financial insecurity and exploitative working conditions that can negatively impact the health and wellbeing of creative workers (Carey, Florisson and Giles, 2019^[10]).

Low pay and job insecurity place workers in a vulnerable position. It has also been noted that poor working practices are common and may impact on workers' health and wellbeing. For example, Bectu found that high numbers of those working in the TV and film sector were reported to experience mental health issues attributed to poor working conditions, such as very long hours and stress (Wallis and Van Raalte, 2021^[11]). This was further impacted by forms of bullying or harassment which were also found to be common in the sector. The same study also highlights concerns about poor management and the tendency of managers to lack training for their role.

Approximately 30% of the UK creative media workforce is 'freelance', and 44% class themselves as freelance or self-employed. Self-employment is more concentrated in some parts of the sector than in others: being high in Design, Film, Performing Arts, Visual Arts, Music, Television and Fashion (Skills Development Scotland, 2015^[12]).

Addressing issues of precarious work in CCS has been a major feature of Scotland's CCS skills policy. In 2020, following a broad consultation, the Scottish Government launched a *Culture Strategy for Scotland* (Scottish Government, 2020^[13]), which put strong emphasis on fair work as well as on inclusiveness and diversity in the cultural workforce (see Box 2.1). The strategy recognises the often difficult working conditions for many in the sector (low paid and insecure work) and pledges action to promote and apply Fair Work principles across the arts and cultural industries. For example, the Scottish Government is looking at proposals to move to longer-term funding cycles for culture to ensure more security and looking at ways to strengthen enforcement of fair work principles through its grant making bodies (Scottish Government, 2022^[14]). Similarly, promoting fair pay, conditions, and employment opportunities across the creative sector was recognised as one of four priority areas in Creative Scotland's *Annual Plan 2021/22* (2021^[15]).

Box 2.1. Equality and diversity in CCS

The pandemic is said to have worsened issues around diversity and inequality in the sector despite various efforts to address these. Analysis of the UK creative workforce from 2018 shows that only 9% of the workforce were from an ethnic minority group. The figure for Scotland is too low to report, with ethnic minorities constituting just 4% of the overall Scottish workforce. Of the Scottish creative workforce, 13% were reported as being Equality Act Disabled - which is slightly below the UK workforce as a whole (14%), but more than the Scottish workforce as a whole (c. 11.5%).

Multiple factors inherent to the cultural industry drive inequalities around class, race, and gender. A large study by Brook et al. (2020) highlights systematic forms of exclusion in the sector, which traditionally has believed that success is determined by talent and hard work. Low pay or unpaid work often acts as a barrier to those without financial resources, while women and people from ethnic minority groups are reported to face discrimination during their careers. Furthermore, significant inequalities regarding class background play their part through childhood engagement with culture which impacts accessing a cultural career and places those from white middle class backgrounds at an advantage. These factors further impact on access to the networks on which the industry relies, and which are often required to get investment for new projects.

Evidence suggests that class inequality in CCS has not significantly improved in recent years. A large scale study by Creative Industries Policy and Evidence Centre and Work Advance (Carey, O'Brien and Gable, 2021^[16]) found that in the UK in 2014, those from a more privileged background were 2.3 times more likely to work in CCS than those from a working class background. By 2020, this figure had only reduced to 2 times more likely. Indeed they found that in 2020, CCS would need to employ a further 250 000 working-class people to be as socio-economically diverse as the rest of the UK economy (a number equivalent to the current size of the entire creative workforce in Scotland, Wales and Northern Ireland combined).

Source: [CFE Research. Creative & Cultural Skills \(2018\) Creative Workforce Analysis](#); Brook, O., O'Brien, D. & Taylor, M. (2020) Culture is Bad for You. Manchester University Press, Carey, O'Brien and Gable (2021^[16]), Social Mobility in the Creative Economy: Rebuilding and levelling up?, <https://pec.ac.uk/research-reports/social-mobility-in-the-creative-economy-rebuilding-and-levelling-up/>

Impacts of COVID-19 on the CCS workforce

The high level of freelance and part-time working in the creative workforce have made it particularly vulnerable to impacts of the pandemic. Before the pandemic, employment in creative industries in the UK was expected grow in the future, with over GBP 150 million investment through The Sector Deal (signed between the Creative Industries Council and the UK Government) predicted to increase the workforce by 20% by 2023. It was predicted that employment would have reached 2.15 million in the UK in the absence of COVID-19 in 2020 (Oxford Economics, 2020^[17]). However, in March 2020 the industry was projected to see a combined GBP 77 billion loss in turnover (-31% compared to 2019) and 287 000 job losses among the self-employed over the course of 2020, despite the Coronavirus Job Retention Scheme (Oxford Economics, 2020^[17]). The UK Creative Industries Policy & Evidence Centre (PEC), using ONS data, reports a 15% decrease in people working in creative occupations between the first two quarters of 2020 (O'Brien, Taylor and Owen, 2020^[18]). Of those having left, around two thirds (69%) were now working in other occupations, while 10% of those who left creative occupations were classified as unemployed.

Evidence from a number of organisations shows that freelancers have been at the sharp end of the economic fallout. According to Oxford Economics, over a third of UK freelance workers reported having had all their freelance contracts terminated by the first quarter of 2020 (Oxford Economics, 2020^[17]). The Creative Industries Federation COVID-19 Impact Survey finds that freelancers have seen the biggest drop in revenue, being 20% more likely than organisations to have seen a drop in income of 75% or more since the pandemic began (Creative Industries Federation, 2021^[19]).

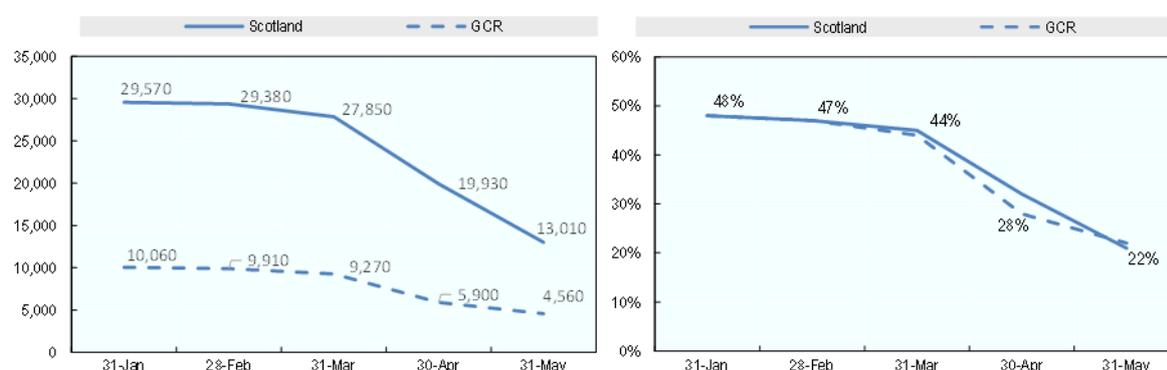
However, research also suggests that these impacts have not been universal across CCS. Skills Development Scotland commissioned a study into the impacts of COVID-19 on the creative workforce in Scotland (Skills Development Scotland, 2020^[20]), which found some parts of the sector to be performing well throughout the pandemic. In particular, design and creative agencies, animation, computer games and digital tech companies have adapted well to remote working and have experienced far less disruption in their markets. The screen production sector suffered an initial hiatus in production activity due to the lockdowns but managed to negotiate specific rules to allow production to resume in late summer 2020.

Indicative of the impact of COVID-19 on cultural employment, online job postings for cultural employment decreased by over 50% in April 2020 compared to April 2019 in most OECD and EU countries with available data. In the UK, Scotland, and Glasgow this decrease was even more severe, with declines of 62%, 81% and 78% respectively (OECD calculations on Burning Glass Technologies data). While there were also declines in the total number of job postings between these two periods, the fall in the number of vacancy postings for cultural employment was much greater.

UK wide COVID support measures benefited many CCS workers. At the UK level, the Coronavirus Job Retention Scheme (CJRS), or ‘furlough’ scheme provided grants to employers to retain and continue to pay staff through the pandemic (‘furloughing’ employees) and the Self-Employment Income Support Scheme (SEISS) offered similar financial support for those who had earned at least 50% of their income through self-employment on past tax returns. Data on the CJRS shows that just under half of those working in arts, entertainment and recreation sectors had been ‘furloughed’ at the height of the pandemic in Scotland and in the GCR (Figure 2.6). Data on the SEISS show that in Scotland, 77% of eligible self-employed workers in arts, entertainment and recreation had received grants from this scheme in its first phase, which ran from 13 May – 13 July 2020 (for comparison with other COVID relief schemes internationally, see Box 2.2).

Figure 2.6. Furloughed Employment in Arts, Entertainment & Recreation Sector (2021)

Number Furloughed and % of Eligible Workforce



Source: HMRC. April and May 2021 figures are provisional

In addition to UK government initiatives, other funding sources have been created in Scotland, including ones targeted towards freelancer and CCS workers. These include the Hardship Fund for Creative Freelancers and The Screen Hardship Fund which provided bursaries to those most impacted by hardship due to cancellation of work and prioritised those who had been unable to access other forms of direct support. Similarly, The Newly Self-Employed Hardship Fund provided grants for those newly self-employed who were ineligible for the UK government SEISS. The Bridging Bursary Fund, administered by Creative Scotland and Screen Scotland, also provided support, with the largest number of awards in the scheme going to applicants in Glasgow (689 awards, totalling over GBP 1.2 million). Other smaller sector-specific funds have been distributed by different organisations within the sector, including BECTU, Federation of Scottish Theatre, Equity Hardship Fund, Help Musicians UK, Musicians Union, PRS Foundation, and the Society of Authors, etc. (Creative Scotland, 2021^[21]).

Support has also been targeted towards CCS businesses in sustain their economic viability during the pandemic. In addition to sector specific funding, some CCS organisations have also benefitted from The Creative, Tourism & Hospitality Enterprises Hardship Fund (CTHEHF), managed by the Enterprise Agencies with support from Creative Scotland and VisitScotland, and the Pivotal Enterprises Resilience Fund (PERF) managed by the Enterprise Agencies. The former provided grants of up to GBP 25 000 to small and micro creative, tourism and hospitality companies not in receipt of business rates grants, while the latter provide grants of up to GBP 50 000 to organisations that could demonstrate their importance to regional economies and subsequent recovery from the pandemic (see Table A B.2. and Table A B.3. in Annex B for breakdown of the distribution of these funds).

While COVID-19 marked a major dent in cultural vacancies, data suggest that demand for cultural work is beginning to recover. For the UK as a whole, this was matched with an increase in cultural job vacancies, with a rise of 29% in March 2021 compared to April 2019. For both Scotland and Glasgow, vacancy postings for cultural employment were slower to recover, with a decrease of 36% in March 2021 compared to April 2019 in Scotland and a decrease of 15% in March 2021 compared to April 2019 in Glasgow, potentially due to lockdown measures lasting longer in Scotland than in other areas of the UK. By September 2021 cultural employment vacancies in Scotland were back to pre-pandemic levels, with a 7% rise in cultural employment vacancies in September 2021 compared to April 2019. Glasgow saw an even bigger increase, with a 126% increase in cultural employment vacancies in September 2021 compared to April 2019.

While vacancy data may suggest a rebound in demand for cultural employment, recovery of the talent lost during this period, coupled with new challenges around the increasing cost of living means the sector is still under strain. While vacancy data may be trending upwards, the talent lost during the pandemic period may be difficult to recover. The effects are likely to be felt across the talent pipeline, with the more experienced cultural professionals difficult to quickly replace, and a “lost generation” of early-career professionals during 2020 and 2021 impacting the pipeline moving forward (Chandler, 2021^[22]). Moreover, with raising energy costs and sharp inflation, CCS businesses and freelancers are under renewed financial pressure.

Box 2.2. International outlook: COVID support schemes for CCS artists and businesses

Across the world, CCS businesses and cultural workers have been some of the most impacted by COVID-19 restrictions. Governments have introduced a wide variety of support schemes targeting these sectors, including grants and subsidies for cultural businesses or individual artists, forms of reimbursement to compensate for lost revenue due to the coronavirus lockdown, provision of loan guarantees and direct lending, and the introduction of incentives to promote investments in cultural production and businesses. For example:

- **Austria's** COVID-19 Fund for Artists and Cultural Educators increased the already-existing Artists' Social Insurance Fund by EUR 5 million to reimburse income losses of CCS workers due to cancellations. Applicants could access a grant of up to EUR 2000 for a maximum period of 3 months. Freelance and self-employed artists could access a bridging fund of EUR 90 million, providing 15000 artists with EUR 1000/month for up to 6 months.
- The **German** government provided EUR 1 billion to the cultural sector through the Neu Start initiative. The programme comprises four main parts: pandemic-related investments in cultural institutions to make them fit for reopening (EUR 250 million), maintenance and strengthening of cultural infrastructure and emergency aid (EUR 450 million), promotion of alternative (i.e. digital) offers (EUR 150 million), and pandemic-related compensation for income losses and additional expenditure (EUR 100 million).
- **Belgium's** Tax Shelter Agreement aims at promoting private investment in the performing arts and audio-visual sectors. Conditions of Tax Shelter agreements have been eased to help producers bridge gaps in expenditures in order to promote private investment in the performing arts and audio-visual sectors. Under the modified agreement, the work that was not produced in the performing arts and audio-visual sectors can be replaced by another work in the investor-producer agreement, without adverse tax consequences
- The **Lithuanian** government instituted a programme of three-month long scholarships for artists and cultural creators during the pandemic period, offering bursaries of EUR 1800.
- On a subnational level, the **Brussels-Capital Region** instituted an emergency fund of EUR 8.4 million targeting specifically the cultural sector. It also allocated a fund of EUR 5 million to provide EUR 1500 to individual cultural workers who cannot benefit from other forms of support.
- The city of **Seoul** (Korea) has directed support specifically towards artists and workers in the CCS through the creation of three different Emergency Support for the Arts funds. They target artists, arts companies, planners, art educators and freelancers. In such a way, the city focussed economic relief on CCS workers overcoming the diverse and non-traditional nature of employment in such sectors.
- The **Italian region of Liguria** established a revolving fund for subsidised loans to firms and other entities operating in the cultural sector to help them through the pandemic period.

Source: OECD (2020), *Culture Shock: COVID-19 and the Cultural and Creative Sectors*

Skills and education

Skills gaps

Cultural workers are typically highly skilled. Across OECD countries, an average of 62% of the working age population working in cultural and creative employment (i.e. both jobs in CCS and cultural jobs outside CCS) have at least a tertiary degree, compared to 40% of those in employment as a whole. In the UK, this is even higher, with 65.7%. While comparable data are not available at a subnational level, a recent survey of those working in CCS in Scotland found 71% of those working in CCS have a tertiary degree (Skills Development Scotland, 2021^[23]). This includes a wide range of degree subjects, with large numbers of both STEM and humanities graduates working as artists, performers, designers, researchers, computer scientists, and finance and marketing professionals in CCS.

Previous research with screen industry freelancers (Skills Development Scotland & EKOS, 2019^[24]), **carried out for Skills Development Scotland, reinforced this message.** It found more than three quarters (77%) had an undergraduate degree or above. Of these, around half had a degree in a related subject area (such as film and TV, media or drama), with the remainder reporting a wide range of different degree subjects. Freelancers under the age of 35 were much more likely to have undertaken a specialist degree in Film & TV.

Evidence suggests that across the economy, creativity as a skill is in growing demand, and ‘creativity’ as a transferable skill is found to most consistently predict growth in a sector (Creative Industries Policy and Evidence Centre, 2018^[25]). Analysis of UK job adverts, finds that mentions of creativity as a required skill, consistently correlates with a sectors growth trajectory, whereas other transferable skills, such as English, mathematics or planning skills do not. Project management and organisational skills are also found to be correlated with an occupation’s probability of growth, which creative workers are likely to hold as a result of project-based working. Among professions that combine these skills and are most likely to grow are artists, designers, public relations professionals, creative directors, architects and town planners.

