

Screen Sector Leadership Group

Report to the Culture, Tourism, Europe and External Relations Committee

Final Report: January 2017



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Foreword

Over the past 50 years Scotland has produced a wide range of films and television programmes with many international successes, saying something about Scotland to the rest of the world and reaping a rich return on the investment, culturally and economically. At different times during those 50 years it seemed as though we were close to achieving a breakthrough to sustained development and growth of the screen sector as a whole, making a significant contribution to our national life and beyond. Despite the many individual successes, it has not happened. Scotland should be the second most valuable and productive area outside London but, sadly, it has fallen behind other parts of the UK. This Report of the Screen Sector Leadership Group considers the challenges facing the sector today and makes a series of recommendations across every area that contributes to the health of the screen industry.

At present the sector is fragmented with a number of different bodies having some responsibility in specific areas. This means that there is no agreed, over-arching screen strategy and a lack of leadership and accountability. This has to be remedied immediately. We strongly support the Scottish Government proposal to establish a much-enhanced Screen Unit with an expanded remit to enable it to assume this critical leadership role. Specifically, it must have the additional responsibility for providing the business and skills development support needed by the many small-scale companies who operate, uniquely, in the screen industry and do not meet the criteria set by Scottish Enterprise. It also needs an urgent, significant increase in resources, to £20m pa, if it is to make any real impact. With this leadership role will come greater accountability for the return on the increased investment made across the sector.

Many production teams come to Scotland, make their film and depart leaving no legacy in terms of contribution to the long-term sustainability of the industry. Improved infrastructure, especially a film studio, is crucial if these individual projects are to contribute to the development of a permanent skills base here in Scotland.

A strong television sector helps the development of a strong film industry, with the overlapping demand for skills and experience. Greater investment in television production, especially drama, trickles through to stimulate the film industry. All the broadcasters could, and should, increase their investment in Scotland. As a new BBC Charter is introduced there are high expectations for a significant increase in the amount of licence fee collected in Scotland being invested in Scotland. In a devolved UK it is also time for more responsibility for commissioning programmes to rest here in Scotland, not London.

A lively, thriving screen sector makes an important contribution to our national life and brings significant cultural and economic benefits. The returns can be great for relatively modest investment. Urgent action is needed if we are to achieve this and prevent further drift.

John McCormick

Chair

1: Introduction

The Economy, Energy and Tourism Committee of the Scottish Parliament (EET Committee) published a report into the economic impact of the film, TV and video games industries on 31st March 2015. These areas are now within the remit of the Culture, Tourism, Europe and External Relations Committee.

The report found that the separate and distinct remits of Scottish Enterprise and Creative Scotland were acting as a barrier to working cohesively to support the film industry effectively. The Committee recommended that the Scottish Government provide direction to Scottish Enterprise and Creative Scotland to work in partnership in order to support the economic and cultural needs of the film industry and that a film industry leadership group should be established to facilitate engagement with the industry and to enable public bodies to understand and respond to its needs better.

Creative Scotland was charged with establishing this group and, in order to achieve the best results possible from this opportunity and to reflect the sectoral landscape in Scotland, it was agreed that the group should not be limited to the film industry but should extend to the wider group of organisations, groups and individuals involved in the screen sector. John McCormick, formerly Controller of BBC Scotland, Chair of the Edinburgh International Film Festival and Vice-Chair of Scottish Screen, agreed to establish and chair the group.

An initial meeting of over 50 screen sector representatives was held in December 2015 to discuss priorities for the sector and the Screen Sector Leadership Group (SSLG) was established in early 2016 with a core group of 14 sector representatives. A list of the members of this core group and its Terms of Reference are Appended.

