



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Culture, Tourism, Europe and External Relations Committee

**Thursday 30 March 2017**

**Session 5**



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**Thursday 30 March 2017**

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**CULTURE, TOURISM, EUROPE AND EXTERNAL RELATIONS COMMITTEE**  
**9<sup>th</sup> Meeting 2017, Session 5**

**CONVENER**

\*Joan McAlpine (South Scotland) (SNP)

**DEPUTY CONVENER**

\*Lewis Macdonald (North East Scotland) (Lab)

**COMMITTEE MEMBERS**

\*Jackson Carlaw (Eastwood) (Con)

Ross Greer (West Scotland) (Green)

\*Rachael Hamilton (South Scotland) (Con)

\*Emma Harper (South Scotland) (SNP)

\*Richard Lochhead (Moray) (SNP)

\*Stuart McMillan (Greenock and Inverclyde) (SNP)

Tavish Scott (Shetland Islands) (LD)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Ken Hay (Centre for the Moving Image)

John McCormick (Screen Sector Leadership Group)

Jane Muirhead (Raise the Roof Productions)

**CLERK TO THE COMMITTEE**

Katy Orr

**LOCATION**

The Mary Fairfax Somerville Room (CR2)



**Scottish Parliament**  
**Culture, Tourism, Europe and**  
**External Relations Committee**

*Thursday 30 March 2017*

*[The Convener opened the meeting at 09:03]*

**Decision on Taking Business in**  
**Private**

**The Convener (Joan McAlpine):** Good morning, and welcome to the ninth meeting in 2017 of the Culture, Tourism, Europe and External Relations Committee. I remind members and the public to turn off mobile phones. Members who are using electronic devices to access committee papers should ensure that they are turned to silent. Apologies have been received from Tavish Scott and Ross Greer.

Our first item of business is to decide whether to take in private agenda item 3, which will be consideration of the evidence that we will hear today. Are members content to do that in private?

**Members** *indicated agreement.*

**“Screen Sector Leadership**  
**Group: Final Report January**  
**2017”**

09:03

**The Convener:** Our second item of business is an evidence session on the screen sector leadership group report. John McCormick is the chair of the screen sector leadership group, Ken Hay is chief executive officer for the Centre for the Moving Image, and Jane Muirhead is managing director of Raise the Roof Productions. I welcome you and thank you for joining us this morning. Mr McCormick—would you like to make a brief opening statement?

**John McCormick (Screen Sector Leadership Group):** Yes. Thank you, convener.

We appreciate this opportunity to discuss our report with you and thank you for sparing the time to do that. Our report outlines what the screen sector believes needs to be done to meet its concerns, including the concern that Scotland has fallen behind other parts of the United Kingdom, and that fragmentation and overlapping responsibilities mean that there is no overall integrated and coherent strategy and, therefore, no leadership or accountability for investment in the sector. To address that, we strongly support the proposed screen unit, but with an expanded remit so that it would have additional responsibility for the business development support that is needed by the small companies that operate in the screen industry but do not meet the criteria that are set by Scottish Enterprise. Those companies require additional resources, as we outline in the report.

The lack of visible progress on the screen unit since it was first mooted in May last year only reinforces the cynicism that is widely felt across the sector that I have been asked to represent today, and the belief that real progress will not be made until a realistic co-operative partnership is established between Creative Scotland and Scottish Enterprise for working towards shared objectives. There seems to be a reluctance to learn from the successful model in Northern Ireland, where Northern Ireland Screen and Invest Northern Ireland work closely together. The Economy, Energy and Tourism Committee’s report of March 2015 highlighted that but, sadly, there is no evidence of an improvement in the relationship between Creative Scotland and Scottish Enterprise during the past two years. The belief is that only the Scottish Government can make that happen but that the sector is not a priority.

We believe that our report presents an honest assessment of what needs to be done. We hope

that the report can be a catalyst and that the committee can help us to bring some urgency to the process so that we can make real progress.

**The Convener:** Thank you. I am struck by the pessimistic tone of your opening comments. I take it from what you have said that, even since the report has been published, you have seen no evidence of progress.