In addition, the “soft skills” that cultural workers often possess are likely to grow in demand in other sectors. These include problem solving, interpersonal skills, personal agility, resilience and ability to adapt to change (Carey, Florisson and Giles, 2019^[10]). There is also expected to be an increasing need for design, digital and ‘fusion’ skills in the future which creative professionals have the potential to provide (Skills Development Scotland, 2021^[23]).

However, challenges related to the skills pipeline were already in place prior to the pandemic, with questions around the suitability of education and provision of talent in certain sub-sectors that have growing skills shortages. Work by Carey et al. (2019) notes that creative education in schools tends to be of lower priority, while careers education, apprenticeships and technical education are proving challenging to implement in parts of the creative industries. The authors ascribe this to the prioritisation of academic over technical education in the UK, and the difficulties in implementing models such as apprenticeships in sectors with large numbers of SMEs and micro-businesses and short product cycles. The sector was also experiencing a shortage of skills in some sub-sectors, as the demand for creative skills was high in other industries. Concerns have also been raised around the impacts of Brexit (see Box 2.4) on the ability of the creative industries to access international talent, not least in areas such as computer games and animation (Carey, Florisson and Giles, 2019^[10]).

For example, in the screen sector, the skills base is under pressure with continued growth over recent years that shows little sign of abating. It has been highlighted that these skills gaps risk threatening the longer-term competitiveness of Scotland’s screen sector if not addressed (Skills Development Scotland & EKOS, 2019^[24]). In overcoming this, the industry has expressed a clear preference for practical, on-the-job training that is responsive in a fast moving industry context.

Box 2.3. CCS Skills Shortages Identified by UK Government for Immigration

The UK Government Home Office maintains a list of identified skills shortages in the UK for immigration purposes. Those meeting the list criteria are able to gain easier access to a Skilled Worker visa, with a lower salary threshold and visa fee. As of April 2021, the following creative roles are included on the Shortage Occupation list:

- architects – all jobs;
- artists – all jobs;
- dancers and choreographers - only skilled classical ballet dancers or skilled contemporary dancers who meet internationally recognised standards;
- musicians – only skilled orchestral musicians who are leaders, principals, sub-principals or numbered string positions who meet internationally recognised standards;
- arts officers, producers and directors – all jobs; and
- graphic designers – all jobs.

The list was reviewed in late 2019 and broadened out to include a wider range of creative occupations, following lobbying by industry organisations. Previously, the only artists on the list were animators working in film, television or video games.

Source: [Skilled Worker visa: When you can be paid less](#); [Arts Professional, 'A national shortage of artists': Immigration rules for creatives relaxed](#)

Recent data highlight the large number who need to upgrade their skills. In a major survey of the CCS workforce in Scotland carried out to assess the impact of COVID-19, just under one third of respondents (29%) identified a need to refresh or develop their own skills, learning or qualifications in order to sustain or return to work in the sector (EKOS and Skills Development Scotland, 2021^[26]). Around half of those indicating this need then said they have had challenges obtaining these skills in the past. The survey work also found 25% of the creative workforce took on work outside of the sector during the pandemic, with nearly all freelancers reporting difficulties with securing work since March 2020.

Universities

All six universities in the GCR offer some form of CCS education and each has areas of particular specialism. The Glasgow School of Art (GSA) and the Royal Conservatoire of Scotland (RCS) are recognised internationally as centres of excellence for learning in the arts, and are Scotland's only independent small specialist institutions in arts education. In the 2021 QS World Rankings, GSA was ranked eighth in the world for art and design, and RCS ranked third in the world for performing arts. In the 2019-20 academic year, the GCR had just under 12,000 students studying a CCS aligned course at university, with around 35,000 across Scotland (Table 2.2). CCS students made up a slightly lower proportion of all students in the GCR (12.6%) than in Scotland as a whole (13.4%).

Table 2.2. CCS University Students (2019-2020)

	Glasgow Caledonian Uni.	Glasgow School of Art (GSA)	Uni. of Glasgow	Royal Conservatoire of Scotland (RCS)	Uni. of Strathclyde	Uni. of the West of Scotland (UWS)	GCR total	Scotland
Communications & Media	395	15	170	0	240	350	1,170	3,810
Art & Design	380	1170	475	0	145	25	2,195	6,295
Music	0	5	230	625	0	260	1,120	2,235
Drama & Dance	0	0	165	400	30	100	695	1,320
Cinematics and Photography	0	105	245	0	0	205	555	1,450
Other Creative Arts & Design	0	75	15	0	0	0	90	415
History of Art, Architecture and Design	0	230	235	0	0	0	465	1,395
Heritage & Cultural Studies	0	5	55	0	0	0	60	185
Architecture & Landscape Design	0	390	25	0	555	0	970	2,860
Creative Writing	10	5	450	0	25	0	490	865
English Lit.	0	0	850	0	0	0	850	2,395
Other Language/Area Studies	45	5	1,635	0	855	20	2,560	9,995
Computer games and animation	235	40	0	0	0	365	640	1,750
Total CCS students	1,065	2,045*	4,550	1,025*	1,850	1,325	11,860	34,970
Total students	17,540	2,380	32,465	1,220	24,330	16,105	94,040	260,490

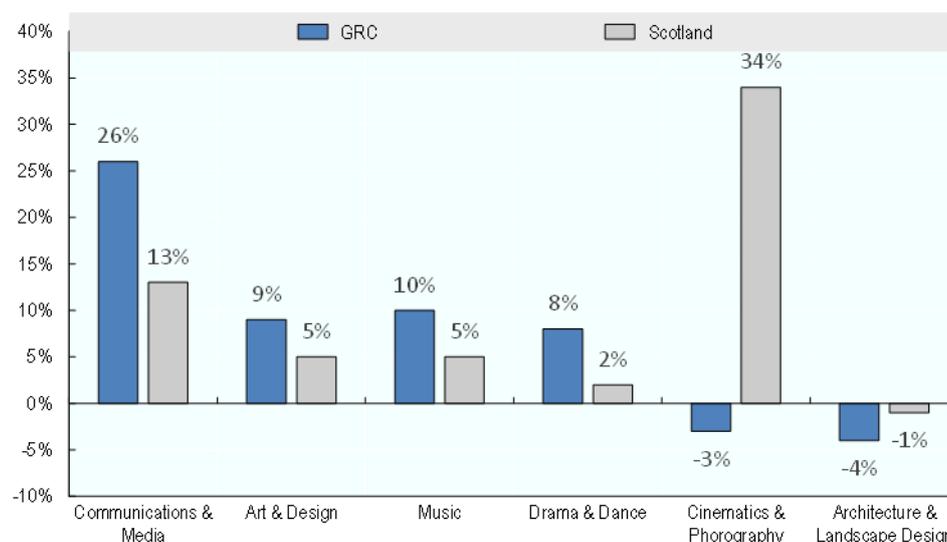
Note: UWS has four campuses of which two, Paisley & Lanarkshire, are within the GCR (approx. 80% of total enrolments).

Source: Higher Education Statistics Agency (HESA)

*This excludes RCS and GSA students studying education/teacher training or other subjects categorised elsewhere – however, all students at these institutions will fall within the CCS definition.

The number of students studying CCS related courses has been growing. Figure 2.7 shows the change in the number of students at GCR and Scotland levels from 2014-15 to 2019-20 for subject areas where a comparison is possible. It shows considerable growth in areas such as communications and media (26%). This is perhaps unsurprising when set against considerable growth (12%) in the total number of students studying in Scotland (and across the UK) over this time. In particular, growth in student numbers has been driven by non-EU international students and taught post-graduate courses, raising the issue of talent retention of international students after graduation. However, there is also concern around the impact of Brexit on student numbers for arts courses in Scotland (see Box 2.4).

Figure 2.7. University Students in CCS Subject Areas (% Change, 2014-15 to 2019-20)



Source: HESA

Box 2.4. The impact of Brexit on international students studying creative and cultural subjects

With EU students required to pay full international fees for the first time in the 2021-22 term, the number of applications to Scottish universities fell by 6,900 (-40%) from EU-domiciled applicants, partially offset by a continued increase from non-EU international students⁴.

While universities will earn far more per EU student than previously, meaning overall finances may not be impacted, there will be economic, social and demographic implications of fewer EU-domiciled students choosing to live and work in the country, especially with the loss of automatic residency rights. This is particularly the case in the CCS, where EU nationals make up an above average percentage of the workforce (estimated at 8%⁵, compared to 4.2% of the total population). In total, 8% of university students in Scotland were from the EU in 2019-20, but this was much higher at Glasgow's small specialist arts institutions, comprising 14% of students at RCS and 13% at GSA.

Source: UCAS, [2021 Application Figures](#) (18 February 2021); Creative Scotland, *Understanding Diversity in the Arts Survey: Summary Report* (2017), p15

Colleges

Further education colleges also play a big role in CCS skills development, but the number of students studying CCS related subjects has declined in the last ten years. The last ten years has been a period of major change for Scotland's colleges, with the merger of local colleges to form regional 'super colleges', typically spread across multiple campuses. In the Glasgow City Region, where ten years ago there were more than 20 colleges, there are now six merged colleges. This has been combined with

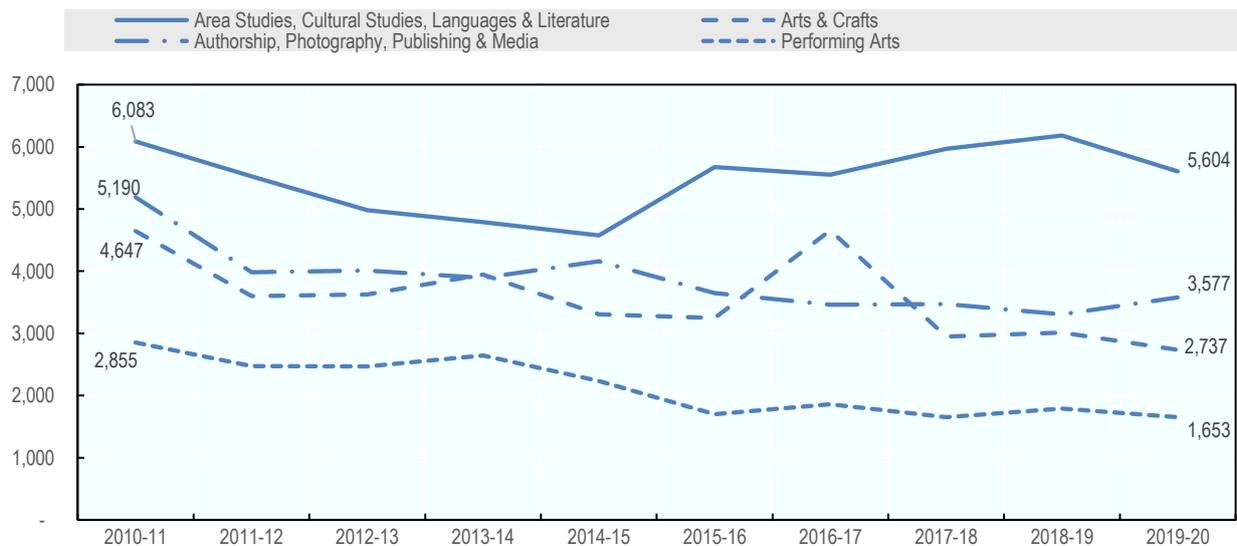
⁴ UCAS, [2021 Application Figures](#) (18 February 2021)

⁵ Creative Scotland, *Understanding Diversity in the Arts Survey: Summary Report* (2017), p.15

a shift towards more full-time course provision, with lower overall student numbers. While the total number of students within each subject area has fluctuated from year to year, the overall picture is of a fairly large decline in each subject over ten years, in particular arts and crafts (-41%) and performing arts (-42%) (Figure 2.8). As noted, this reflects the strategic shift towards greater full-time and more careers-focused provision. The total number of CCS college students in the GCR however has seen a smaller decline (-28%) than in Scotland overall (-42%) over this period.

Figure 2.8. CCS College Students in Glasgow City Region

(2010-11 to 2019-20)



Source: Scottish Funding Council InFact database

Modern Apprenticeships and other skills interventions

Scotland's Modern Apprenticeship (MA) programme provides individuals with the opportunity to secure industry-recognised qualifications while earning a wage. Overseen by Skills Development Scotland, it offers people aged 16 and over the opportunity of paid employment, combined with training at different levels. In total there are around 37,000 Modern Apprentices in training in Scotland at the current time. Of these, a relatively small proportion are within CCS-aligned frameworks, with digital applications and digital marketing having by far the largest presence. At the end of Q2 in the 2021/22 academic year, only 24 of the 11 104 Modern Apprentice starters were in creative and cultural occupations (Skills Development Scotland, 2021^[27]).

This indicates that Modern Apprenticeships are not (yet) a key route to careers in the CCS, particularly set against the large numbers undertaking CCS courses at college and university. This may reflect the small scale of many CCS businesses as well as the tendency towards freelance, short-term contract working in the sector. Work is underway to develop new delivery models for apprenticeships that can better align to the structures and working practices of the CCS.

Museum Galleries Scotland's Skills for Success programme launched in 2018 to support non-graduates into careers in the museums sector. Trainees receive a one-year paid placement at a museum and work towards an accredited qualification. Participating museums in the GCR included three Glasgow Life attractions, the Paisley Museum and Art Gallery, the David Livingstone Centre in South

Lanarkshire, the Scottish Maritime Museum (with one of its two locations in Dumbarton, West Dunbartonshire), and The Hunterian museum at the University of Glasgow.

Similar targeted approaches have been taken in other sub-sectors, generally on a Scotland-wide basis. An example within the screen sector is in the RAD programme, with funded research and development positions available in the TV industry, targeted at individuals from disadvantaged backgrounds, who have disabilities, or are from black, Asian and ethnic minority communities. Within the GCR, the *Outlander* Training Programme has also seen around 20 traineeships offered per series, based at the *Outlander* studios at Wardpark, North Lanarkshire. The programme is co-funded by the production company, Screen Scotland, and industry partnership Screen Skills.

Policy considerations

Sustaining and creating employment

It is clear that recovery is the immediate priority across the whole economy and in the CCS. The emergency funds have helped to sustain employment and prevent mass redundancies, but as these now tail off there will be a need to ensure that the sector can begin its recovery, and part of this will mean sustaining creative jobs. Integrating the needs of CCS into this recovery planning will be an important step in maintaining the pre-pandemic growth trajectory of the sector in Scotland.

There is an established framework and set of plans for the development of the skills system that supports the growth of the CCS. These target different parts of the CCS and different levels of skills needs from entry-level pathways and diversity issues through to in-work training and upskilling. The GCR is home both to a large proportion of the sector and leading educational institutions. As such it is an obvious focus for skills investment and programmes. The GCR partners could look to further engage with Scottish partners, such as Skills Development Scotland to ensure that the skills system is adapting to the sector's needs and supporting long-term growth.

For example, retraining and upskilling of the existing workforce could help mitigate some of the talent losses over the pandemic period. As just under one third of CCS workers (29%) identified a need to refresh or develop their own skills, learning or qualifications in order to sustain or return to work in the sector (EKOS and Skills Development Scotland, 2021^[26]), developing pathways to upskill the exiting workforce could offer a solution to the most pressing employment needs of the sector.

Education and the talent pipeline

Addressing skills gaps in the creative workforce is necessary to ensure continued growth of the sector. For example, in the screen sector, the skills base is under pressure, with continued growth over recent years raising skills demand that shows little sign of abating. These skills gaps risk threatening the longer-term competitiveness of Scotland's screen sector if not addressed. In overcoming this, the industry has expressed a clear preference for practical, on-the-job training that is responsive in a fast moving industry context. Further developing apprenticeship routes to the screen sector could be one way to help address skills shortages and shore up the talent pipeline.

Declining uptake for creative courses in further education puts the talent pipeline at risk. Despite rising numbers of university students enrolling on creative courses, uptake of creative courses in Further Education institutes in Glasgow have been declining, putting the long-term talent pipeline at risk. Whilst modern apprenticeship schemes offer an alternative to skills development for young people pursuing careers in cultural and creative sectors, CCS aligned apprenticeships are not yet well developed. Greater promotion of creative courses in further education institutions, alongside further development of CCS

aligned Modern Apprenticeships could help to develop the next generation of talent and sure up the future talent pipeline.