The SSLG noted that the following screen sector groups were working in parallel with the SSLG's work and discussions and that while the SSLG should monitor these other activities, it should not replicate their work:

- The Film Studio Delivery Group, made up of members from Scottish Government, Scottish Enterprise and Creative Scotland was tasked with exploring options for enhanced studio infrastructure for Scotland.
- A working group of representatives from Scottish Enterprise, Business Gateway, Creative Scotland and the Cultural Enterprise Office had carried out a mapping exercise of support for the screen production sector in Scotland and reported its findings to Independent Producers Scotland in November 2015. One of the main findings was that a web-based navigation tool should be developed to help businesses identify and access business development support and advice. This on-line 'portal' is being developed in partnership with the sector. Cultural Enterprise Office has been identified as the delivery partner for this project and the process and funding for the portal is under discussion.
- A working group of executives from Creative Scotland, Scottish Enterprise and representatives from Independent Producers Scotland was developing a model for a Shared Service Resource to provide bespoke business development for screen businesses.
- The Broadcast and Television Working Group is a forum for discussion that brings together Scotland's television production and broadcast sector with the public sector to discuss and debate policy development and implementation for the Scottish TV production/broadcast sector.

The work of these groups was still in progress, and the outputs awaited, as this Report was being drafted.

2: Context

The screen sector in Scotland suffers from divisions and fragmentation; a number of different agencies have a stake in providing support for the sector. As a result there is no over-arching strategy or industry-wide leadership to encourage cohesive, sustained development and growth.

Creative Scotland is the lead agency providing public sector support to the screen sector. In October 2014, Creative Scotland published its 3-year strategy: *Creative Scotland: on Screen*. Since the publication of its strategy, Creative Scotland has implemented a significant number of positive measures to grow and support Scotland's screen sector. In addition to funding for film and television development and production these measures have included support for a range of initiatives in film education, exhibition, distribution, inward investment and skills and talent development. For the year 2015/2016 this support amounted to approximately £11m.

Under its establishing legislation Creative Scotland does not have a specific screen sector skills development remit, but the realities of the public sector support landscape have meant that skills and talent development are part of Creative Scotland's strategy for the sector. It has undertaken some elements of this work through delivery of the Screen Skills Fund, a one-off fund available only in 2015/16, and through Targeted Funding support where gaps have been identified. Similarly, while Creative Scotland does not have a business development support remit, where the case has been made, it has used Targeted Funding to support projects such as the Shared Service Resource and on-line portal working alongside Scottish Enterprise.

Scottish Enterprise brings an international focus to Scotland's economy in order to achieve export growth, attract overseas investment and promote Scotland generally as an ideal place to live and work. It supports the Creative Industries business specifically by: providing integrated support for ambitious companies centred on an account management approach; delivering sector specific support for both current and new markets; delivering specialist support for exporters including access to valuable knowledge and connections through SDI's network of overseas offices; addressing opportunities in international markets in particular the creation, distribution and exploitation of digital content across global digital distribution platforms; conducting an active programme of trade missions taking companies to significant industry events around the world. The focus has been on companies that demonstrate high-growth potential.

The majority of companies in the sector, who do not meet the high growth criteria will look to both Business Gateway for support and access services through SE's online products. However, uptake of this support is low and there is a perception from the sector that, as well as being difficult to understand what is available, many of the products are not specific enough to businesses in the screen sector to be useful. Work currently being undertaken to develop an online portal mapping the support available and the provision of specific business support through the proposed Shared Resource Facility may address some of these concerns.

Business Gateway provides access to free business support services. It gives assistance and impartial advice to people starting or growing their business by a combination of: online support – a comprehensive website with practical information and useful guides; a programme of fully funded local workshops and events held throughout Scotland; advice to suit specific business needs through a network of experienced business advisers; and business information through a dedicated team providing information and support on all aspects of starting and growing a business. The wide ranging nature of the businesses that Business Gateway support has led to the view that they are not fully equipped to provide specific advice to businesses in the screen sector, and more specifically screen content businesses, beyond basic start-up advice and general business planning support.

