Dear Cabinet Secretary,

At its meeting on 8 March 2018, the Culture Tourism, Europe and External Relations Committee took evidence from the agencies responsible for the delivery of the new Screen Unit. The evidence session formed part of the Committee’s inquiry into the Screen Sector in Scotland, which considers how the new unit will deliver the recommendations in the Screen Sector Leadership Group’s report. The Committee expects to publish its inquiry report in June, but agreed to write to you following the evidence heard on 8 March to outline its concerns regarding the delivery of the Screen Unit by the end of the current financial year.

The timeframe for the establishment of the Screen Unit

When you wrote to the Committee in July last year, you indicated that the aim was to have the new Screen Unit up and running by the end of the current financial year. However, based on the evidence we heard from the agencies, we are concerned that the Screen Unit will be not established by 1 April 2018. The Committee understands that Creative Scotland is in the process of recruiting a new Executive Director of Creative Enterprise who will be responsible for the delivery of the unit. When questioned about this role, Iain Munro of Creative Scotland indicated that the position would not be filled before the end of the financial year. In evidence, he emphasised the need to be realistic about getting it right commentating that “it was
never going to be possible for the unit to be 100 per cent in place and operational from 1 April.”

The timely recruitment of key personnel is one of a number of areas which the Committee feels might impact on the timely delivery of the Screen Unit. In addition, the Committee was told that the portal designed to provide a single point for business support is yet to be fully completed. The Memorandum of Understanding (or service level agreement) underpinning the governance arrangements between the lead and partner agencies is not in place. Similarly, the implementation phase as outlined in the Screen Unit proposal contains a substantial number of activities central to the delivery of the Unit and it is not clear at this stage when these tasks will be completed.

On this basis, it does not appear that key elements of the Screen Unit will be in place by the planned timescale. The new Screen Unit presents a real opportunity to create an even more vibrant, competitive and sustainable industry in Scotland and there is genuine enthusiasm within the sector for it to succeed. However, if the Unit is to deliver the kind of step up in change required it must provide a coherent and comprehensive package of support at both the domestic and international level. Without a clearer and more detailed plan in place from the outset, the Committee is concerned that the sector will continue to fall behind.

**Governance**

Throughout the inquiry, stakeholders have emphasised the need for there to be an appropriate level of industry experience and expertise at senior management and board level. At the meeting on 8 March, the Committee discussed the new governance arrangements for the Screen Unit with the partner agencies. Members were informed that the Screen Committee is still not in place and that there is currently no Creative Scotland Board member with expertise in the screen sector. In response to a question from the Committee about industry representation on the Screen Committee, we were told that Creative Scotland “is considering” industry representation. However, the Committee considers that it is important that the Board and Screen Committee include members with expertise on the screen sector.

The Committee recognises that the Screen Committee will serve an important role in bringing together agency representatives, but is concerned that the governance structure may lack the required level of agility due to the layers involved, particularly where decisions need to be approved by both the Screen Committee and the Creative Scotland Board. In evidence to the Committee, Ian Smith from the British Film Commission emphasised the need for national screen agencies to be agile and responsive to opportunities in a highly competitive marketplace. The Committee will continue to monitor the governance arrangements for the Screen Unit going forward to ensure it comprises the right level of expertise and provides clear lines of accountability.

**Industry engagement**

The Committee has heard wider concerns about the extent to which Creative Scotland has engaged with the sector in the development of the Screen Unit proposal. As referenced earlier in this letter, we have had a very positive experience
of our engagement with the sector and recognise the benefits of Creative Scotland being able to draw on its expertise. We would like to see greater consultation with the sector as we are convinced that this will contribute to the successful establishment of the unit as well as the delivery of its objectives.

Yours Sincerely

Joan McAlpine MSP

Convener
Culture, Tourism, Europe and External Relations Committee