Fair work

Fair Work is a central policy priority for the Scottish Government and for local authorities, and the CCS has some issues to address in this respect. Sector engagement is key here and funders (in the cultural sector for example) can exert leverage on organisations to pay the Real Living Wage and commit to principles such as no zero hours contracts, while being mindful of financial pressures this may create. Continued consideration of the role of funders in promoting and regulating fair work policies is a significant step in addressing some of the issues of precarious work in the sector.

Beyond the funded sector however, changing long-standing employment practices will be more challenging, but no less important. Addressing issues of precarity in CCS work, such as low pay and lack of job security, could also support talent attraction and retention within the sector. This requires commitment and engagement with key sector bodies and industry associations as well as unions. The development of a sector wide Fair Work plan could be a useful mechanism to bring together the sector and identify ways of addressing the issues with low pay and precarious work. For example, this could be motivated through a targeted inquiry into fair work practices in CCS, as has been conducted in the hospitality, social care and construction sectors (The Fair Work Convention, 2022^[28]).

Diversity

Workforce diversity is a long-standing issue for the sector, and some progress has been made in subsectors such as TV. However, there remains significant diversity issues within CCS, which intersect with the issues of sustaining and creating employment, education and training, and fair work mentioned above. Addressing issues of diversity in the sector therefore can be seen as a cross-cutting issue, to be considered alongside any employment and skills initiatives.

For example, within education, driving access routes to the sector for those from diverse backgrounds could be helpful. For instance, alongside broader development of the Apprenticeships scheme, apprenticeships could be more widely used in the sector to create entry pathways for candidates from more diverse backgrounds (including from lower socioeconomic groups). Skills Development Scotland is already progressing this agenda and partnerships with the colleges (in the GCR) will be important. Again, sector engagement will be needed to challenge persistent practices in the sector such as unpaid internships, which favour those from wealthier backgrounds.

Policy could also look to engage with the sector in promoting working practices which encourage greater diversity. While practices around fair work have the opportunity to better support those from lower socio-economic backgrounds to enter CCS, additional voluntary practices, such as diversity recruitment training and greater reporting of equality and diversity statistics within the sector, could be supported by government led initiatives. Similarly, as careers in CCS are significantly shaped by social capital (contacts and relationships with a network) policy could look to support mentorship, networking and knowledge exchange initiatives targeted towards those from less represented groups.



3 Business Development and Innovation

Enterprises in CCS

The Glasgow City Region (GCR) accounts for 35% of Scotland's CCS enterprise base. In 2020, there were over 2,100 Creative Industries businesses within the GCR, with the largest sub-sectors being 'motion picture, video and television programme activities' (19%), 'architectural activities' (15%) and 'specialised design activities' (15%). Compared to Scotland, GCR has a higher proportion of motion picture, video and television programme activities' businesses (19% compared to 13%) and slightly lower proportion of architectural activities (15% compared to 17%) and 'specialised design activities' (15% compared to 16%). At local authority level, CCS businesses are largely concentrated within Glasgow City accounting for 58% of the total regional business base in 2020.

Visual arts and audio-visual and multimedia enterprises are particularly strong in the region. Table 3.1 shows the proportion of total CCS businesses accounted for by each sub sector in each part of the GCR and for the GCR and Scotland as a whole. This suggests that areas of relative strength in terms of the number of enterprises are audio-visual and multimedia and performing arts. This is intuitively plausible in light of the concentration of broadcasting and screen production in the city region, and the strength of Glasgow's cultural offer.

Table 3.1. Glasgow City Region: Number of firms by Local Authority and CCS area (2020)

% of Local Authority Total

	East Dun'shire	East Ren'shire	Glasgow City	Inverclyde	North Lan'shire	Ren'shire	South Lan'shire	West Dun'shire	Glasgow City Region	Scotland
Visual Art	33%	26%	26%	25%	34%	43%	30%	36%	29%	31%
Audio-visual and Multimedia	23%	26%	30%	25%	3%	17%	11%	9%	23%	17%
Books and Press	13%	11%	15%	25%	28%	20%	22%	27%	18%	19%
Architecture	17%	16%	13%	25%	21%	13%	20%	18%	15%	17%
Performing Art	10%	16%	13%	0%	7%	3%	9%	9%	11%	9%
Education and Memberships	3%	0%	1%	0%	3%	3%	2%	0%	2%	2%
Other Cultural and Creative Sectors Activities	0%	5%	1%	0%	3%	0%	2%	0%	1%	2%
Heritage, Archive and Libraries	0%	0%	1%	0%	0%	0%	4%	0%	1%	3%
Total	150	95	1,230	40	145	150	270	55	2,135	6,115

Source: UK Business Counts

Between 2010 and 2020, the number of firms in cultural and creative sectors in GCR grew by almost one-fifth (17%) – more than double the growth at a national level (8%). With the exception of businesses within Books and Press area, all areas have grown significantly since 2010 and have outperformed growth at a national level. Within Glasgow City Region, the areas which have driven growth were Audio-visual and Multimedia (+215), Visual Art (+65) and Architecture (+60). Closer examination of the data show that the key areas of growth in the GCR business base have been film and TV production, design and architecture (Table 3.2).

Table 3.2. Glasgow City Region Number of firms by Sub-sector Components (2010 - 2020)

CCS area	Industry	2010	2020	Change	% Change	% Change, Scotland
Heritage, Archive and Libraries	Library and archive activities	5	10	5	100%	-20%
	Museum activities	5	10	5	100%	43%
	Operation of historical sites and buildings and similar visitor attractions	5	5	0	0%	-8%
Books and Press	Retail sale of books in specialised stores	20	10	-10	-50%	0%
	Retail sale of newspapers and stationery in specialised stores	135	70	-65	-48%	-47%
	Book publishing	30	25	-5	-17%	-12%
	Publishing of directories and mailing lists	0	0	0	-	-
	Publishing of newspapers	5	5	0	0%	0%
	Publishing of journals and periodicals	40	35	-5	-13%	-14%
	Other publishing activities	25	40	15	60%	11%
	News agency activities	25	5	-20	-80%	-55%
	Printing and service activities related to printing	235	185	-50	-21%	-27%
Visual Art	Specialised design activities	230	310	80	35%	32%
	Photographic activities	130	120	-10	-8%	-21%
	Artistic creation	190	185	-5	-3%	-2%
Architecture	Architectural activities	265	325	60	23%	15%
Performing Art	Performing arts	155	165	10	6%	10%
	Support activities to performing arts	15	50	35	233%	333%
	Operation of arts facilities	10	15	5	50%	30%
Audio-visual and Multimedia	Retail sale of music and video recordings in specialised stores	5	5	0	0%	-33%
	Publishing of computer games	0	0	0	-	-
	Renting of video tapes and disks	0	0	0	-	-67%
	Reproduction of recorded media	15	10	-5	-33%	-33%
	Motion picture, video and television programme activities	220	410	190	86%	63%
	Sound recording and music publishing activities	25	50	25	100%	50%
	Radio broadcasting	10	10	0	0%	-27%
Television programming and broadcasting activities	10	15	5	50%	40%	
Education and Memberships	Cultural education	5	35	30	600%	175%
Other Cultural and Creative Sectors Activities	Manufacture of musical instruments	5	5	0	0%	0%
	Translation and interpretation activities	5	25	20	400%	300%
	Total	1,825	2,135	310	17%	8%

Source: UK Business Counts

Dominance of the audio-visual and multi-media sectors reflects the large presence of public broadcasters in the area. Broadcasting is a long-standing area of strength for the GCR and the presence in the city region of UK broadcasters (BBC, Channel 4 and STV) has been critical to supporting a strong supplier base. Glasgow has some of the highest numbers of production, post production and distribution businesses in Scotland (Olsberg•SPI, 2017_[29]). In many other parts of CCS, these larger companies and customers are not located in the city region (or indeed in Scotland). As a result, access to markets is a key challenge for parts of the CCS.

Innovation in CCS

Nearly two-thirds of CCS firms are innovative according to a UK Government large-scale survey of creative businesses in the UK. The headlines are instructive and indicate high levels of innovation and R&D in the sector.

- Over half (51%) of creative industries firms had introduced new or significantly improved products or services in the last three years, over a quarter (29%) had introduced new or significantly improved products or services that were completely new to the market. Additionally, a third (31%) of firms had introduced new or improved forms of organisation, business structures or processes;
- Three fifths (61%) of interviewed firms were classified as 'innovative', meaning they had introduced new or improved products, services, forms of organisation, business structures or processes in the last three years. IT, software & computer services firms were most likely to be innovative (68%), with architecture least likely (32%). Likelihood also increased with firm size, from 60% of firms with 1-9 employees, compared to 76% of firms with 10-49 employees and 83% of those with 50 or more; and
- In the last year, 71% of firms had used some form of intellectual property (IP) protections for their technology, designs, content, products or services, the most common being non-disclosure and confidentiality agreements (43%).
- More than half (55%) of firms had undertaken R&D using the broad OECD Frascati Manual definition but only 14% had done so using the definition for tax purposes used by the UK Government.
- Two thirds (65%) of firms stated that better access to public support schemes would have encouraged them to do more development activity and more than half (55%) would have been encouraged by improved access to network opportunities.

Even more narrow measures of innovation, which focus exclusively on R&D spending, (Business Enterprise Research and Development, BERD expenditure) show growth in Scottish CCS. Although evidence suggests that over half (56%) of CCS firms conduct R&D without a specific budget (and thus are less likely to report expenditure on R&D) (Siepel and Velez-Ospina, 2022^[30]), spending on Research and Development in the Creative Industries growth sector⁶ represented 16.5% of the total BERD spend in Scotland in 2019 (GBP 1 409 million), proportionately higher than the sector's share of employment or business stock. Moreover, BERD spending in Scotland has been growing, standing at GBP 232 million in 2019, compared to GBP 139 million in 2015.

However the sector generally suffers from a lack of support for innovation. Innovation policy in Scotland is set at national level and much of the available support is via the enterprise agencies. While economic research has long identified the changing nature of innovation, policy has arguably been slower to adapt, and remains largely focussed on the more narrow definitions of science and technology innovations and R&D. Innovation in the CCS does not fit well with such models and as a result, much existing innovation policy is ill suited to the process of innovation in the CCS.

The consequence of this is that innovation in the CCS is generally not well supported in the GCR, though there are exceptions. Development funding for film and TV production (as provided by Screen Scotland) is essentially innovation support by another name and is well used by production companies. Similarly, some of the arts project funding provided by Creative Scotland supports the development of new work (again arguably innovation by another name). However, the relatively low use of R&D tax relief in the sector is a clear consequence of creative sector innovation's poor fit with the prevailing definitions. For example, in a recent series of surveys on CCS businesses across the UK, only 6% had received R&D tax

⁶ NB: the Scottish definition includes software development, which is not part of the OECD CCS definition.

credits in the previous year, despite 14% of businesses having a dedicated budget for R&D, suggesting only one in four eligible CCS businesses actually received this support (Siepel and Velez-Ospina, 2022^[30]). While some innovation support for the CCS is available at UK level from Innovate UK (including Challenge Fund grants and innovation loans for SMEs), there is little in the way of innovation finance specifically targeting the CCS in Scotland or in the GCR.

Where support is more available is in relation to innovation in partnership with the higher education sector, a consistent focus of innovation policy and support in Scotland. The CCS is active in this area. Interface is a knowledge exchange and networking organisation which connects SMEs in Scotland to appropriate academic expertise to support early stage collaborative innovation projects. The organisation's Annual Review 2019/20 notes that 18% of the collaborative projects supported were in the creative industries, with only food and drink having a higher proportion (29%).

A major review of the role of higher and further education in innovation in the creative sector in Scotland (EKOS, 2017^[31]) **found that the nature of demand from the CCS for collaborative innovation with higher education is somewhat complicated.** The digital areas of the sector consistently demonstrate strongest demand, but this may also partly reflect the priorities of available support provision. Demand is also strongest for smaller projects and tails off for larger collaborative innovation - particularly where greater demands (financial or otherwise) are made of the CCS organisation. This is not surprising given the well documented characteristics of the CCS as dominated by under-capitalised small and microbusinesses, with limited resources for external R&D and innovation activities.

Innovation is a key priority for the Glasgow City Region. Glasgow City has the Glasgow City Innovation District (GCID) centred around Strathclyde University, and the Glasgow Riverside Innovation District (GRID), connecting the University of Glasgow to the research expertise around the Queen Elizabeth University Hospital. There is also a Manufacturing Innovation District in Renfrewshire based around the National Manufacturing Institute for Scotland. None of these projects explicitly targets the CCS, but there is some interest with GCID for a greater focus on the creative economy, and in particular on the role of design and creativity in supporting wider innovation. The new TV studio being developed at Kelvin Hall is also within the boundaries of the GRID, close to Kelvingrove and Riverside Museums, the two most visited museums in Glasgow.

Glasgow is also set to receive substantial investment from the UK government in a new innovation accelerator, as part of the UK's Levelling-up Agenda. The GCR is set to receive part of a GBP 100 million investment by the UK government in a new Innovation Accelerator. As one of three such initiatives across the UK, the accelerator aims to provide a centre for innovation, research, and development to stimulate a "silicon valley style" innovation cluster. As this project rolls out, targeted involvement of CCS businesses is critical to fully harnessing the potential of the investment in both promoting innovation with CCS themselves and fostering cross-industry collaborations.

Business support and enterprise policy

A review of businesses support needs in Scotland identified many areas of need for CCS enterprises (Creative Scotland, 2018^[32]). This includes:

- a need for often quite basic business support in matters such as financial management, people management and specific issues such as employment law, self-employment and tax;
- different sectors also require different kinds of support and advice depending on their market focus (local vs national/ international), growth ambitions, service offer (e.g. some need advice on IP matters) and location;
- rural practitioners and micro companies particularly value networking opportunities to reduce isolation;

- finance is a consistent challenge across many parts of the creative industries and so is access to markets/ buyers;
- mentoring and one-to-one support is always valued, particularly when provided by people with sector knowledge and experience;
- specific professional development programmes are also valued where participants receive support over a period of time around specific issues – sits between training and business support;
- advice on developing products/ services/ content that will find a viable market is useful; and
- large parts of the more cultural sector are concerned with financial sustainability, income generation and funding processes.

However, the policy framework for business development and innovation support in GCR is complex and in a period of change. A brief review of business support for the creative industries in Scotland in 2018 (Creative Scotland, 2018^[32]) found the landscape to be cluttered and confusing with a mix of mainstream and sector-specific provision with little or no real co-ordination. However, this may in part reflect the fact that this is viewed through a whole sector perspective rather than at sub-sector (or place) level. Some parts of the CCS (e.g. screen) are in fact relatively well served while others are less so (e.g. design), and some places have more support than others – at the time Glasgow was identified as lacking support in some areas of the CCS.

For the CCS in the GCR, business start-up and development support is generally provided by mainstream services. Support for business start-ups and for existing businesses seeking to grow is provided through the Business Gateway, a national service delivered by local authorities across Scotland. Local authorities also have their own business facing support services ranging from planning and building control to environmental health. Some also have additional business development services over and above those offered through Business Gateway. Glasgow is one example of this, and the GCR is seeking to develop a more regional approach to business support. Indeed, within Glasgow City Council's business support offer there is a recently launched creative accelerator programme for creative businesses. The Glasgow creative accelerator offers a 12 week fully funded programme of support, coaching and mentoring to CCS businesses in the area, aiming to promote growth and innovation of local CCS businesses.

Mainstream business services are engaging with a growing number of CCS businesses. Business Gateway has often come in for criticism from the sector and some of its representatives for being too generic a service, and not sufficiently attuned to the needs of creative industries. However, this is not entirely borne out in the evidence. Business Gateway data demonstrated that CCS was the most represented sector among new business start-ups claimed in 2018 (at national level). Similarly, Scottish Enterprise (one of Scotland's three economic development agencies) has been engaging with CCS businesses. In the GCR for example, a number of screen businesses have benefitted from Scottish Enterprise support. In the past, many CCS firms did not meet the criteria set by the mainstream support agencies for higher levels of support as these tended to focus on turnover growth. At the time of writing the business support landscape in Scotland and in the GCR is in a state of change, and SE along with Business Gateway are revising their offer and moving away from such growth criteria.