**John McCormick:** There has been no real progress in terms of the key relationship that the Economy, Energy and Tourism Committee drew attention to in March 2015. There might be things happening behind the scenes that we are totally unaware of, but when we submitted our report in January this year, there was no sign of the kind of understanding that would bring the integrated relationship and shared objectives that we think are necessary. That is why the establishment of the screen unit, which is a very positive proposal by the Scottish Government, is such a priority.

We received a presentation on the screen unit in October last year and gave it our whole-hearted support. We hope that the proposal will come to fruition, but for the screen unit to succeed there will need to be real co-operation between the screen unit and Scottish Enterprise, with Scottish Enterprise giving it its full support. It would mean that business development responsibility for the small companies that work across the screen industry would pass to Creative Scotland and the screen unit, which would be crucial for helping the companies that fall below the radar of Scottish Enterprise, whose main concern is, of course, high-growth companies.

Therefore, it is an optimistic view. There are many other things that we can be optimistic about, as the committee will know from its discussion at its previous meeting on the increased investment in the BBC. However, given the time that has passed since the screen unit was first proposed, my colleagues around the leadership group table feel that there is no urgency behind the proposal and that we are drifting behind other parts of the UK, which are making further advances and attracting greater international investment than we are. That is a pity, because there are strengths across the sector in Scotland. However, the sector is fragmented and we need bring to it coherence, accountability and leadership. We think that the screen unit, within Creative Scotland, would bring that leadership, so we strongly support it.

**The Convener:** Have you been given any indication as to how soon the screen unit will be delivered?

**John McCormick:** No. We know that discussions continue between Creative Scotland and Government representatives.

**The Convener:** Where do you see the blockage to progress lying?

**John McCormick:** I am honestly not in a position to judge that, and I am not saying that there is a blockage in the process. It is simply that we were very excited about the prospect of the screen unit when it was presented to us in September or October last year. We had discussions about it and we gave it our whole-hearted support. We had hoped that we would be seeing some tangible progress on it by the beginning of the new financial year, because it will demand increased investment.

My colleagues around the leadership group table, knowing that we were coming here today, asked me to express their disappointment that nothing has come out towards the end of the current financial year that would give them optimism. I am a glass-half-full person rather than a glass-half-empty person, but it is disappointing that, as we come to the end of the financial year, no investment has been announced to get the screen unit off the ground. The unit will require a set-up period for recruitment and so on, so my leadership group colleagues are beginning to wonder about the very slow progress towards achieving its being set up.

**The Convener:** The mood music that I am hearing in my conversations is that there has been progress within Creative Scotland, but Scottish Enterprise is the blockage. Is that what you are hearing?

**John McCormick:** I have heard that as well. That suggestion has been put to us.

**The Convener:** I will hand over to my colleague Lewis Macdonald, who was part of the then EET Committee's inquiry, as was I, a couple of years ago.

**Lewis Macdonald (North East Scotland)**

**(Lab):** You mentioned the importance of joined-up leadership, which was raised in that committee's report. That was partly about having a dedicated approach to the screen industries. It also recognised that, even with the creation of a screen unit, co-ordination and a joined-up approach between Creative Scotland and Scottish Enterprise will still be required. In the course of your inquiry, and in the feedback that you have had since, have you heard any indications that that wider point has been taken on board? The committee has had some feedback to the effect that Scottish Enterprise has been more proactive than it was in the recent past. Is that reflected in your dealings with Government agencies?

**John McCormick:** There have been some working groups over the winter looking at smaller projects—for example, the setting up of a shared services centre, which requires co-operation

between Creative Scotland and Scottish Enterprise, and some other sharing on the edge of the sector. I am not aware of anything fundamental on which progress has been made. Jane Muirhead may be aware of something in the independent sector.

**Jane Muirhead (Raise the Roof Productions):** I am not aware of any large initiatives. It is business as usual with Scottish Enterprise, which continues to be quite confusing for businesses. We know that a range of services are available, but they do not seem to be any easier to access.

**Lewis Macdonald:** One of the issues that came up during the previous inquiry was uncertainty about where the lead lay within Government, and which minister had the lead. Is there certainty around that now? Can you say to your colleagues, “That is the minister and these are their responsibilities”?

