20 June 2017

Joan McAlpine MSP
Convenor
Culture, Tourism, Europe & External Relations Committee
Scottish Parliament
Edinburgh
EH99 1SP

Dear Joan,

Thank you for your letter following recent evidence sessions to the Culture, Tourism, Europe and External Relations Committee on Scotland’s Screen Sector and on the report issued by the Screen Sector Leadership Group (SSLG). I am responding in my capacity as acting CEO while Dr Lena Wilson is out of the office.

We welcome this opportunity to update the Committee on their three key areas of interest:

- The Screen Unit
- Partnership Working to Support the Screen Sector
- Pentlands Studio Developments

The Screen Unit

The Scottish Government undertook in its 2016 Programme for Government to increase support for the screen sector through the establishment of a dedicated Screen Unit to combine expertise from creative and enterprise partners and oversee support, prioritising input from the industry itself.

Through the Screen Unit Delivery Group, officials have been working with the key agencies including ourselves, Creative Scotland, Skills Development Scotland, the Scottish Funding Council and Highlands and Islands Enterprise - to create a Screen Unit with a sector-wide remit, based within Creative Scotland this year.

All agencies have agreed to a short-life project to develop a joint proposal for how the Screen Unit ambition might best be delivered.

Creative Scotland has agreed to take on the role of Senior Responsible Owner of the project. To bring high-level input they plan to establish a Sponsor Board of senior representatives of the other agencies involved in order to drive common purpose and ensure the project is delivered with momentum and pace. The partners have agreed a Project Initiation Document that sets out how
they will take forward the detailed work over coming months, and their first officers’ Project Board has already met.

This approach should equip Creative Scotland to present to Ministers, in late autumn, a collaborative blueprint for a Screen Unit which commands the support and commitment of partner agencies. The project deliverables include:

- An agreed inter-agency proposal, or options, for the sector vision and long-term strategy
- Agencies’ agreed roles and accountabilities
- One common agreed economic baseline assessment report
- Screen Unit purpose, functions, configuration and governance
- A single Screen Unit Action Plan with associated impact targets and streamlined collaborative partner contributions over the period to 2022-2023.

We look forward to the outcome of the project and it paving the way for early establishment of an effective Screen Unit.

**Partnership Working to Support the Screen Sector**

We have a positive and productive relationship with Creative Scotland and other public sector partners, and each of us has a distinctive contribution to make in support of the sector. We work in partnership in many ways to support the screen sector, illustrated by some of the examples below:

- We play a full and active part in each of the bodies Creative Scotland has established/supports to co-ordinate the efforts of the public and private sector across the creative industries and screen in particular;
- We jointly lead with Creative Scotland on the provision of studio infrastructure and we work in partnership with them, Business Gateway, and Highlands and Islands Enterprise to provide business development support to help companies invest in new capabilities that help them compete more effectively. The Committee will be familiar with SE’s direct support to companies with the potential for high growth delivered through our Account Management Service. This provides a range of business development services tailored to high growth ambitions;
- Working with the main support agencies we led a comprehensive mapping exercise of the Business Development Support landscape, following which a partnership agreement was reached to build a portal dedicated to the screen industries. This portal will be the first time a sector within the Creative Industries has had a single site to go to investigate and access available products and services from multiple public sector agencies. The site will be hosted and managed by the Cultural Enterprise Office and will feature support products available from each agency that we would like screen sector companies to use to greater effect. We are contributing half the set up cost of the new portal;
- Along with Creative Scotland and Independent Producers Scotland we have agreed a partnership project that will invest £500,000 into screen sector specific business support over the next two years. Currently most production businesses are not of the scale where certain
support functions can be afforded in-house, impacting on their ability to increase output and remain sustainable. The project is envisaged as a pilot that will demonstrate the effectiveness of dedicated support in helping screen production companies grow and provide evidence for further investment in the sector. SE has approved £250,000 of support towards the project which will be led by Creative Scotland Screen Directorate.

With regard to content creation and production funding for screen production companies, we sign-post companies to Creative Scotland who lead in providing this support.

To help understand how screen industries perform, we funded a report, Broadcast and Television Production Strategy Research (Sept 2016), on behalf of the Scottish Broadcast and TV Working Group which was at the time chaired by Jane Muirhead. The report highlighted the particularly challenging environment for the production sector e.g. the decreasing value of commissions, and the difficulties experienced in breaking into higher value production activity and in generating substantial growth.

Since the report was published, there have been some positive developments. These include the announcement by the BBC regarding additional funding for Scotland. In addition, the Screen Sector Leadership Group Report identifies potential opportunities for significant future growth in the sector.

We believe the Screen Unit has a critical contribution to make to help realise future growth opportunities and we are committed to supporting the establishment of this dedicated unit.

**Pentlands Studio Developments**

We continue to be active in supporting developments in industry infrastructure, on behalf of the Film Studio Delivery Group, working actively to support and advise existing and prospective studio operators. We welcome the recent announcement that Ministers intend to grant planning permission in principle for the Pentlands Film Studio development, subject to conditions and a planning obligation. The proposed facility has the potential to significantly increase studio capacity and accommodate large scale productions, leading to increased growth for the screen sector overall.

I trust that this information is helpful to the Committee and should you wish, my colleague David Smith, Sector Director would be pleased to elaborate on these issues.

Yours sincerely

[Signature]

**ADRIAN GILLESPIE**
Acting CEO and Managing Director of Operations