Sector specific business support for CCS has declined in recent years. There is a long history of providing specialist support to the sector in Glasgow over a 20-year period (albeit with some gaps). In recent years however, the extent of specialist provision has started to diminish. Within the cultural sector, there are a number of national level associations and industry bodies that provide support and advice (not funding) to organisations in the sector. These include, *inter alia*, the Federation of Scottish Theatre, Arts and Business Scotland and Publishing Scotland. Further support may be provided by Creative Scotland and local authorities but this is less likely to focus on business development.

There remains a lack of specialist provision for the sector in the GCR, even compared to a few years ago. Apart from Glasgow's new creative accelerator, and a programme to embed design thinking

more widely across the economy, there is little in the way of dedicated business support and advice for creative businesses within the GCR (see Box 3.1 for examples of different approaches to specialist business support). The screen sector benefits from specific support from Screen Scotland and from local film offices (including the Glasgow Film Office and others within the GCR) and some sector organisations and programmes (e.g. TRC Media, Film City Futures). There is also a range of bodies supporting arts organisations and creative businesses, mainly at a national rather than regional level. These include, *inter alia*:

- Arts and Business Scotland: supporting collaborative partnerships between the arts and heritage sectors and businesses;
- Federation of Scottish Theatre: trade association for theatres in Scotland, providing a range of support services and professional advice;
- Craft Scotland: national development agency supporting crafts businesses;
- Publishing Scotland: trade association for publishers in Scotland; and
- Creative networks, including Creative Dundee, Creative Edinburgh, and Scottish Games Network: networks providing place-based or sector specific support;
- Creative Carbon Scotland: advising and supporting cultural organisations to reduce their carbon footprint (see Box 3.2)

Box 3.1. International outlook: Business development support schemes for CCS

Malta's Business Mentorship Scheme for Creative Start-ups. Launched in 2021, the Business Mentorship Scheme for Creative Start-ups is an initiative run by Malta Business Bureau in collaboration with the Valletta Design Cluster. The scheme supports start-ups in the creative sector wishing to increase awareness and knowledge about fundamental business practice to support their core operations. The aims to support start-ups in the creative industries in getting a basic understanding of core business practice concepts; provide mentorship on a practice-based approach to start-ups; and assist scheme participants in their development and growth

In 2018, the **Flemish Government, Belgium**, launched a public-private collaboration with **Hefboom**, a cooperative serving as an intermediary between investors and professional initiatives from the social and sustainable economy. This collaboration was to start a "cultural credits" financing initiative called "**Cultuurkrediet**." Cultuurkrediet aims to provide greater support for professionals in the cultural sector, including facilitating access to finance and providing support through counselling and training opportunities. Alongside proving loans to CCS business, Cultuurloket also works to provide free first line business and legal advice for individuals and enterprises in the cultural sector. As of February 2021, the Cultuurloket initiative has: hosted a website and knowledge bank that welcomes 250 000 visitors a year; made available 75 training sessions a year to help support creatives, receiving 5 634 attendees in total; as well as 5 893 consultancies over the phone in 2020; 816 one-to-one consultancies organised in Brussels as well as 10 cities in Flanders; and 124 process counselling sessions, which include guidance on how to structure and finance a professional project or the career of a cultural worker and/or organisation.

Sources: [Business Mentorship Scheme for Creative Startups](#); *Cultuurloket*, <https://www.cultuurloket.be/> (accessed on November 2021)

Box 3.2. Creative Carbon Scotland

Creative Carbon Scotland Launched in 2011, Creative Carbon Scotland works with individuals, organisations and strategic bodies from CCS, sustainability and policy spheres with an aim to harness the cultural and creative sector in addressing sustainability needs in Scotland. Alongside working directly with artists and individuals on sustainability projects, the Creative Carbon provides arts organisations with training in carbon measurement, reporting and reduction, and has supported around 120 organisations in mandatory carbon reporting. Creative Carbon has also worked in partnership with the sector body Creative Scotland in developing an environmental sustainability policy for arts organisations across Scotland and offers a wide range of both general and sub-sector specific guidance documents on sustainability in CCS through its website.

Ahead of the COP26 summit in Edinburgh in 2021, Creative Carbon led the Climate Beacons project, which aimed to stimulate long-term public engagement in sustainability through a collaborative programme of work between climate change and environmental organisations, and arts, heritage and cultural organisations. The Climate Beacons project launched seven “hubs” across Scotland where artists and cultural sector professionals, environmental non-governmental organisations (NGOs), scientists and policymakers and members of the local community could meet physically or virtually to discuss and debate COP26 themes and climate action specific to each local area.

Source: Creative Carbon Scotland (2022^[33]) Creative Carbon Scotland: Connecting Arts and Sustainability, <http://www.creativecarbonscotland.com/>. (accessed on 28 February 2022)

Policy considerations

Business Support

The business support landscape in Scotland is in a state of considerable flux. The Business Support Partnership, comprising of representatives of the enterprise agencies, local government and Creative Scotland, is working to declutter and improve business support provision. It is useful that Creative Scotland has a position in this and can represent the interests of CCS as business support services are reformed.

However, at regional level the GCR has considerable flexibility in how it delivers local business support and has already invested in the CCS (for example, the creative accelerator). As the business support landscape evolves, it will be important to ensure that the needs of the CCS are taken into account and in particular that thinking broadens from narrow views of economic growth to consider the wider value creation that the sector delivers in cultural and social terms. Rather than recommending a specific business support programme, the more sustainable goal will be to ensure that the CCS can benefit more easily and more extensively from mainstream business support. Where more sector specific support is required, this is best considered at a sub-sector rather than CCS level. Prioritisation would then be place-based, with screen and design presenting areas of possible opportunity for the GCR.

Within more mainstream support, greater knowledge of the specific dynamics and challenges CCS businesses face will be important in providing more inclusive provision. Business start-up support will remain important alongside growth services such as the creative accelerator. Having business advisors with knowledge of the sector is a straightforward way of improving the uptake of support, and Glasgow has already demonstrated this with the screen sector (Business Gateway has an advisor with knowledge of the sector).

There is also growing interest in peer support models, yet no such network exists in Glasgow. Mentoring, networking and collaboration are all valuable means of supporting businesses and can be

delivered through peer networks rather than publicly funded business support. The Creative Entrepreneurs Club is partly fulfilling this role in Glasgow and could be supported further to deliver wider programmes for the sector.

Innovation

Innovation is critical to the future success of the economy generally and the CCS in particular. The key priority here is to widen access to innovation support by challenging the prevailing definitions and criteria such that innovation in the CCS is better recognised and supported. Consideration of CCS in developing the definitions and criteria for R&D tax credits at the UK level for example, could enable wider sections of CCS to access this support. For policy makers responsible of the design and development of innovation support schemes this is again about ensuring that mainstream provision does not discriminate against creative businesses as a result of a narrow focus on science and technology.

Opening up existing innovation support provision in this way is again a more sustainable means of supporting the sector than developing bespoke sector specific programmes. It will also be important to ensure that the CCS in the GCR (and Scotland generally) are aware of and able to take advantage of UK support such as that provided by UK Research and Innovation (UKRI).

Finally, the role of creativity in wider innovation is increasingly recognised, and programmes such as Glasgow City Council's Design Thinking programme (which supports companies to make use of professional design services to develop their businesses) are useful in this respect. Subject to evaluation of this programme and of the creative accelerator, consideration should be given to rolling these out across the GCR. The future Innovation Accelerator planned for development in Glasgow also offers opportunity to further engage CCS businesses in wider innovation networks and promote cross-industry collaboration.

Net Zero

It is increasingly imperative that the CCS addresses the net zero agenda in two main respects. First, the sector has a responsibility to reduce its own emissions. This is challenging, particularly for live events and touring, where the supply chains can be complicated. Reducing emissions across supply chains may also be an opportunity for innovation and employment creation and should be a priority for the sector. CCS organisations will also need to become more innovative about how they manage measures and share good practice in this area.

Secondly, net zero is also an opportunity. Digital adaptation and areas like design can offer innovative solutions to green the sector. Greater promotion of cross-sector innovation in addressing net zero goals could help not only achieve these aims, but further support the growth of CCS.

4 Culture and Well-being



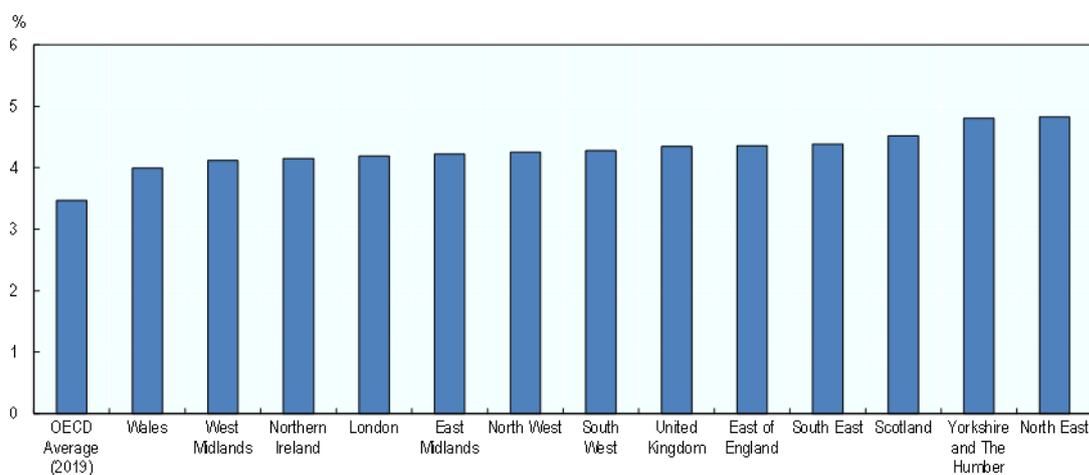
Household spending on culture

According to the ONS, Scotland has the third highest spending on recreation and culture of all regions in the UK. Household spending on recreation and culture is a broad category, which includes spending on things such as TV, computer, and audio equipment purchases, sporting equipment, newspapers, books, pets, gardening, and package holidays. Between 2016 and 2018 (the latest available figures at sub-national level), 16.1% of household spending was on recreation and culture, well above the UK average of 15.1%. Over a quarter of this (28.8%) was expenditure on 'recreation and cultural services'.

Scotland also had the third highest spending on recreation and cultural services of all regions in the UK. Recreation and cultural services is a sub-component of recreation and culture, which captures activities such as cinema, theatre, museums, cable and satellite subscriptions and other entertainment activities, photographic services, as well as sports and gambling payments. Most data sources do not disaggregate data at this level of detail, however. Household spending on recreation and cultural services has grown substantially across OECD countries in the last decade, with an average increase of 18% between 2011 and 2019. In 2019, close to 3.9% of household spending in the UK was on recreational and cultural services, above the OECD average of 3.1%. Taking average household spending between 2016 and 2018, Scotland had the third highest spending on recreation and cultural services of all regions in the UK at 4.5%.

Figure 4.1. Household spending on recreation and cultural services

Household spending on recreation and cultural services as a proportion of total household spending 2016-2018 average



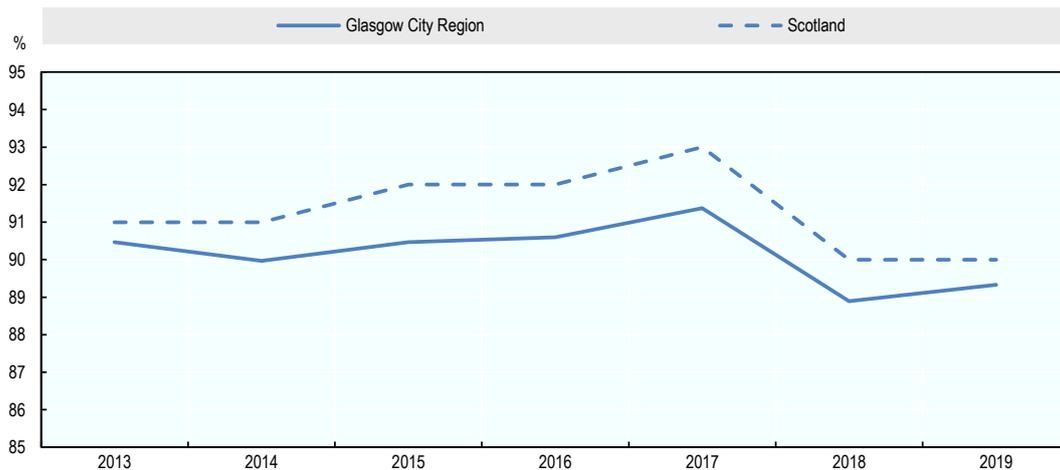
Note: Data for OECD average is for 2019. Data for United Kingdom is based on the 2016-2018 average weekly household spending.

Source: OECD average from OECD National Accounts Database, Final consumption expenditure of households. UK data from Detailed household expenditure by countries and regions, UK Office for National Statistics.

Cultural participation

Cultural participation in both Scotland and the Glasgow City Region is high.⁷ As shown in Figure 4.2, in a typical year, nine in ten adults report that they have attended or visited a cultural event or place or have participated in a cultural activity within the last 12 months. This includes, for instance, reading a book. Taken as a whole, the Glasgow City Region is consistently slightly behind the Scotland average. For example, in 2019, 89% of adults had engaged in a cultural activity in GCR, compared a Scotland average of 90%.

Figure 4.2. Cultural Engagement by Adults



Note: Figures from 2018 onwards are not directly comparable with figures from previous years due to changes in question wording
Source: SHS, 2019

Although there is some variation, participation is high across the eight local authorities. Cultural engagement is frequently above both the City Region and Scotland average in East Dunbartonshire, East Renfrewshire and Renfrewshire, and lower in some other areas.

Table 4.1. Cultural Engagement by Adults (2013-2019)

	2013	2016	2019
East Dunbartonshire	93%	92%	95%
East Renfrewshire	97%	90%	94%
Glasgow City	90%	89%	89%
Inverclyde	89%	91%	87%
North Lanarkshire	87%	92%	86%
Renfrewshire	95%	94%	91%
South Lanarkshire	89%	91%	88%
West Dunbartonshire	88%	88%	89%
Glasgow City Region	90%	91%	89%
Scotland	91%	92%	90%

Source: SHS 2019 & 2017 (historic figures)

⁷ Data is taken from The Scottish Household Survey (SHS), an annual survey of over 10,000 households across Scotland, with data collected through face-to-face interviews and based on a representative geographic sample. It covers a wide range of different topics, including people's homes and neighbourhoods and usage and views of public services. The survey asks a series of questions on cultural engagement and participation.

Prior to the pandemic, cinema was by some way the most common form of attendance at a cultural event or place of culture, followed by live music events and museums. In 2019, 60% of adults in the Glasgow City Region had visited a cinema in the last 12 months (Table 4.2). The number of people attending live music events showed the strongest growth (in percentage points) in both the City Region and Scotland. Numbers visiting historic sites and museums has also increased steadily in both the City Region and Scotland. Finally, the use of libraries appears to be declining, albeit slowly.

Table 4.2. Attendance at Cultural Events or Places of Culture in the Last Year (2013-2019)

	Glasgow City Region			Scotland		
	2013	2016	2019	2013	2016	2019
Cinema	59%	60%	60%	56%	59%	58%
Live music event	32%	35%	39%	31%	33%	37%
Theatre	33%	33%	33%	32%	33%	33%
Library	32%	30%	31%	30%	28%	27%
Museum	36%	37%	39%	31%	33%	34%
Historical place	24%	31%	32%	28%	34%	35%
Art gallery	23%	21%	27%	20%	21%	22%
Exhibition	14%	17%	17%	16%	18%	18%
Street arts	11%	15%	15%	14%	17%	17%
Culturally specific festival	13%	13%	14%	14%	16%	15%
Dance show / event	10%	12%	12%	10%	11%	11%
Classical music / opera	7%	8%	8%	7%	8%	8%
Book festival	3%	3%	5%	5%	5%	6%
Archive office	2%	2%	2%	2%	2%	2%
Streaming live performance	-	-	7%	-	-	7%
None	19%	17%	18%	20%	17%	19%
Any (excl. cinema)	73%	74%	76%	72%	75%	74%
Any (incl. cinema)	81%	83%	82%	80%	83%	81%
Base number	3,060	2,930	2,960	9,920	9,640	9,780

Source: SHS 2019 & 2017 (historic figures)

Looking at attendance by age, those within the youngest age group (16-39) have a notably higher level of attendance than the two older age groups (Table 4.3). This is particularly true of cinema – nearly three quarters of those aged 16-39 (74%) reported attendance in the last year, compared to 39% of those aged 60 and over.