**John McCormick:** That is beyond our remit. We believe in the leadership of Creative Scotland and that the Cabinet Secretary for Culture, Tourism and External Affairs should be the lead minister. We realise that the leadership needs to cut across infrastructure, economy and finance to get things to happen. With the current review of the enterprise agencies under way, there is a moving picture: that may be the reason why we have not, over the past year, seen the progress that we expected.

**Lewis Macdonald:** That is helpful, because it captures the point that the Government does not seem to be clear about what it intends the enterprise agencies to do, in general. Lack of progress in this area in particular is, therefore, not surprising, in that context.

I want to ask about the other point that the Economy, Energy and Tourism Committee focused on as the litmus test of progress, which was the question of a film and television studio. What are your observations, in the light of the comments in your report and developments over the past few months, as to whether that litmus test has been met?

**Ken Hay (Centre for the Moving Image):** Clearly, the test has not been met. There have been a lot of conversations, positive noises and people making proposals. There is the proposal for the Pentland studio just outside Edinburgh. A number of other proposals have also been talked about. To date, two years down the line from when your predecessor committee reported, there is nothing: there is no new additional studio facility in Scotland. Production continues, however; people are making do with what is available.

We go out to international marketplaces and try to sell Scotland as a viable and vibrant production hub that it is worth coming to film in; there are

fantastic locations but no large-scale studio facility to facilitate further inward production activity.

**Lewis Macdonald:** There was real concern on the then EET Committee and among witnesses two years ago that the absence of a studio meant that Scotland was losing opportunities and its place as a leading centre for film and television production. Has that problem continued to increase? Have we lost more opportunities over the past two years? Is there a risk that we will slip altogether out of the race?

09:15

**Ken Hay:** I do not have the data to allow me to say whether we have lost more, but trying to sell something that we do not have is certainly quite hard work; other parts of the UK and the world have the facilities. We are trying to sell ourselves as a production base but with our ankles tied, so it is quite hard to do.

**John McCormick:** When we were talking to people in the skills development area and facilities development companies, they stressed to us the importance of a studio to development of the skills base in Scotland. We need to provide a training ground and apprenticeships so that we have a stable workforce in the sector. As the report outlines, we do not have that, at present. A fixed studio is important for development of that longer-term strategy for the industry.

**Lewis Macdonald:** You mean a studio that remains a flagship requirement and that has not yet been delivered.

**John McCormick:** Yes.

**Jackson Carlaw (Eastwood) (Con):** I am slightly worried that we are conflating all the issues. I, too, would like to talk about skills and a film studio, but I also want to go back to the opening area for discussion. The report touches on Northern Ireland Screen. The Scottish Government has made it clear in Parliament that the investment that it has put into film and television every bit matches—indeed, it exceeds—that which the Northern Ireland Administration has put in.

I note a member of your group was from Scottish Enterprise. The representation that has been made is that Scottish Enterprise sees itself as being far too big a beast to be terribly bothered with the much lower level of discussion about integration, commissioning and taking advantage of opportunities. Even since the BBC announced its studios initiative, representations have been made that Northern Ireland Screen was on to all the independent partners immediately, asking, “How can we assist?” and “How can we work to secure these productions for Northern Ireland?”,

whereas here in Scotland there has been no such co-operation and traction.

The mood music in Creative Scotland certainly seems to have changed. It had a prejudice in that it was looking only at film, but now it seems to see the television sector as a much greater opportunity. It has been suggested that, in Northern Ireland, a compelling personality has been in place who has been able to drive that synergy to the point at which the enterprise company and the creative operations function together. Should we be looking at that here? Is it simply that there is not somebody within Creative Scotland who is evangelically advocating for the sector and can generate results?

**Jane Muirhead:** Your point about an evangelical person is a really interesting one. The impression that the independent sector gets from Scottish Enterprise just now is that it feels that TV production in Scotland has flatlined, but I could cite so many examples to show that that is not the case.