Skills Development Scotland is the national skills body supporting the people and businesses of Scotland to develop and apply their skills. In June 2015 it published the Skills Investment Plan for Scotland's Creative Industries. This is a high level strategic document, identifying key issues, drivers and themes impacting on the delivery of skills needed to sustain growth across the sector. Recent work has focused on developing Foundation Apprenticeships for the Creative Industries; although the details are as yet unavailable, there is a general concern from the sector that such programmes will not be suitable for new entrants to the screen production sector, especially around 'on the job' film and television drama production.

Cultural Enterprise Office supports Scotland's creative businesses by providing specialist information and advice, as well as training and networking opportunities.

Highlands and Islands Enterprise supports and promotes the creative industries in the region, with a focus on networking and public/private sector partnerships, showcasing, research and development, skills, distribution, new funding models and cross sub-sectoral development.

Creative Skillset works with the UK's screen-based creative industries to develop skills and talent. It provides a range of training and development initiatives, directly and in partnerships with industry and other agencies. It also provides direct funding to individuals for their training needs. It carries out an annual workforce survey to identify current skills shortages in the sector. Until 2015 Creative Skillset had a Scottish office, which provided local intelligence along with policy and strategy direction from a Scottish perspective. The closure of this office has led to a concern that the very specific needs of the sector here will not be met and that the lack of local access to funding presents a significant disadvantage to companies and individuals.

British Film Institute The BFI Film Fund uses National Lottery funds to develop and support original UK filmmakers and films, and to increase the audiences who can enjoy them. Funds are applied to the development, production, distribution, exhibition of theatrical feature films and towards film education and audience development. Producers in Scotland can access funds from the BFI and Creative Scotland for the development and production of projects. BFI also co-fund with Creative Scotland new and emerging film talent development initiatives.

Against this background, this report provides an overview of the Screen Sector Leadership Group's analysis of the issues affecting the sector, its conclusions and recommendations.

3: Key Themes

Key themes emerged from the initial sector-wide meeting held in December 2015:

- Vision – the need for a clear vision set out for the sector which recognises that each aspect of the sector is important to the whole ecology: content development; production; education; talent and skills development; audience development; and distribution and exhibition. All aspects need to be adequately supported to ensure success for the sector overall.
- Leadership – the need for clarity around the remits of the public sector bodies supporting the sector and clear leadership from one body that has responsibility for both economic and cultural development across the sector.
- Strategy – the need for focus on the long-term development of the sector and a move away from short term interventions.
- Infrastructure – the need for a concerted effort to deliver enhanced studio infrastructure for Scotland in order to support growth.
- Intelligence – the need for better information about the value of the sector and the impact and outcome of public sector investment and support.

- Public support - a need for an increase in appropriate, targeted funding and investment across all areas; a strong belief that the current model of public funding and support is not effective and that other models of intervention need to be explored.
- Broadcasters – an ambition for all broadcasters to support and invest more in Scotland while recognising that the prime responsibility and expectation rests with the BBC as the primary publicly-funded broadcaster.
- Quality – a need for a drive for quality output from the sector to be achieved by advocating risk and greater support for talent and ideas.

Taking the key themes that emerged from this initial meeting, the SSLG agreed a set of priorities for the sector:

- Increased funding for film and television production.
- Increased studio facilities and infrastructure for Scotland.
- Increased investment in talent development, skills and training.
- Increased and appropriate business development support for screen businesses.
- Robust research and statistics on the value of the sector and the impact of funding and support mechanisms.

Three sub-groups were set up to support its work in specific areas:

- Distribution, Exhibition and Audience Development.
- Research, Statistics and Value.
- Talent Development, Skills and Training.

4: Film and Television Film Production

The synergies between television and film production mean that success in both is essential if a screen sector is to develop a base sustainable for the long term. In both areas too many productions come and go leaving nothing behind. There is an opportunity now – and an urgent need - to break that cycle.

As Scotland remains part of the UK, many of the factors shaping the level of film production are determined at the UK level, such as policies on film tax relief, the allocation of National Lottery funding and the exchange rate. Film in the UK is a London-centric business, and Scotland's film sector is perceived to be remote from that centre.