Table 4.3. Cultural Attendance in the Last Year by Age (Glasgow City Region, 2019)

	16-39	40-59	60+	All
Cinema	74%	62%	39%	60%
Library	37%	28%	25%	31%
Live music event	49%	43%	23%	39%
Theatre	30%	36%	33%	33%
Historic place	36%	36%	25%	32%
Museum	47%	40%	29%	39%
Art gallery	32%	27%	22%	27%
Any excl. cinema	84%	77%	65%	76%
Any incl. cinema	91%	82%	69%	82%

Note: Data for 16-39 year olds in Inverclyde has not been disclosed, and so it is missing from the aggregated total.

Source: SHS 2019

Similar to most countries in the OECD, there is a strong correlation between cultural attendance and education level. Those educated to college or university level are much more likely to have visited a museum, attended a live music event, or gone to the theatre in the last year than those with school qualifications only or no formal qualifications (Table 4.4).

Table 4.4. Cultural Attendance in the Last Year by Highest Qualification (Glasgow City, 2019)

	No qualifications	Other qualification	School qualifications	College/university qualifications (HNC & above)
Cinema	25%	31%	63%	74%
Library	21%	18%	33%	43%
Live music event	11%	20%	38%	60%
Theatre	13%	26%	25%	39%
Historic place	2%	5%	11%	17%
Museum	6%	8%	24%	49%
Art gallery	22%	16%	45%	63%
Any excluding cinema	14%	17%	32%	53%
Any including cinema	47%	51%	78%	93%

Note: Data for several local authorities in the GCR displayed disclosure issues, so the above data is for Glasgow City only.

Source: SHS 2019

The level of deprivation of the area⁸ in which someone lives is also a strong indicator of their likelihood of attendance at places of culture or cultural events. This can be clearly seen across all forms of cultural attendance. For example, while 79% of those within the 20% least deprived areas of Glasgow City reported attending a museum in the last year, this reduced to 37% among those resident in the most deprived areas of the city (Table 4.5). Evidence suggests that those living in more deprived areas are likely to see a greater health and wellbeing impact from cultural participation than those in less deprived areas (Mak, Coulter and Fancourt, 2021_[34]). Moreover, evidence examining the link between cultural engagement and areas of deprivation in England finds that higher levels of neighbourhood deprivation

⁸ The Scottish Index of Multiple Deprivation (SIMD) is the Scottish Government's standard approach to identify areas of multiple deprivation in Scotland. The index looks at the extent to which an area is deprived across seven domains of income, employment, education, health, access to services, crime and housing, dividing Scotland into 6 976 small areas (data zones). The SIMD is used to improve understanding about the outcomes and circumstances of people living in the most deprived areas in Scotland, and to support the targeting of policies and funding (Scottish Government, 2020_[84])

continue to be associated with low levels of cultural engagement even when controlling for individual demographic and socio-economic characteristics (Mak, Coulter and Fancourt, 2021^[35]). This suggests that investment in cultural participation programmes in less deprived areas could have a positive impact on health and wellbeing outcomes.

Table 4.5. Cultural Attendance in the Last Year by Deprivation Decile (Glasgow City, 2019)

	1 - 20% most deprived areas	2	3	4	5 - 20% least deprived areas
Cinema	49%	52%	73%	76%	77%
Library	30%	28%	34%	46%	51%
Live music event	31%	39%	54%	54%	67%
Theatre	23%	28%	41%	35%	42%
Historic place	22%	30%	42%	37%	58%
Museum	37%	43%	58%	56%	79%
Art gallery	23%	43%	46%	49%	70%
Any excl. cinema	70%	75%	83%	94%	92%
Any incl. cinema	77%	77%	87%	95%	92%

Note: Data for several local authorities in the GCR displayed disclosure issues, so the above data is for Glasgow City only.

Source: SHS 2019

Promoting cultural participation for health and wellbeing

Health and wellbeing is a major policy challenge in Scotland and in the GCR. Even before the pandemic, Glasgow City in particular, was struggling with persistent and stark health inequalities. Men and women in Glasgow on average can expect to live shorter, unhealthier lives than people in other parts of Scotland and the UK. In some areas of the city, morbidity and mortality are amongst the highest in Western Europe.

This has given rise to increasing focus on health and wellbeing, and on enabling communities and individuals to have greater control over and responsibility for their own wellbeing. The Scottish Government's *Health and Social Care Delivery Plan* (2016^[36]) and *Medium Term Health and Social Care Financial Framework* (2018^[37]) both identify the need for services that enable people to take greater personal responsibility and live healthier lives with an emphasis both on prevention and on cross agency collaboration to reduce mounting pressure on acute treatment and care.

At the same time, there has been growing evidence on the role that arts and culture can play in promoting wellbeing and interest in exploiting its full potential. Both the WHO (Fancourt and Finn, 2019^[38]) and the UK government (Fancourt, Warran and Aughterson, 2020^[39]) have found significant evidence of the positive impact of cultural engagement on health and wellbeing outcomes, including physical health, mental wellbeing, social cohesion and cognitive development. The UK All Party Parliamentary Group on Arts, Health and Wellbeing in their *Creative Health* report (2017^[40]) reviewed a vast body of evidence on the contribution of culture to health and wellbeing and found evidence both of significant impact and tangible savings to health and care services (UK All-Party Parliamentary Group on Arts, Health and Wellbeing, 2017^[40]). The report went on to make a series of recommendations to embed cultural practice in healthcare services, including a cross-government strategy to support the delivery of health and wellbeing through the arts and culture and moves to ensure the involvement of arts and culture in a variety of healthcare settings from prevention to treatment.

Box 4.1. International outlook: Cultural participation and social impact

Cultural participation and inclusion

- Museums and criminal rehabilitation: Since 2007, the Louvre Museum has partnered with penitentiary authorities to lead workshops for criminal rehabilitation. In 2009, it took further steps with an ambitious project at Poissy prison, working with inmates to stage an exhibition of quality reproductions of Louvre masterpieces. The inmates then developed an artistic project, with graphics and text, and created the exhibition catalogue.
- Partnering for migrant integration: Migration:Cities is an ICOM project led by the Collections and Activities of Museums of Cities Committee, in partnership with the Commonwealth Association of Museums and the International Committee for Regional Museums. It explores how museums can support the social inclusion of migrant and refugee communities. The platform provides resources for museum professionals, policy makers and community organisations, and supports partnership building between museums, public authorities, community organisations and other sectors. Museum projects for migrant integration are very diverse. For example, the Rotterdam Museum in the Netherlands engages diverse community groups, including marginalised people, in the production of the museum's exhibitions.
- The Royal Opera House of Wallonia in Belgium implemented a collective project of expression and creation "Another Carmen". The project invites the network of youth centres in the region to re-create famous operas, in this case the "Carmen", by inspiring a debate on societal issues, such as the role of women in society, and gender roles.
- The "Nós por Todos" inclusive project is organised by the Museum of Lisbon and a local association dedicated to people with mental disabilities (Associação Portuguesa de Pais e Amigos do Cidadão Deficiente Mental). The theatre company Nós, composed of people with mental and physical disabilities, performs a show on the history of Lisbon to schools. Their performance is preceded by a conversation to raise awareness on mental disability.

Cultural participation, health and well-being

- The National Concert Hall of Ireland established the "National Rehabilitation Hospital" project whereby a duo of musicians, trained in music for healthcare, visit the National Rehabilitation Hospital every two weeks to play in wards and common rooms. These activities foster a relationship among patients based on a shared cultural experience.
- Since 2004, the Konstfrämjandet organisation coordinates the project 'Art and health' in the southern part of Sweden. The projects aims to spread art and exhibitions to retirement homes. The organisation provides retirement homes with a package containing works of art from one selected professional artist, information about the artist and an introduction to his or her artistry, and a manual for the staff at the retirement homes, with suggestions about how to introduce the artist and topics to discuss with the elderly hosts.
- The French Museum of Confluences partnered with the Lyon Léon Bérard Hospital and Awabot, an enterprise specialising in robot development. Together, they provided children awaiting transplants an opportunity to digitally visit the museum by remotely driving robots throughout the museum. Children can ask questions to guides and interact with other museum visitors. The Museum also partners with the hospital Femme Mère Enfants for children to board an imaginary submarine to learn about aquatic creatures. These experiences seek both to educate children and stimulate their creativity as well as to mitigate their feeling of isolation.

Sources: (OECD and ICOM, 2019^[41]; European Union, 2012^[42])

Many of the authorities and cultural trusts within the GCR have developed pilot programmes tackling specific health and wellbeing issues through cultural participation. South Lanarkshire Leisure and Culture works with the National Health Service (NHS) and Glasgow Life has been a pioneer in the development of dementia and autism friendly services and a range of social prescribing services including General Practitioner (GP) referral schemes.

Many of these pilots have evaluated well. However, the pressure on public sector budgets, and in particular on healthcare, has been a major limitation on mainstreaming these activities. Culture departments lack the resources to scale up these activities and healthcare authorities' budgets are already stretched very thin supporting acute care services. The result is that often effective schemes and programmes remain small scale pilots targeting discrete groups within the community. Population level change is a distant goal.

Nonetheless, local government partners in particular are aware and supportive of the role of cultural participation in delivering positive outcomes. The challenges in being able to do more are invariably budgetary and evidential. Most of the partners in the GCR have adopted various approaches to encouraging cultural participation, including:

- differentiated pricing policies (including concessions and free access such as to Glasgow's civic museums);
- membership schemes providing free or reduced price access to a range of cultural facilities and assets;
- targeted services and programmes addressing the needs of particular communities (e.g. socio-economic deprivation) or groups (e.g. older people, disabled, ethnic minorities etc.);
- education and outreach programmes run by cultural organisations; and
- cross-policy partnerships with areas such as health, social care, criminal justice and education.

As with health partnerships, many of these programmes are successful in providing opportunities for cultural participation to those that may not otherwise have this access. However, the barriers that different people experience in accessing the arts are varied and complex, and are typically a combination of demographic, educational, health and socio-economic factors. Thus, addressing these barriers can be more complex than, say, providing free entry.

Case study evidence: the role of museums in local development in GCR

Challenges and Risks in the Museums Sector

While the level of capital investment in the sector has been substantial, with many high profile new and refurbished museums opening or in development across Scotland, in most council areas in Scotland, budgets for civic museums services have reduced and, in some places, reduced significantly. A recent review of local authority funding for museums across the UK found that local authority expenditure on museums and galleries declined by 27% in real terms between 2009/10 and 2019/20 in the UK as a whole, and declined by 23% in Scotland (Museums Association, 2021^[43]). Councils and the arms length external organisations (ALEOs) that deliver museums services in some areas have sought to manage these reductions in ways that minimise the impacts on services. This has included staff reductions, particularly in "back office", curatorial and management staff, income generation through retail, catering and venue hire, external fundraising, cutting back on exhibition and learning and outreach programmes, and reducing opening hours. These measures have largely avoided the need for permanent closures, but have not made up for the overall reductions in funding to the services.

Taken together, the visibility of the capital growth, the invisibility of the revenue budget reductions and growth in visitor numbers, have contributed to a perception of the sector as being in good

health despite wider fiscal pressures. The scale of budget reductions in museums has often been greater than captured in national data on local government expenditure, and the cumulative effect of ten years of pressure has left many services operating with the bare minimum of resources. Critical expertise in areas such as collection management and conservation has been lost, and a lack of support for revenue costs has impacted the ability to maintain buildings, estates and collections (Museums Association, 2021^[43]). At the same time, exhibition budgets have been reduced to the very minimum or cut altogether and many services have legacy commitments to deliver as a result of capital funding arrangements.

Thus, the picture is of a sector that was, in many places, perilously close to crisis just as the COVID-19 pandemic struck. Now, with future trading still uncertain, and recovery in the visitor economy still some time away, the situation has moved from serious to critical. Many civic museums services may have some short term protection if parent councils are prepared to offer support, but the longer term outlook must be considered challenging for many.

Box 4.2. International outlook: the impact of COVID-19 on the museums sector

For museum and heritage sites, COVID-19 resulted in unprecedented closures and revenue losses:

- An estimated 95% of museums globally were forced to close at some point during the crisis.
- Over 70% of museums worldwide reported a loss of over half their annual visitors in 2020, with 44% reporting revenue losses exceeding 50% of annual revenues (ICOM, 2021^[44])
- In a September 2020 survey, over one-quarter of freelance museum professionals reported that they were considering changing their career (ICOM, 2020^[45])
- In a spring 2021 survey to museums and museum professionals, over one-quarter of respondents said the longer-term impacts of COVID-19 will result in downsizing staff (27%) and suspending freelance/temporary contracts (44%) (ICOM, 2020^[45]).

Sources: ICOM (2020), Museums, museum professionals and COVID-19: follow-up survey, https://icom.museum/wp-content/uploads/2020/11/FINAL-EN_Follow-up-survey.pdf; ICOM (2021), Museums, museum professionals and COVID-19: third survey, https://icom.museum/wp-content/uploads/2021/07/Museums-and-Covid-19_third-ICOM-report.pdf.

Harnessing Museums for Development and Regeneration

Museums can play an important role in regional development. The OECD-ICOM Guide for Local Governments, Communities and Museums provides a framework to understand how museums contribute to local development and the actions needed from local governments and museums to maximise these impacts. The OECD-ICOM assessment framework was applied to two museums in GCR - The Gallery of Modern Art (GoMA) and The Paisley Museum, Renfrewshire. Both museums have been used as a means to stimulate the local area, to engage the local community and to encourage cultural participation. Full case studies of the role of both these spaces in local development strategies can be found in Annex C.

The two case studies are of quite different museums at different stages in their lifespans, but they share some common features and characteristics. Both are centrally located and as such are physically visible and accessible, and benefit from city centre public realm works. They also target both local communities and visitors through an accessible yet at times culturally challenging programme. Both seek to provide a programme that is relevant to the interests of local communities and visitors alike and in the case of Paisley the programme is being developed in close consultation with local communities and communities of interest. GoMA has actively targeted specific communities (e.g. LGBTQ+, single mothers) with relevant programmes and content. This helps build ownership and Glasgow's civic museums enjoy a strong sense of local ownership. Both museums are also strongly focussed on education and learning and

GoMA has education staff that are part of the council education department but working within the museums service. This helps cement the partnership between museums and education. Paisley is actively designing the new museum with learning at its heart and in full consultation with local schools. Both are also considered central to the region's tourist ambitions, although in the case of GoMA, the museum is clearly part of a much wider cultural offer. In this respect, Glasgow City is many years ahead of Paisley, and has more experience of promoting the cultural offer of the city to tourists. However, the ambition for Paisley is to work in close partnership with the civic authorities in Glasgow to the benefit of both.

The integration of both museums into wider civic planning is also important and maintains political awareness of and support for the role of museums in local development. However, as reported above civic museums in Scotland are facing a funding crisis and this is becoming particularly acute in Glasgow. Large capital redevelopments (such as Paisley and the Burrell Collection and others in Glasgow) come with often long-term commitments to revenue programming as part of the conditions of capital funding. When budgets are tight, as now, these commitments can command a large share of limited budgets, exerting pressure on other parts of the service.

There is a need for the GCR (and indeed for Scotland as a whole) to take stock of the civic museums sector and determine a future strategy. Public resources are likely to be constrained for some time to come, and some prioritisation will be required. Similarly, sharing of existing resources will also be useful (although this is certainly already the case in larger services such as Glasgow's).

In terms of maximising their contribution to local development, recommendations for museums include:

- Engaging local communities in the development of programming and activities both on and off site to build local engagement and commitment;
- Targeting activities at specific communities, including aligning cultural programme with issues of local interest;
- Designing museums as open and inclusive spaces for all of the community, linking to public realm improvements to make museums as place for all of the community;
- Rotating collections to encourage repeat visits;
- Building partnerships with local tourist offices and with tourism businesses to enhance the visitor offer;
- Consider the skills required of museums staff, particularly as museums extend their activities into areas relating to mental wellbeing; and
- Building strong partnerships with relate service areas including education, social work and social care, justice and health and where possible seek to develop joint programmes with shared resources.

5 Financial Ecosystem

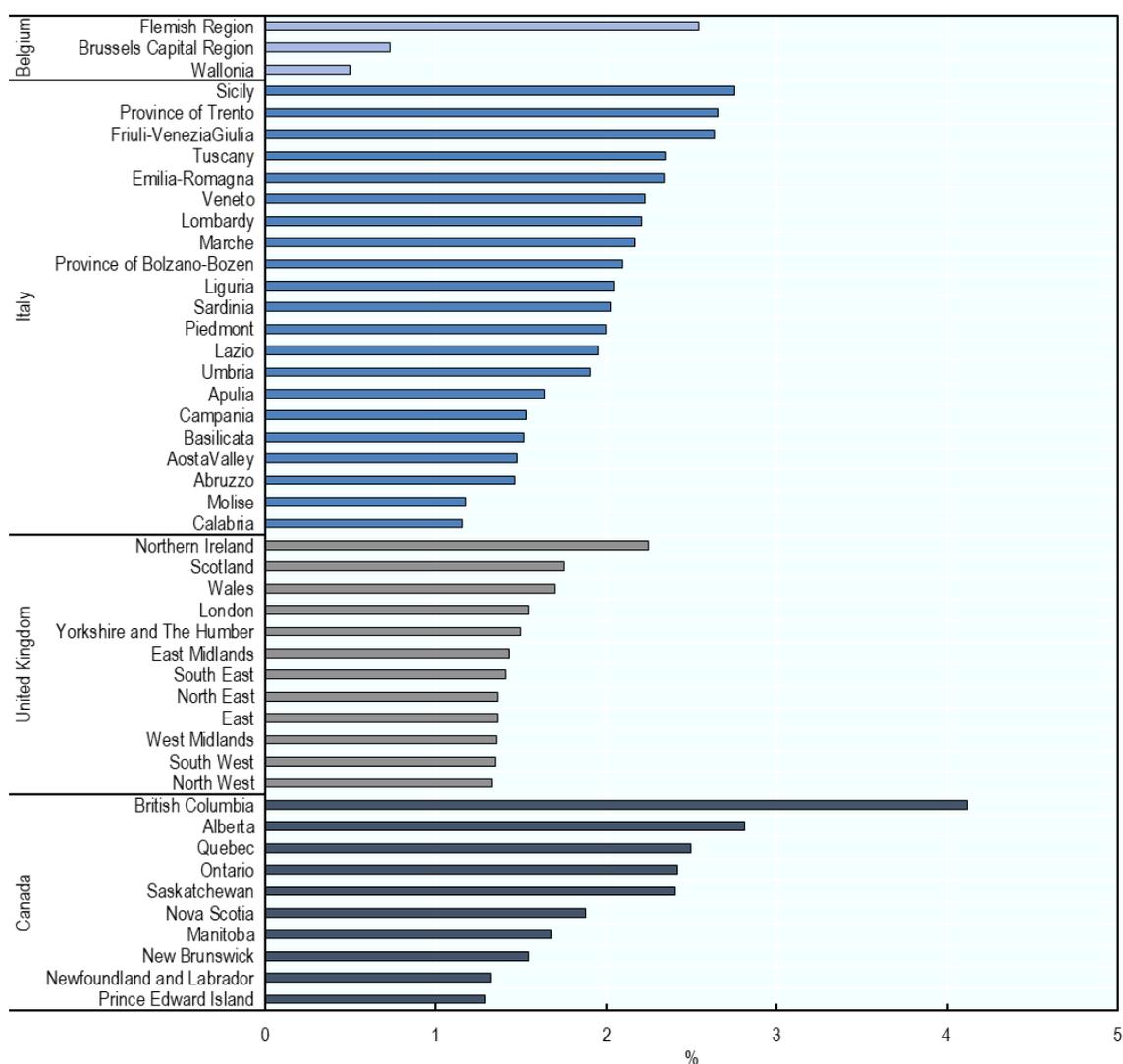


Public financial support for CCS

National government spending on culture has been in decline over the past decade in many OECD countries. OECD statistics show that in the UK, spending on cultural services has reduced from 1% of total national government spending in 2000 to just 0.5% in 2019. Subnational government spending on cultural services has also substantially declined, reducing from 2.5% of total spending in 2000 to 1.2% in 2019. This reduction in local funding is particularly impactful, as subnational governments account for just over 50% of total public expenditure towards cultural services in the UK. Taking the broader category of government spending on Recreation, Culture and Religion, we are able to make comparisons between regional spending on culture across countries. Using this broader definition, Scotland had the second highest regional spend across the UK in 2019, with 1.8% of spending falling into this category, compared to a UK average of 1.3% (Figure 5.1). However, this figure is well below the OECD average of 2.9%.

Figure 5.1. Recreation, Culture and Religion as a Share of Subnational Government Spending, 2019 or latest Available Year

Belgium, Italy, United Kingdom, and Canada



Note: Data for Italy is from 2018.

Source: Government spending by functions and transactions, National Bank of Belgium online statistics; National accounts regional main aggregates, ISTAT; Country and regional public sector finances expenditure tables, UK Office for National Statistics; Canadian Classification of Functions of Government, Statistics Canada.

Local government expenditure on cultural services in the GCR increased by 2% between 2011 and 2019, but expenditure is uneven across local authority areas. Although changes in net revenue expenditure should be treated with some caution (see caveats for interpreting this data in Annex A), in general, expenditure on cultural services in the GCR has been stagnant or in decline over the past decade (Table 5.1) with an overall increase of just 2% from 2011/12 to 2019/20. An exception to this trend is Renfrewshire, which saw an expenditure increase of 105%, largely due to significant investment in cultural facilities (for example, see Annex C). Expenditure has also varied by cultural service type. Net revenue expenditure by local government on museums and galleries reduced by 5% between 2011/12 and 2019/20 (see Table A B.4. in Annex B).⁹ Expenditure on other cultural services such as archives, arts development/support, heritage, theatres, venues and public entertainment, and expenditure has increased by 42% across the GCR over the period from 2011/12 to 2019/20 (see Table A B.5 in Annex B), although this expenditure has been in general decline since 2015/16, when the area hosted the Commonwealth Games. Overall net expenditure on libraries has reduced across the GCR by 14% (more than GBP 5 million) since 2011-12 (see Table A B.6 in Annex B). Only one Council area (Renfrewshire) has increased spending on libraries over this period.

Table 5.1. Local Authority Net Revenue Expenditure on Culture and Related Services in Glasgow City Region

Thousands of pounds sterling (GBP)

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	% change 2011/12 – 2019/20
East Dunbartonshire	2,899	2,794	2,783	2,821	3,320	2,787	3,009	2,435	2,582	-11%
East Renfrewshire	2,795	2,686	2,525	2,589	3,035	2,151	1,848	2,898	2,833	1%
Glasgow	42,664	39,977	39,555	53,418	48,892	42,210	40,359	40,142	41,790	-2%
Inverclyde	2,027	2,214	1,681	1,858	1,815	2,095	2,009	2,028	2,057	1%
North Lanarkshire	11,081	8,578	10,454	10,096	10,805	9,682	9,517	9,017	9,080	-18%
Renfrewshire	4,664	4,996	5,109	6,294	5,221	8,811	8,508	7,702	9,571	105%
South Lanarkshire	7,089	8,386	8,556	7,874	7,918	7,608	7,301	7,167	7,134	1%
West Dunbartonshire	3,449	3,380	3,509	4,058	5,135	3,717	3,485	3,172	2,845	-18%
GCR Total	76,668	73,011	74,172	89,008	86,141	79,061	76,036	74,561	77,892	2%

In GCR, the majority of local government expenditure on culture is on direct provision – the cultural buildings and services that councils either run themselves or deliver through arms-length external organisations (ALEOs). The ALEO model has grown significantly over the last 10 years. Essentially a facilities based model, most ALEOs were established with a view to achieving savings on non-domestic rates by virtue of the charitable status of these organisations. The ALEO model also opens up other avenues for income generation, wider fundraising and operational efficiencies. It has, however, attracted criticism and is politically sensitive. Within the GCR, Glasgow City, Renfrewshire, East Renfrewshire and

⁹ However, it is important to note that the income generated by ALEOs is not include here and this will be significant, particularly in Glasgow. This has the effect of reducing the net expenditure figures. It is also worth noting the significant increase in Renfrewshire's expenditure here (83%) although this may reflect the transfer of cultural services into the Renfrewshire Leisure ALEO (which will again distort the figures) and the reduction of East Renfrewshire's budget to zero in 2018/19

South Lanarkshire all operate ALEOs for cultural services (and leisure). North Lanarkshire previously had an ALEO for culture but has since taken that back in-house.

A number of councils, particularly those with larger CCS, also provided grants to third party cultural organisations. Glasgow, for example, previously had a grant fund but this was retained by the council and not devolved to Glasgow Life (a charity that delivers cultural, sporting and learning activities on behalf of the council) to distribute, and the definitions and criteria have changed over time such that it is now less applicable to cultural organisations. The result is declining council support for cultural organisations in the city.

Funding for arts and culture is also provided by the national agency Creative Scotland and, in the case of the national performing arts companies, directly by the Scottish Government¹⁰. The total amount of funding provided by Creative Scotland to organisations in the GCR from 2011/12 to 2020/21 was almost GBP 240 million. Of this, almost GBP 90 million was revenue funding and the remaining GBP 188 million was project and other funding. Glasgow City has by far received the largest proportion of this funding, accounting for 85% of all awards and 86% of the total funding awarded over the ten-year period.

Alongside direct funding, at the UK level, tax reliefs have been targeted to specific parts of CCS. The Creative Sector Tax Relief scheme covers film, TV and video games production, theatre, orchestra and museums and galleries. The UK government also provides R&D tax reliefs, for which CCS businesses are technically able to apply, though as mentioned previously, uptake by CCS businesses for this type of support is low.

Private financial support for CCS

Sponsorship and Trusts and Foundations

Corporate sponsorship has long been an important source of funding for the arts and culture in the UK. According to Creative Scotland's *Annual Review 2019/20*, the 121 organisations that receive revenue funding raised a further GBP 16 million from private sources, and over GBP 11 million from Trusts and Foundations. They also raised GBP 14 million for local government and a further GBP 14.8 million from other public sector sources.

The Culture and Business Fund Scotland operated by Arts and Business Scotland (ABS) provides matching funding to arts and heritage organisations and businesses to support new or cement existing cross-sector partnerships. ABS also operated a predecessor programme, the New Arts Sponsorship Grant which matched the amount provided by new business sponsors, and distributed over GBP 7.5 million to arts organisations in Scotland over a ten-year period. This is welcome support and has helped to stretch sponsorship income further in the arts in Scotland.

Individual giving is also an important source of income for arts organisations, and includes individual donations, Gift Aid (which can add to the value of donations), legacy donations and endowments. The last of these was the focus of a large-scale programme by Arts Council England (Catalyst) to encourage private giving to the arts. The programme helped 400 arts organisations to either establish an endowment, build capacity to fundraise for new money, or work together to build capacity and fundraising skills for the first time. It included a tier that provided matched-funding grants of between GBP 500 000 and GBP 5 million each to 18 arts organisations, to help them establish endowment funds.

¹⁰ Four of Scotland's five national performing arts companies are in Glasgow – Scottish Opera, Scottish Ballet, National Theatre of Scotland and the Royal Scottish National Orchestra. The Scottish Chamber Orchestra is based in Edinburgh.

Debt and Equity Finance

Scotland's investment market has been performing remarkably well through the pandemic. In 2020 it attracted over GBP 400 million in equity investment, with the digital and IT sectors accounting for the largest share of deals (30%) followed by business services (21%) and technology and engineering (19%) (Scottish Enterprise, 2021^[46]).

However, it is not known how many creative businesses may have accessed commercial investment or even bank finance. A review in 2017-18 of the Scottish Investment Bank operated by SE noted that 11% of investments made were in the creative industries, however it is not known what parts of the sector have benefitted (Scottish Investment Bank, 2018^[47]). Large scale private investment in the sector with external finance is not uncommon, but these tend to be either in TV production or more likely in digital technology (such as videogames).

Policy in this area has tended to focus on incentivising investment through tax schemes. Examples include the Enterprise Investment Scheme (EIS) and the Venture Capital Trust (VCT) which provide investors with tax relief on equity investments made into qualifying companies. Other policy interventions have sought to improve access to loan finance by providing lenders with government backed guarantees. These are again sector agnostic policies, and while they encourage greater flow of debt and equity finance, they do not specifically target the issues affecting investment into creative businesses.

Some of the arts organisations in Scotland, including in GCR, have made use of social investment. Social investors provide finance (usually repayable loans) to organisations to help them achieve social outcomes. They are seeking a financial return (and there will be interest on the loan) but are willing to accept a lower rate of return than, for example, venture capital, in return for social outcomes. However there is little in the way of data on how many CCS organisations may have accessed social investment nor what the returns and impacts have been.

Crowd Funding

Crowd funding has moved from the margins to the mainstream of the risk capital market, and is now regularly used to raise finance from everything from corporate equity investments to community projects. There is also growing interest from the public sector and from private investors in matched crowd funding as a means of making investments go further. Creative Scotland has partnered with Crowdfunder, offering match funding to creative projects seeking finance through the platform. In 2021, creative projects in Scotland raised over GBP 200 000, resulting in a total of GBP 75 000 of funding being released.

Policy considerations

Access to Finance for Creative Businesses

Evidence suggests information failures within CCS and the finance community which constrains access to finance for cultural and creative businesses Within CCS, issues around where to find financing opportunities and how to successfully apply for finance have been identified as significant barriers (EC, 2015^[48]). Within the finance community, CCS businesses are often seen as high risk investments, especially considering that CCS businesses typically rely on intangible assets, meaning they often have little in the way of tangible assets to secure against debt financing. However, OECD research finds that CCS businesses typically have similar survival rates to businesses in other sectors, and that in the UK specifically a higher proportion of CCS enterprises survive 1 year, 3 years and 5 years compared with the total business economy (OECD, 2022^[49]). Local stakeholders could consider targeted information

campaigns and stronger engagement with the finance community to support them in better understanding the business models and growth patterns of firms in CCS.

Support for CCS businesses in understanding the implications of different kinds of finance and about how finance can help achieve growth plans could also be of great benefit. Promoting greater understanding of different forms of finance across the CCS could help CCS businesses to make more informed decisions and encourage the uptake of financing opportunities to promote growth. Information could be provided in the form of a Guide to Finance for Creative Businesses. A useful starting point is the guide produced by the Creative Industries Federation¹¹ (to which Creative Scotland contributed) which could be quickly adapted for a Scottish audience.

Engagement with the Scottish National Investment Bank (SNIB) will also be important, not least in light of its broader social remit. There may be opportunities for CCS companies to seek finance through the SNIB and government support for the sector will help in this respect. While the SNIB provides long-term and large scale debt and equity finance, which may not be suitable for smaller businesses or those only requiring short term support, there is opportunity for the bank to target investment towards CCS as a growth sector for Scotland. Work is need though to ensure that the sector can access key products from SNIB.

Strengthening support for alternative funding models would also be of benefit. Work that is already underway to promote alternative sources of finance has proved to be a promising start and policy makers could look to capitalise on this success, with particular focus on crowd funding (building on the success of Creative Scotland's match funding scheme) and social investment.

As noted above, data on the nature and extent of investment into the CCS are limited, and there have been no recent studies in Scotland or in the GCR into the informational failures affecting access to finance for CCS organisations. Improving data on CCS uptake of private finance would be hugely valuable in identifying areas of weakness and guiding policy response.

¹¹ *Creative Industries; Routes to Finance*, Creative Industries Federation 2015

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Annex A. Definitional considerations

Defining CCS

The Creative and Cultural Sectors (CCS) in Scotland are generally measured using the Scottish Government definition of the creative industries. This defines the sector through seven cultural domains and 16 sub-sectors. The Scottish definition is broader than that used by Eurostat, which takes in eight sub-sectors.