Most feature films made in the UK require public subsidy in some form or another. The BFI notes that the principal sources of public funding for film in 2013/14 were the film production tax relief (61%), the National Lottery (15%) and grant-in aid (8%) from DCMS. Film production benefited from two thirds (68%) of the total financial support followed by education, young people and lifelong learning (10%)¹.

Scotland has a dedicated annual £4m Lottery Fund for the development and production of film and TV drama, which prioritises projects from Scottish based writing, directing and producing talent. This has been added to recently with the introduction of a Production Growth Fund, which is focused mainly on attracting incoming film and TV production, but can also be accessed by Scottish producers to assist them to retain the production of their films in Scotland.

¹ BFI Statistical Yearbook 2016 - <http://www.bfi.org.uk/sites/bfi.org.uk/files/downloads/bfi-statistical-yearbook-2016.pdf>

Scotland strives to encourage a mix of large inward investment productions and smaller indigenous productions. It has had some recent successes in this respect. In 2013 two films from Scotland, "Sunshine on Leith" and "Filth", were the 6th and 7th independently-produced top grossing films at the UK box office. These tend to be exceptions, however, rather than the rule: Scotland makes too few films to be able to produce a regular supply of critically-acclaimed and commercially-successful films. Film production companies in Scotland currently survive mainly on small and inconsistent fees derived from development and production. With producer and production fees increasingly under pressure as budgets tighten, long periods between productions and little revenue returned from the exploitation of their films, these companies remain under-capitalised and unable to develop the capacity for growth.

Many film producers have attempted to add or develop competence in television production, specifically drama, to diversify their portfolio and help them develop more sustainable businesses. Although television drama series can bring in significant revenues, the long lead time in development, heavy upfront investment in development personnel and the difficulties in securing high-level writing talent mean that few have been successful.

Scotland's animation companies work across television, film, advertising, visual effects, gaming and online content. Much of their work is shown outside Scotland and some companies reported their Scottish revenues were as little as 10% of their total turnover. Most companies work in television, with few developing feature productions.

The Republic of Ireland, Northern Ireland and Denmark, are often mentioned as comparators; it is clear from their experience that consistent and long-term support for screen at government level has played an important part in establishing a critical mass and attracting world players.

One of the most quoted is Northern Ireland Screen whose annual budget for 2016/17 and 2017/18 from all sources is c. £18m. This compares with Creative Scotland's total budget of approximately £11m for screen in 2016/17.

If Scotland wishes to compete in a meaningful and sustainable way at that level, strong and focused leadership and a long-term strategy with adequate resources to support film development, production and distribution is needed.

At the heart of any successful screen sector is a lively and vibrant television industry. Life for independent television production companies in Scotland, however, can also be precarious. Only a limited amount of commissioning is done by broadcasters in Scotland. Increased investment is needed across the board by all public service broadcasters.

ITV and Channel 5 have no agreements or commitments with Ofcom relating to minimum production spend in Scotland (or Wales or Northern Ireland). Channel 4 has an agreement with Ofcom to deliver a minimum of 9% of hours and spend from Scotland, Wales and Northern Ireland by 2020 – but with no specific requirement for Scotland. The independent production sector in Scotland, however, currently accounts for upwards of 5% of Channel 4 total network spend.

The greatest responsibility lies with the licence fee funded BBC. The BBC has set a voluntary target of 9% of UK network spend in Scotland, defined according to current criteria agreed with Ofcom. It is commonly accepted that the criteria can be interpreted loosely and practices introduced that unfairly inflate the figure. This means that the broadcasters can meet the quota, technically, without any sustainable or strategic benefits to the creative economy in Scotland. Under the current definition, 10% of a production budget can be spent in Scotland with 100% being set against the quota, with all the Gross Added Value accruing outside Scotland. For example, the BBC categorises the coverage of a raft of snooker championships as Scottish, while none takes place in Scotland, and the now notorious process of "Lift and Shift" has led to dramas

commissioned and set in London being sent to Scotland to be produced, helping the quota to be met. While there are benefits from these programmes being made here, they are small-scale compared with those from programmes truly developed and produced in Scotland.

The outcry about this approach has had some impact and there is a recognition within the BBC that it has been damaging, diverting attention from the significant investment the BBC does make in Scotland.

The White Paper on BBC Charter Review expressed concern about the process, adding:

"The need for more nation-specific content which is "of that nation" has been recognised by the BBC and the government expects this to be addressed through their changes to commissioning processes"

The new BBC Charter and Framework Agreement was published by the UK Government in December 2016. Earlier, in September, the BBC Trust had published its response to the Government's White Paper. Key in this response was a commitment from the BBC to show greater accountability to the devolved nations of the UK.

A stronger commitment and greater investment from the BBC is essential to drive the development of television production in Scotland. 55% of the licence fee revenue raised in Scotland is spent in Scotland compared with 95% in Wales (not including licence fee investment in S4C) and 75% in Northern Ireland. The industry would be transformed if this deficit, equal to some £140m, were invested in work in Scotland.

Talent and businesses cluster around finance and those who have decision making authority. The increased centralisation in London over the past 10 years has exacerbated an already weak position in Scotland. The BBC's centralised commissioning model for its channels is no longer appropriate for a devolved UK. There is strong support, and a strong case, for Scotland to have more control over commissioning budgets.

The Gaelic language channel, BBC Alba has demonstrated the positive creative and economic impact of having an indigenous channel wholly commissioned and led from Scotland.

The BBC Audience Council for Scotland has argued for change:

"BBC Scotland should have the resources and the authority to commission network programmes of Scottish resonance to ensure that Scotland is properly represented in content on the network" [Annual Report 2015/16].

The Audience Council stated in its submission on Charter Review that *"it [the BBC] must improve its reflection of Scottish culture in local and network schedules" adding "Under representation must stem from the centralised nature of commissioning and/or some cultural amnesia...about Scotland's place in UK and global culture" and "A much more visible link should be made between content and the social and cultural context in which it is being produced."*

The SNP Manifesto for the May 2016 Elections to the Scottish Parliament included the following commitment:

"We will create a new dedicated unit for film and tv, based within Creative Scotland, to streamline public sector support for the screen sector. It will combine expertise from our creative and enterprise partners and oversee support from development to production and distribution, prioritising input and advice from the industry itself."

Following the election the Scottish Government tasked Creative Scotland to develop a business plan for the Screen Unit, with a short life-working group made up members of

the Film Studio Delivery Group, Skills Development Scotland and the Scottish Funding Council overseeing this work. An outline proposal for the Screen Unit was presented to the SSLG in September 2015.

Recommendations:

- The SSLG is strongly supportive of the proposal for an enhanced Screen Unit within Creative Scotland and considers that if this Unit is to make transformational change it is essential that it has:
 - an expanded remit across the sector, i.e. to include all broadcast content (including all drama, factual/entertainment and Gaelic-language) that includes support for Film and TV Production companies to explore and generate digital and interactive content (including gaming, web and mobile) to complement conventional screen content production;
 - a close working partnership agreement between the public bodies especially Scottish Enterprise, Skills Development Scotland and Creative Scotland and a consolidation and streamlining of resources and expertise to make maximum impact;
 - an increase in resources to £20m p.a.;
 - a clearly defined leadership role for cultural and economic development across the sector; and
 - a governance model which prioritises advice from the sector itself.
- The BBC should develop a five-year strategy to achieve the objective of all the licence fee revenue raised in Scotland being spent in Scotland.
- Ofcom and the broadcasters should undertake to apply a more robust scrutiny of the way in which commissioners and producers are currently applying the criteria by which a programme is defined as Scottish, with an adherence to the spirit, aims and objectives of the quota embedded in the culture of commissioning.
- Broadcasters should not compel any producer to set up a temporary office to satisfy a quota; there should always be a strong business case and commitment to Scotland and any application for public funds should be judged on these criteria.
- All broadcasters should set specific targets for production spend in Scotland; ITV and Channel 5 should make a minimum voluntary commitment of 3% of spend in Scotland.
- BBC Scotland should have an enhanced role in commissioning UK network programmes matched by an allocation of the necessary resources.
- The BBC should address the issues of representation and portrayal as recommended by the Audience Council for Scotland.
- A partnership agreement should be drawn up between the BBC and Creative Scotland, setting out how they will work together to invest financially and creatively in developing a competitive screen sector in Scotland.
- Channel 4, Creative Scotland, (and others), should explore a new partnership agreement to develop and strengthen the independent production sector in Scotland to ensure a sustainable hub of UK network suppliers from Scotland.