Table A A.1. Scottish Government and Eurostat Creative Sector Definitions

Scottish Government Creative Industries Sub-sectors	Eurostat Creative & Cultural Sector Sub-sectors
<ul style="list-style-type: none"> • Advertising • Architecture • Visual Art • Crafts and Antiques • Fashion and Textiles • Design • Performing Arts • Music • Photography • Film and Video • Computer Games • Radio and TV • Writing and Publishing • Libraries and Archives • Software/Electronic Publishing • Cultural Education 	<ul style="list-style-type: none"> • Heritage, Archives and Libraries • Books and Press • Visual Arts • Architecture • Performing Arts • Audio-Visual and Multimedia • Education & Memberships • Other cultural and creative sectors activities

The make-up of each sub-sector within the Scottish definition is defined using UK Standard Industrial Classification (SIC) codes, while the Eurostat definition is defined using NACE Rev. 2 codes. Although the two statistical classification systems are different, they are broadly comparable. The sector definition in Scotland is more expansive than that used by Eurostat, with key differences being:

- the inclusion of a proportion of fashion and textiles activity in the Scottish definition;
- the inclusion of a wider range of manufacturing sub-sectors in the Scottish definition, such as jewellery, ceramics, glass products and furniture. In some cases only a proportion of each SIC code is included, recognising that not all employment/businesses in these sectors could reasonably be described as being within the creative industries. However, both definitions include manufacture of musical instruments; and

- while both definitions include computer games, the Scottish definition also includes a wider range of software and computer consultancy activity, accounting for a large proportion of total creative industries employment (37% in 2019).

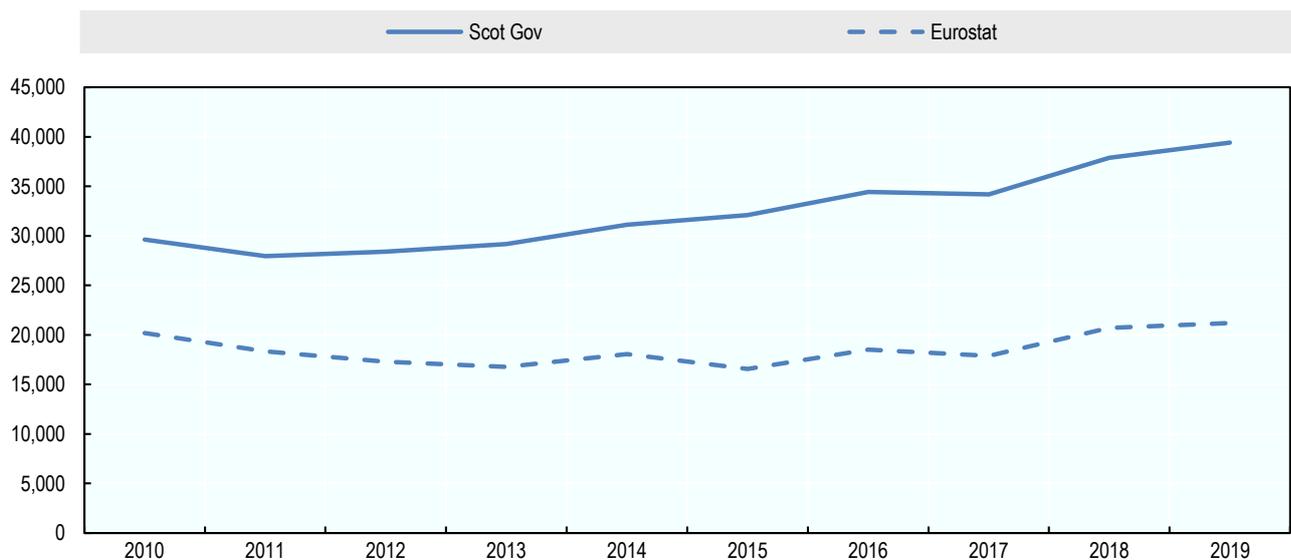
The data presented in this report make use of the Eurostat CCS definition, using a ‘best fit’ approach with relevant SIC codes.

Utility of the Definition(s)

The most striking difference between the Scottish definition and that used by the OECD is the inclusion in the former of software and related digital tech activities. In the OECD definition, digital sectors would include broadcasting (now all digital) and computer games but not the wider software sector, which has been an engine of growth for many years in the creative industries at UK and Scottish levels.

The result of this is that the two definitions produce quite different assessments of the health of the CCS. For example, Figure A1 compares the growth in employment in the sector between 2010 and 2019 using the two definitions. As shown, the Scottish Government definition includes more jobs and presents a higher overall rate of growth.

Figure A A.1. CCS Employment 2010-2019: Comparison of Scottish Government and Eurostat Definitions



Source: Business Register and Employment Survey

There are valid arguments both for and against the inclusion of digital tech sectors in a definition of the creative industries. For some, digital tech is not genuinely ‘creative’ and does not create ‘aesthetic value’ in the same way as some of the more widely accepted sectors within the definitional frameworks. However, the role of digital technology and infrastructure in transforming the creative industries in almost all areas cannot be denied. Definitions always create debate and building frameworks such as these on the basis of industrial classification systems is beset by problems that are as much about the nomenclatures as they are about industrial structures. Most international classification systems for industry were designed for manufacturing economies and have been slow to adapt to economies more based on services and on intangible value. These issues are particularly evident when seeking to construct definitions of the creative industries. However, the pertinent point here is how definitions might affect policy, and an approach that

demonstrates strong and consistent potential for economic growth is more likely to attract interest from economic development policy.

In the above comparison it is clear that inclusion of the digital tech sectors results in a stronger overall level of growth. This is an important driver of economic policy interest in the sectors in Scotland.

Local Government Expenditure on Culture and Related Services at Local Authority Level

The Local Financial Returns are the most detailed and complete sources of local government expenditure data in the UK. The data presented at Local Authority Level (i.e. GRC totals and break downs) relate to relevant categories contained within **Culture and Related Services** datasheets, which is defined as follows.

Box A A.1. Culture and Related Services

1. Cultural and Heritage:
 - Museums and galleries.
 - Other cultural and heritage services (includes archives, arts development/ support, heritage, theatres, venues and public entertainment).
 - Library services (includes permanent and mobile lending libraries, reference and information services and community library services).

The LFR collects final, audited figures from local government and are used to monitor the health of local government accounts. The forms *do not* collect income or expenditure for ALEOs, Central Government or third sector bodies. As such, the tables provide a partial picture of expenditure on culture. The data collected in the LFRs are published as part of the Scottish Local Government Finance Statistics publication (Scottish Government^[50]).

Comparisons over time and between local authorities in Scotland should be made with caution. Figures relating to Culture and Related Services are comparatively small when compared to other service areas. This means that there can be data volatility issues which make comparisons difficult.

Local authorities are autonomous bodies, and it is their responsibility to manage their own budgets and to allocate the total financial resources available to them on the basis of local needs and priorities. This means that the ways in which the local authorities provide Culture and Related Services can vary widely. As previously mentioned, many councils have established ALEOs to manage sport, leisure and/or cultural facilities and services on behalf of the local authority. In these cases, only the management fee paid by the local authority to the ALEO has been recorded in the LFR. The return does not include any wider ALEO expenditure or income raised. This is reported separately within local authority accounts.

It should be noted that local authorities may spend money on other services which also impact on Culture and Related Services e.g. expenditure on regeneration, improving transport, enhancing community safety. However, this expenditure would be recorded under the relevant service, rather than under Culture and Related Services.

When considering changes over time, each local authority will have specific reasons for changes in expenditure which may cause fluctuations between years. Examples of reasons for changes in net and/or gross expenditure include:

- changes to how central services, such as staff or utilities, are allocated across services;
- introduction of more efficient practices which have led to reduced expenditure;
- changes to charging policies for services or increased income from charged services; and
- transfer of services to an ALEO.

Further, there have been a number of changes to the LFR 02 form over time which affects the calculation of some key figures. This makes comparisons with workbooks prior to 2011/12 more problematic.

Annex B. Additional data and tables

Table A B.1. Policy interest in the CCS across the GCR partner authorities

Local Authority	Cultural Services	Policy focus (culture)	Economic development	Policy focus (creative industries)
East Dunbartonshire	Limited cultural service – delivered in house	Well-being and community benefit	CCS not identified priority	None specific
East Renfrewshire	Council delivers some cultural services via an arms-length charitable trust	Well-being and community benefit	CCS not identified priority	None specific
Glasgow City	Largest cultural service in Scotland delivered via arms-length charitable trust	Well-being and community benefit Regeneration Visitor economy International reputation	CCS identified as priority sector	Enterprise growth
Inverclyde	Limited cultural service – delivered in house	Well-being and community benefit	CCS not identified priority	Creativity and innovation
North Lanarkshire	Large cultural service delivered in house	Well-being and community benefit Some visitor economy and regeneration interest	CCS not identified priority, but some interest	Inward investment (e.g. screen)
Renfrewshire	Large cultural service in Scotland delivered via arms-length charitable trust	Well-being and community benefit Visitor economy Regeneration	CCS identified as priority sector	Place development
South Lanarkshire	Medium scale cultural service in Scotland delivered via large arms-length leisure and culture trust	Well-being and community benefit Visitor economy Regeneration	CCS not identified priority, but some interest	None specific
West Dunbartonshire	Limited cultural service – delivered in house	Well-being and community benefit Visitor economy Regeneration	CCS not identified priority	None specific

Table A B.2. Creative, Tourism & Hospitality Hardship Fund Grants Offered by Local Authority

	Number of grants offered	% of grants offered	Value of grants offered, GBP	% of value offered
Highland	271	14%	2,886,000	12%
City of Edinburgh	248	13%	3,462,000	15%
Glasgow City	235	13%	3,363,000	14%
Fife	92	5%	1,039,000	4%
Perth and Kinross	88	4%	966,000	4%
Argyll and Bute	71	4%	668,000	3%
Stirling	66	3%	815,000	3%
Aberdeenshire	64	3%	749,000	3%
South Lanarkshire	63	3%	927,000	4%

Dumfries and Galloway	56	3%	572,000	2%
Scottish Borders	54	3%	559,000	2%
South Ayrshire	46	3%	683,000	3%
Moray	42	2%	531,000	2%
North Lanarkshire	38	2%	528,000	2%
East Lothian	38	2%	524,000	2%
North Ayrshire	38	2%	503,000	2%
West Lothian	37	2%	498,000	2%
Aberdeen City	37	2%	601,000	3%
Renfrewshire	34	2%	377,000	2%
Na h-Eileanan Siar	31	2%	339,000	1%
Falkirk	30	2%	376,000	2%
Angus	29	2%	465,000	2%
East Dunbartonshire	26	1%	271,000	1%
Shetland Islands	25	1%	294,000	1%
Orkney Islands	23	1%	223,000	1%
East Renfrewshire	21	1%	262,000	1%
Dundee City	20	1%	234,000	1%
Midlothian	18	1%	265,000	1%
East Ayrshire	18	0.9%	663,000	0.7%
Inverclyde	13	0.6%	126,000	0.5%
Clackmannanshire	11	0.6%	118,000	0.5%
West Dunbartonshire	10	0.5%	121,000	0.5%
Total	1,893	100.0%	23,507,000	100.0%

Location of business supported based on post code provided by the applicant at application.

Source: Scottish Enterprise

Table A B.3. shows the distribution of PERF awards by sector. These data are available only for Scotland as a whole, but they are indicative of the extent to which the CCS were affected by the pandemic, accounting for 9% of all awards from this fund – exceeded only by tourism and hospitality, construction, manufacturing and wholesale retail

Table A B.3. Pivotal Enterprise Resilience Fund Grants Offered by Sector

	Number of grants offered	% of grants offered	Value of grants offered	% of value offered
Tourism & Hospitality	336	19%	GBP21,504,000	18%
Other manufacturing	200	11%	GBP15,635,000	13%
Construction	198	11%	GBP11,982,000	10%
Wholesale retail	186	11%	GBP12,762,000	10%
Creative Industries	154	9%	GBP12,473,000	10%
Financial & business services	152	9%	GBP10,046,000	8%
Other services	114	6%	GBP8,335,000	7%
Manu food & drink	101	6%	GBP7,433,000	6%
Professional services	84	5%	GBP5,994,000	5%
Transport & logistics	60	3%	GBP4,746,000	4%
ICT	50	3%	GBP4,039,000	3%
Care	44	2%	GBP1,844,000	2%
Education	34	2%	GBP1,849,000	2%
Agriculture forestry fishing	29	2%	GBP1,357,000	1%

	Number of grants offered	% of grants offered	Value of grants offered	% of value offered
Energy water & waste	13	1%	GBP1,290,000	1%
Chemicals	5	0.3%	GBP303,000	0.2%
Oil, gas, mining	3	0.2%	GBP203,000	0.2%
Total	1763	100%	GBP121,792,000	100%

Note: Data from 4 August 2021

Source: Scottish Enterprise

Table A B.4. Local Authority Net Revenue Expenditure on Museums and Galleries in Glasgow City Region

Thousands of pounds sterling (GBP)

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	% change 2011/12 - 2019/20
East Dunbartonshire	346	328	292	222	187	183	201	224	226	-35%
East Renfrewshire	105	107	99	97	93	37	29	0	0	-100%
Glasgow	17,332	15,917	15,794	16,497	15,958	15,815	15,806	15,410	15,726	-9%
Inverclyde	342	338	248	308	299	300	267	293	263	-23%
North Lanarkshire	1,463	1,647	1,702	1,685	1,712	1,586	1,538	1,481	1,545	6%
Renfrewshire	1,181	1,257	1,111	1,762	1,103	2,835	2,431	2,166	2,125	80%
South Lanarkshire	697	792	744	641	632	590	583	556	527	-24%
West Dunbartonshire	38	26	98	122	143	129	215	121	119	213%
GCR Total	21,504	20,412	20,088	21,334	20,127	21,475	21,070	20,251	20,531	-5%

Source: Scottish Government Local Finance Returns

Table A B.5. Local Authority Net Revenue Expenditure on Other Culture and Heritage in Glasgow City Region

Thousands of pounds sterling (GBP)

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	% change 2011/12 - 2019/20
East Dunbartonshire	247	234	291	249	307	299	327	224	261	6%
East Renfrewshire	566	524	514	577	396	261	296	1,087	982	73%
Glasgow	10,305	10,537	11,707	23,856	19,639	14,814	13,714	13,344	14,104	37%
Inverclyde	158	394	103	155	230	556	385	397	342	116%
North Lanarkshire	2,839	825	1,995	1,754	2,203	1,711	1,789	1,577	2,214	-22%
Renfrewshire	440	453	720	602	940	3,332	3,785	2,137	3,667	733%

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	% change 2011/12 – 2019/20
South Lanarkshire	1,999	2,209	2,292	2,124	2,617	2,589	2,506	2,446	2,417	21%
West Dunbartonshire	747	1,176	665	1,230	1,466	792	887	849	629	-16%
GCR Total	17,301	16,352	18,287	30,547	27,798	24,354	23,689	22,061	24,616	42%

Source: Scottish Government Local Finance Returns

Table A B.6. Local Authority Net Revenue Expenditure on Libraries in Glasgow City Region

Thousands of pounds sterling (GBP)

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	% change 2011/12 2019/20
East Dunbartonshire	2,306	2,232	2,200	2,350	2,826	2,305	2,481	1,987	2,095	-9%
East Renfrewshire	2,124	2,055	1,912	1,915	2,546	1,853	1,523	1,811	1,851	-13%
Glasgow	15,027	13,523	12,054	13,065	13,295	11,581	10,839	11,388	11,960	-20%
Inverclyde	1,527	1,482	1,330	1,395	1,286	1,239	1,357	1,338	1,452	-5%
North Lanarkshire	6,779	6,106	6,757	6,657	6,890	6,385	6,190	5,959	5,321	-22%
Renfrewshire	3,043	3,286	3,278	3,930	3,178	2,644	2,292	3,399	3,779	24%
South Lanarkshire	4,393	5,385	5,520	5,109	4,669	4,429	4,212	4,165	4,190	-5%
West Dunbartonshire	2,664	2,178	2,746	2,706	3,526	2,796	2,383	2,202	2,097	-21%
GCR Total	37,863	36,247	35,797	37,127	38,216	33,232	31,277	32,249	32,745	-14%

Source: Scottish Government Local Finance Returns

Annex C. Museum case studies

The OECD-ICOM Guide for Local Governments, Communities and Museums provides a framework to understand how museums contribute to local development and the actions needed from local governments and museums to maximise these impacts (see Box A C.1). The OECD-ICOM assessment framework was applied to two museums in Glasgow City Region - The Gallery of Modern Art (GoMA) and The Paisley Museum, Renfrewshire. This Annex presents the results of this assessment.