5: Distribution, Exhibition and Audience Development

An important element of any national screen strategy is the need to ensure that audiences are able to have access to a wide, diverse range of film content.

The development of digital technology extends individual access to film content without having to visit a cinema. It also provides the opportunity, however, for an audience development strategy based on delivering diversity, distinctiveness and innovation, enabling new audiences to enjoy the cinema experience.

The SSLG sub-group looking at this area drew up a model for an ambitious 5-10 year development to achieve a step change in the value and impact of the film distribution and exhibition sector with an increase in the number of cinema screens and admissions, benefitting communities across Scotland and creating economic opportunities.

It was recognised that this would require sustained investment and that while other cultural events, including theatre and music and zoos are already VAT-exempt, film exhibition is not. If the VAT generated by film exhibition in Scotland were retained it would release £18m [at 2015 prices] for investment.

Recommendations:

- Develop an advocacy strategy to seek the VAT paid on cinema admissions to be retained for re-investment in the sector.
- Maximise opportunities presented by the installation of superfast broadband connectivity across Scotland, through developing pilot programmes with Digital Scotland Superfast Broadband and other partners.
- Establish a Digital Screen Initiative supporting the maintenance and expansion of digitally-enabled and connected venues and facilities across the country.
- Develop a model for a virtual, digitally connected “national film theatre” curating contextualised film programmes and content.
- Review the opportunities for enhancing cinema provision across Scotland.
- Establish a commissioning fund to support the development and promotion of live cinema and events, tours and local film festivals.
- Continue to support the development of film festivals in Scotland’s cities.
- Work in partnership with the BBC and other broadcasters and streaming services to promote a broader range of content on broadcast platforms and streaming services.
- Strengthen connections between audiences and Scotland’s screen heritage.

6: Research, Statistics and Value

The Research, Statistics and Value sub-group sought to address the concern about a lack of reliable statistics about the screen sector in Scotland and that there is a significant gap in the understanding of a ‘base level’ from which to measure the growth, or otherwise, of the sector. Against this background, it is difficult to establish how the effectiveness of any strategy for growth can be measured and evaluated.

The TV Working Group commissioned desk research from EKOS looking at the currently available data and its usefulness for developing priorities and strategy. This found that: while there is no lack of data on the sector across the UK, it is not comprehensive; it comes from a range of sources with different methodologies making comparisons difficult; ad hoc studies do not provide consistent data over time; and, significantly, there is a lack of Scotland-specific data in a number of areas.

The research also identified problems faced by agencies involved in the collection of robust, consistent and comprehensive figures evaluating annual regional spend for all production activity in Scotland. The desirability of compiling annual national production spend figures was considered, as they capture valuable economic data otherwise omitted from existing annual research e.g. film production activity not covered by Ofcom, and the economic contribution of freelance crew working on incoming productions.

Amongst other things, the collection of regional spend figures provides meaningful data from which to calculate levels of freelance employment, and allows comparison of production activity between regions. Most importantly, it can also give a basic indication on the return on investment of public funding. By far, this is the most useful tool to demonstrate a reason for continued support for the sector at local authority level as well as being valued by policy makers at a national level.