Box A C.1. Museums and local development: overview of potential impacts

- **Supporting local economic development.** In addition to preserving and creating cultural value, museums contribute to the attractiveness of places and hence to local economic development through job creation and revenue generation related to the visitor economy; supporting local hotels, restaurants, shops and their wider suppliers. More long-term benefits can arise from partnerships between museums, local entrepreneurs, businesses and higher education or research institutions that support the creation of new products.
- **Fostering urban regeneration and community development.** Museums contribute to both the physical and social design of many cities. Their renovation or construction can stimulate urban regeneration and bring new life into areas losing their social dynamism and traditional economic base. Museums are places where social capital can be built between people of different communities when many traditional meeting places are disappearing.
- **Catalyzing culturally aware and creative societies.** Museums have mainly been created to increase cultural awareness and education. With time, this objective has become more complex to also encompass training and life-long learning, and not only for native-born populations but also immigrants and other marginalised communities. A museum's mission is also to promote reflection and self-awareness, challenging misperceptions and informing the way people think about many past and contemporary issues.
- **Promoting social inclusion, health, and well-being.** Museums increasingly contribute to individual and collective well-being. Other initiatives relating to social inclusion and the improvement of self-confidence are also significant, but are sometimes less visible since their effects are difficult to evaluate and are only evident in the long term. Local governments could consider museums as resources for both building social capital and promoting social welfare and support the links with social institutions that intervene at the local level. In turn, museums need to build their internal capacities to be more pro-active in this field.

Source: OECD and ICOM (2019^[41])

Case Study: The Gallery of Modern Art (GoMA)

The Gallery of Modern Art (GoMA) opened in Glasgow city centre in 1996 and is now the most visited modern and contemporary art museum in Scotland. It has four galleries, a café, shop and a library, and

has a unique position in Glasgow as a collecting institution of contemporary art, as a civic space highly visited by a wide demographic and as a key tourist attraction for a world-class city.

The museum is owned by Glasgow City Council, but managed under lease by Glasgow Life, the charity owned by the city council and responsible for the delivery of culture and leisure services. Glasgow Life is also the city's strategic lead for the visitor economy and manages Glasgow City Marketing Bureau, which promotes events and business tourism.

Economic Development

GoMA's role in economic development is largely based around the role of culture in the Glasgow City Visitor Economy Strategy. Culture is a major driver of the strategy, and in particular the visual arts is identified as a priority area (along with music and the city region's Charles Rennie Mackintosh estate). GoMA's location in the heart of the city centre means that it benefits from high footfall and it has long struck a balance between championing innovative contemporary visual arts with a collection that is accessible.

The central location, free entry (like all Glasgow museums) and the appeal of the collection, also mean that GoMA attracts a high proportion of tourists. In a 2018/19 survey of Glasgow museum visitors, 77% of survey respondents at GoMA lived outwith the Greater Glasgow area (Glasgow Life, 2019^[51]). The same survey found that for 31% of tourist visitors, Glasgow's museums and art galleries were a major attractor.

To date, there have been no economic impact studies of GoMA, and there is no regular data collection that would permit such an assessment. However, an economic impact assessment of Glasgow Life in 2017 found the economic value of tourists attracted to Glasgow Life venues, events, and conferences, and the value of the wider promotion of the city to be worth GBP1.5bn in GVA and 5,300 jobs over a ten-year period (EKOS, 2017^[52]).

Urban Regeneration and Community Development

GoMA's role in urban regeneration is again less a story about the museum itself and more one about culture's wider role in the reinvention of a post-industrial city. As discussed in Chapter 2, museums and other cultural venues have been a central element of Glasgow's cultural regeneration effort and GoMA has played its part. The museum's city centre location is readily accessible by public transport, and the surrounding public realm has seen many improvements over the years, including pedestrianisation and the development of a vibrant hospitality sector in the immediate vicinity.

Attributing these changes to GoMA would be arguably a stretch, but it certainly has a role and position within the redevelopment of this part of the city centre.

Where GoMA has certainly played an important role is in wider community development (discussed below). However, online retailing and now remote working prompted by the pandemic have started to change thinking about the role of urban centres. In Glasgow, there is a growing emphasis in planning policy on promoting the city centre as a place to live as well as work, shop and socialise. This, in turn is prompting greater consideration of the needs of city centre residents and communities, and facilities like GoMA will have a key role to play.

GoMA has also championed local artists and contributed to Glasgow's strong international reputation for the visual arts. The museum's priorities for temporary displays include a focus on supporting local artists at early stages in their careers, helping to grow the local visual arts community. Glasgow International (GI) is Glasgow's contemporary visual arts festival, held every two years, and attracting audiences from across the world. GoMA plays a key role in the festival as a venue but also as a partner.

The pandemic has also shifted the focus on the museums service more generally towards a greater emphasis (at least until visitors return) on serving the local market. As the museums have only recently reopened, what this means in practice is not yet clear.

Culture's role in regeneration in Glasgow goes far beyond the physical environment, although this has certainly been a strong element of the approach. There has always been a strong thread around the development of civic pride through culture and GoMA's championing of local as well as international contemporary visual art has contributed.

Regeneration is also fundamentally about people and, in common with large parts of Glasgow's cultural estate, GoMA receives large numbers of repeat visits from local residents.

GoMA's community development role is discussed in more detail below but is more focussed on specific target communities (e.g. LGBTQ+, refugee communities etc.), mental health related provision and learning than it is on local communities. This is perhaps not surprising given its city centre location although, as noted, this may start to change in future.

Culturally Aware and Creative Societies

Promoting cultural awareness, engagement and understanding is very much at the heart of GoMA's mission. GoMA produces a programme of museum collection and loaned-in exhibitions, works with local communities on learning, access and outreach projects and presents public events, talks and screenings. Exhibitions across all the galleries are opportunities to present the growing collection in the city - reflecting artists living and working in Glasgow since 1945 - but also those artists they influence, or are influenced by, nationally and internationally. Collection exhibitions highlight the significant holdings of Glasgow Museums' collection and are contextualised by loaned-in works or commissioned work by living artists.

There are three strands to GoMA's activities:

- **1. Social Justice and 2. Community Engagement:** GoMA seeks to engage with diverse and challenging histories and modern day concerns, be they social, cultural or artistic, local or global. Key aims are to: support the city's refreshed priorities of tackling poverty and inequality through exhibitions, displays, programming, marketing and events; and build and maintain partnerships with diverse communities, artists and institutions across the city to develop acquisition proposals and new programmes that contribute to the city's creative and social ambitions.
- **3. Cultural Tourism:** GoMA aims to enhance Glasgow's position as a cultural centre thereby promoting tourism and inward investment, and contributing to sustainable citywide growth. This is achieved by engaging with artists and organisations working internationally to bring new conversations, ideas and discourses to Glasgow that highlight global currents in art and transmit the themes and concerns of contemporary culture.

Across these three areas, GoMA's programming seeks to engage widely across Glasgow's communities (and visitors) by reflecting contemporary societal issues through culture.

There is a strong emphasis on education and learning, and the museums service in Glasgow has two members of staff paid for by the Education Department of the council. They are responsible for liaising with teachers and schools, but they work within museums buildings, helping to connect the services. While this is valuable, challenges persist. The curriculum in secondary schools is tight and strongly focused on attainment and qualifications. Getting time out of this curriculum is very challenging indeed, and cultural engagement with museums tends to be easier with primary and pre-school groups. Education budgets are also under immense pressure, making the funding of museums engagement difficult. Where previously, museums (and other cultural services) could rely on some income for related services such as education, this is now less available, and museums services now have to find more external funding to support these activities. With museums budgets also under pressure, sustaining education and learning support is ever more difficult.

GoMA also faces a more practical challenge in this area. The city centre location confers advantages in terms of visitor access, but there is no parking nearby, particularly for coaches. Some schools may be less keen to use public transport and this may be a limiting factor on school engagement at the museum.

Museums as Spaces for Inclusion, Health and Wellbeing

Glasgow's museums service conducts regular visitor surveys to understand in more detail who uses the museums. For GoMA, a few findings stand out. First, the museums service as a whole is relatively effective at attracting visitors from the most deprived areas of the city - 28% of all museums visitors were from the 20% most deprived areas in 2018/19. For GoMA this figure was 19%. This still suggests that almost a fifth of the local visitors to the museum live in areas of greatest deprivation, but other museums in the city exceed this proportion.

However, GoMA does attract the highest proportion of black and minority ethnic (BAME) (16%) and disabled visitors (10%), indicating its role in engaging some more marginalised communities. The museum has also made particular effort to engage the LGBTQI+ community through specific exhibitions and outreach work.

Glasgow Life has also been exploring models of social prescription, and GoMA has been providing mindfulness classes and session for new mothers to address social isolation (both of which continued on digital platforms through the pandemic lockdown periods). However, despite the interest in social prescription models, particularly for older people, the challenge of evidencing the impacts on health and wellbeing remains.

This, in turn, contributes to resourcing difficulties. While there is a general acceptance that cultural participation is beneficial for wellbeing, mainstream healthcare services are stretched very thin indeed. Securing resources to support cultural wellbeing services is difficult and, as noted above, most programmes that do exist are time limited and do not have access to ongoing funding support.

Finally, there are also implications here for staff in cultural services. If culture is to play a greater role in health and wellbeing, then there will be a need of staff support and training in areas like mental health. This is not yet fully integrated into such provision.

Case study: Paisley Museum, Renfrewshire

With a population of just over 77,000, Paisley has been impacted by decades of economic decline. Today 34,000 residents live in deprivation and one in three of its children live in poverty. It is a town in urgent need of regeneration. As highlighted in the report, Renfrewshire Council and Renfrewshire Leisure (the arms length organisation responsible for leisure and culture services) has been pushing ahead with ambitious plans to regenerate Paisley (the main city in the area) and surrounding areas through a culture-led approach to regeneration. The unsuccessful bid to the UK City of Culture in 2021 galvanised the creative and wider communities of Paisley and generated significant momentum behind the initiative, and the council has continued to signal its commitment with increased resources for culture.

At the heart of the plans for Paisley is a GBP100m capital programme. The programme began in 2016, with the GBP3.7m investment in The Secret Collection. This facility replaced a vacant department store and is the first publicly accessible museum store on a UK high street. Complete refurbishment of the Museum, Art Centre, Library and Town Hall are also included in the GBP100m investment.

Paisley Museum Reimagined (PMR) is the flagship project in the programme and is intended to deliver a free to enter cultural campus of national and international significance, whilst ensuring physical and intellectual accessibility for all. The Museum's High Street location will be used to transform Paisley's

perception of itself, develop a visitor economy, lead the regeneration of the town centre, and give Paisley a confident, outward-facing profile.

The Museum is projected to be worth over GBP79m to the local economy by 2049, which is essential given the social and economic need of the local area. Detailed analysis indicates that local people will benefit from the project as a result of:

- 250 volunteer placements and 300 training opportunities;
- 1,250 early years children attending formal learning sessions annually;
- over 7,000 school pupils attending formal learning sessions annually; and
- over 2,000 further education students utilising the Museum annually.

Following some relatively minor disruption to the capital works as a result of the pandemic, the Museum is scheduled to open in 2023. Obviously, it is not possible to discuss the impacts of the museum prior to its opening, but the planning work that has supported its development is certainly instructive.

Ambitions

PMR is underpinned by a series of high-level strategic aims that will create a:

- leading international museum - telling the story of Paisley as a pattern and town;
- vibrant visitor destination drawing its audience from Scotland, UK and overseas;
- hub for learning, skills development, innovation and research;
- community resource at the heart of Paisley's local life; and
- means of restoring civic pride, and increased feeling of community ownership.

PMR is not seen as an isolated project at end of the High Street. Instead, it has been planned from the outset to be integrated with other projects and plans, and is strongly based around partnership.

Programme Development

Building on the momentum created by the City of Culture Bid, the PMR project has adopted a highly consultative approach to developing its programme. The approach to museum displays has been co-produced with local groups including YMCA, Syrian refugees, young people, and women's groups. Using a story-based approach, displays will look at the representation of particular groups such as women and deprived communities, tackling issues of interest and concern to local communities such that people can see themselves in the collections.

The National Lottery Heritage Fund identified this approach to co-production as 'sector leading' and that the storytelling and interpretation plans were of the highest quality and engaging. Storytelling helps the audience connect with the collection on a deeper level by focusing on specific relatable narratives that objects can tell. This will help to build future ownership of the museum and its collections across a broad range of society in the area.

The development of the activity plan for the museum is similarly consultative and is working with 70 organisations across Renfrewshire, asking them what they want in terms of their priorities, and the learning programme is being developed with 66 schools across the area. The plan is to work with all of the schools to some extent.

Indeed, learning is a key focus, and the intention is to create dedicated learning spaces within the museum. These will be discreet, enclosed areas within which staff, facilitators, volunteers, groups leaders and others can run or host sessions including meetings, activities and events. The Learning Spaces are intended to create a fun, experimental and empowering environment, and help to deliver the aim of creating Hubs that will be:

- Social: a community resource and a space where people can meet informally to socialise, or network and participate in activities with like-minded people;
- Creative: a space where people can play, experiment and participate in hands-on activities that encourage creative learning, exploration and outputs;
- Innovative: the Learning Spaces will provide opportunities to make, create and innovate using techniques and resources inspired by the Museum collections; and
- Knowledge and Skills: spaces where people will take part in activities that encourage them to learn new skills and to increase their knowledge and sense of curiosity about the world around them.

There will be two dedicated Learning Spaces and a Makers Space within the new museum campus

Open and Inclusive

In addition to the consultative approach to design and development, the physical environment has been designed with inclusion in mind. In addition to the development of the museum building themselves, the plans include public realm works to develop a garden area. This will not only serve to connect the museum to the town centre but will also provide a unique green space in which people can socialise and relax regardless of whether they are visiting the museum.

Inside, the museum café is located before the entrance such that it can again be used by visitors not intended to enter the museum itself, extending the museum into the town centre. All aspects of the design have, of course, taken issues with disabled access into account.

The sense here is of a very strong focus on developing the museum as an open and inclusive place for the community, reflecting their histories and stories and providing a civic asset than can be enjoyed by all. Then museum will also be free to enter, addressing any pricing barriers.

Economic Development

The project has been developed with close connection to city planning and regeneration, and the Museum is the flagship of Renfrewshire's regeneration programme. As such, it will be required to deliver tangible economic benefits to the town and the wider area. Partnership with the Council planning teams is critical, but if the Museum is to catalyse the visitor economy in Paisley, the private and third sectors will also have a role to play. This means public realm improvements, partnerships with hospitality businesses, effective licensing, good transport infrastructure and strong marketing. All of this will need to be right if the Museum is to become a successful visitor attraction.

Renfrewshire is also looking to partnership with Glasgow City, which has a long track record and experience of developing the visitor economy through culture. It is also an important gateway for visitors to the wider city region and beyond, and transport links between Glasgow and Paisley and good.

During project development the construction work will obviously create economic benefit and the use of community benefit clauses in contracts will ensure that this includes local benefit as well as training and apprenticeship opportunities. The ambition is also to enable the Museum itself to be used in myriad ways and partnerships with higher and further education institutions in areas like digital skills and innovation are a key feature.

The increased footfall in the town centre that the Museum will create will bring additional benefits for local businesses of all kinds, from retail to hospitality and this will be a key driver of the project's wider economic impacts and regeneration effects. What is important here is that the teams developing the PMR project are fully aware of these issues and are actively developing the partnerships and connections that will help maximise the economic impacts of the Museum, once open.

For more information: www.oecd.org/cfe/leed/culture-and-creative-sectors.htm

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