Recommendations:

- The public sector agencies and broadcasters should work together to coordinate and strengthen the gathering of accurate, reliable and consistent data in Scotland and ensure that it is disseminated widely, informing the development of screen policy in Scotland.
- A working group should be set up to explore how a more robust method for collecting accurate regional production spend figures can be established. The relevant agencies and broadcasters should agree to a system for provision of production spend figures including timeframe, detail and scope of information.
- Existing regular UK surveys, such as Ofcom's Communications Market Report and PACT's Annual Census, should be reconfigured to extract more useful and consistent data and these and other UK-wide studies asked to provide more detailed Scotland-specific data.

7: Talent Development, Skills and Training

The development and retention of talent is essential for development of the entire screen sector in Scotland, from writers, directors and producers, through craft and technical talent on home-grown and inward productions, and also for distribution, exhibition and education.

These industries, however, present an especially challenging context for skills and talent development, for a wide range of reasons: several public agencies have overlapping responsibilities for skills and talent development in Scotland; the agencies are not well co-ordinated; and the policy context is changing significantly.

The forthcoming Apprenticeship Levy will alter the funding arrangements for apprenticeships, led by Skills Development Scotland. In its new five-year strategy BFI2022, the British Film institute has committed to 'leading, alongside Creative Skillset, on the development of a professional skills framework for new entrants and employees in the creative screen industries.'

An exceptionally wide diversity of specialisms is required for the sector, demanding an equally wide provision of skills and talent development. In addition, technology is changing rapidly, necessitating constant up-skilling in all technology-related roles. It is also disrupting business models for producers and distributors, demanding new approaches and new skills in response. However, high rates of freelance working make it difficult for professionals to plan and fund their own development; further, the numbers employed in many specialisms can be relatively small, making the demand for training provision similarly small and uneconomic.

The needs and challenges of the sector in Scotland are distinct and particular within the UK context, in which London and the southeast predominate. Production volumes vary seasonally and year-to-year, rendering identified 'skills needs' abnormally contingent on time-limited circumstances. The unreliability of work for freelancers in Scotland can lead to withdrawal from the industry or re-location to other production centres, and the loss of key personnel and skills. In contrast, recent high levels of production spend in Scotland have stretched the capacity of Scotland's crews to the limit, and crews from outwith Scotland have sometimes been required as a result, representing an economic loss to Scotland.

Finally, a severe lack of diversity is widely acknowledged by the industries throughout the UK; this is confirmed by Creative Scotland's forthcoming review of Screen Equalities, Diversity and Inclusion. Skills and talent development have a key role to play in addressing this challenge, for economic as well as social reasons.

Recommendations:

- Complete a review of skills needs (taking into account the Skills Audit work already undertaken by The Work Foundation for the BFI), provision and funding for film, television and related sectors, identifying the key barriers and opportunities to developing more responsive and appropriate provision, and priority areas for action.
- Public agencies and other key stakeholders (Creative Scotland, Skills Development Scotland, Scottish Funding Council, British Film Institute, Creative Skillset, BBC) to establish a working group to co-ordinate and develop a skills and talent strategy for Scotland's screen sector, working with training providers and the industry.
- Develop an advocacy strategy to ensure that Scotland receives an equitable allocation of funding from UK-wide bodies.
- Consideration should be given to whether Creative Scotland should assume a leadership role for skills and training as part of an enhanced Screen Unit.
- Skills and Training should be seen as a fundamental part of all investment across the sector and specific targets should be set and met.

8: Looking Ahead

The SSLG recognises the work that has been undertaken in the past two years by the Scottish Government and its agencies to strengthen the screen sector with additional funds made available to increase production and skills development. This Report, however, describes the generally held view that the sector lacks strong and clear leadership, a long-term comprehensive strategy for growth and appropriate and flexible funding that supports that strategy. Its recommendations are designed to address these issues.

In the context of the requirements of the new BBC Charter, the recently published BFI 2022 Strategy and the Scottish Government's commitment to establish a dedicated Screen Unit, there is an invaluable opportunity to build on the success to date.

A dedicated and streamlined Screen Unit within Creative Scotland providing the leadership, focus and concentration of resources is required to achieve the ambitions for the sector.

There is a need - and expectation - that the BBC will enhance its investment in Scotland and work in partnership with Creative Scotland to achieve sustained development.

It is important that support for the screen sector combines expertise from creative, enterprise and skills development partners to deliver an easily accessible and clear route to content and business development support, whether through a one-stop route or the closer partnership working of all the public agencies.

It is also important that an appropriate and adequate governance structure is established to ensure that the development of policy, strategy and infrastructure is done in full consultation in a way that allows buy in from government, broadcasters, support agencies and the sector itself.

With strong leadership, a comprehensive strategy and appropriate investment and support, the following should be achieved in the next 5 years:

- A vision is established for each aspect of the sector that comes together in an agreed, integrated, over-arching strategy for the sector as a whole.

- Scotland is viewed as an international centre of excellence for talent, skilled craft and technical crews, infrastructure and facilities companies.
- Scotland is a key destination for UK and international productions and its screen sector producers and businesses participate confidently on the world stage.
- There is a range of appropriate funding for all content development, delivering more productions, including returning TV drama series, and increased drama, animation and children's commissions.
- The screen sector is seen as one of Scotland's key economic drivers supporting a wide-range of sustainable creative businesses across content development and production, facilities and infrastructure with increased numbers of private sector companies in Scotland investing in those companies.
- There are clear pathways from education through training to the workplace delivering an industry-ready workforce and creative talent is nurtured, developed and supported through tailored talent development programmes across the sector.
- Film exhibition reflects diversity of programming and distinct voices with growing audiences in a range of settings across all communities in Scotland.
- Formal and informal moving image education provision in Scotland is inspiring, inclusive and vibrant, developing vital film literacy and discerning audiences.
- Barriers to access and progression in the sector, identified by Creative Scotland's Screen Equalities, Diversity and Inclusion Survey and Report are significantly reduced.

Appendix – SSLG Membership and Terms of Reference

Name of group: Screen Sector Leadership Group (“the Group”)

Purpose/Role of the Group

The Group brings together senior representatives of the Scottish Screen Sector to recommend actions to be taken to strengthen and develop the Scottish screen sector. (“the Sector”).

To this end the Group will:

- set priorities
- agree objectives to be delivered in the short term and medium term
- engage with Creative Scotland, Scottish Enterprise and the Scottish Government on a delivery strategy

Background

On 31st March 2015 the Economy, Energy and Tourism Committee of the Scottish Parliament published a report into the economic impact of the film, TV and video games industries.

One of the key recommendations was the formation of a ‘film industry’ leadership group to facilitate engagement with the ‘film industry’ and to enable the public bodies to understand better and respond to the industry’s needs.

In discussion with Scottish Government it was agreed that the group should be named the ‘Screen Sector Leadership Group’, to ensure proper representation of the film, television and the wider festival, distribution, exhibition and education sector.

Membership of the Group

Membership includes senior representatives from a broad range of the Scottish screen sector and includes senior executives of Scottish head-quartered independent production companies, one non-qualifying production company, a senior executive representing each of the public service broadcasters, representatives of industry trade associations and representatives of public sector support and development agencies engaged with Scotland’s screen sector.

Current members:

Member	
John McCormick	Chair
John Archer	Hopscotch/Independent Producers Scotland/ TV Working Group
Gillian Berrie	Sigma Films/ Independent Producers Scotland
Alan Clements	STV
Belle Doyle	Association of Film and Television Practitioners Scotland
David Hartley	Scottish Enterprise
Joanna Dewar Gibb*	Artem/Screen Facilities Scotland
Ken Hay	Centre for the Moving Image/Scottish Film
Bruce Malcolm	BBC Scotland
Ian Mckenzie	Channel 4
Jane Muirhead	Raise the Roof/PACT Scotland/TV Working Group
Jennifer Reynolds	Glasgow Film Office/Scottish Locations Network
David Strachan	Tern/TV Working Group
Natalie Usher	Creative Scotland

* Eileen Byrne – Visual Impact/Screen Facilities Scotland replaced Joanna Dewar Gibb during 2016.