The other thing that we should be really mindful of is that we are sitting on the edge of massive opportunity. The number of hours of television that are produced in the UK and Scotland has not reduced. The opportunity is still there, and the new channel that has been announced—BBC Scotland—presents further opportunities. All we are asking for is support in order to be ready to meet that challenge, because the opportunities exist. If that needs an evangelical person at the top who believes as passionately in our industry as we do, then so be it.

**Jackson Carlaw:** I believe that I am right to say that Creative Scotland, although it has the creative commitment, has a relatively small budget in comparison with the opportunity that comes from Scottish Enterprise.

You talked about the emerging opportunity. The report is actually quite BBC-centric. Channel 4 and Scottish Television were also represented in the review team, but there is not much mention of the opportunities that arise from them. It also strikes me that the really big creative opportunity that is emerging is international digital television production, which we are now seeing in Netflix, Amazon Prime and other internationally established channels, and in which the BBC sees an opportunity to have a platform, too. I note that quite a few programmes on those two digital channels are produced by the BBC, and we have not seen them on terrestrial TV.

Is Scottish Enterprise oblivious to all that? It seems to me that the budgets that underpin some of that production are at international film production levels and are not what we might historically have regarded as being budgets that

we would see for television drama. The productions are £1 million-an-episode type things that create huge opportunities, and there seems to be real demand for siting them in Scotland. Obviously, you have had more discussion with Scottish Enterprise about that than we have. Can the mood be changed, or are you pushing a stone up a hill?

**Jane Muirhead:** Scottish Enterprise fails to understand that development is the lifeblood of independent producers, so that is where we need to invest our money: we need to develop the next big idea. That said, when a production is commissioned, nobody knows whether it will be a hit, but we need to keep that pipeline going.

As independent producers, we have to be robust, and we have to learn how to react when a broadcaster says no. I would say that 95 per cent of our ideas end up in the rejected pile, so the investment is massive.

We would like to see that type of support from Scottish Enterprise and, indeed, from Creative Scotland. We had hoped that the proposed screen unit would be able to help with that, because Scottish Enterprise just does not seem to understand that our research and development ideas and people feed our businesses.

**Ken Hay:** Jackson Carlaw is asking a question about who and how. The issue is not recent; this conversation has been going on for at least 21 years of my life. Back in 1996, a report was produced under the then Conservative Administration that led to the creation of Scottish Screen. That was the model for Northern Ireland Screen, the English regional screen agencies and the UK Film Council. Obviously, Scottish Screen was one of Creative Scotland's predecessor bodies. The issue was exactly the same in my time working at Scottish Screen: it was about how to join the dots effectively between public sector bodies with shared responsibilities, resources and ambitions. It was just about impossible to do that in a sensible way. We could get individual projects off the ground, but it was impossible to have a shared strategy with shared responsibilities, authority and cash.

One of the solutions that Creative Scotland presented when it was created seven years ago was that it would resolve that. Rather than a relatively small agency—Scottish Screen—trying to battle a large agency like Scottish Enterprise, a much bulkier organisation would have the debate. However, we seem to be in exactly the same position after seven years of Creative Scotland's existence.

The leadership issue goes back to the top level of Government saying, "This is what we want." It should stop saying, "Have a nice conversation,



guys, and see what you can come up with," because it has been very little for 20 years.

**Jackson Carlaw:** I have a final question on that subject. You opened by referring to initiatives elsewhere that are potentially putting us further behind. Will you share with the committee some of the initiatives in other parts of the UK that point to Scotland falling further behind in terms of the advantages that are open to us?

**John McCormick:** On investment, BBC Wales and the Welsh broadcasting sector have moved ahead of Scotland because of significant investment there from the BBC, which is why we said so much about the BBC in the report. We thought that Scotland was falling behind in the BBC licence-fee allocation across the UK, that that was a matter for the BBC, and that now is the time to draw attention to it, as the committee did in the context of the new charter and the new governance arrangements for the BBC. We strongly support the licence-fee revenue that is raised in Scotland being spent in Scotland. We noticed that that was discussed at the committee's last meeting with the director general of the BBC. I was disappointed with one or two of his comments afterwards in interviews in which he said that, if Scotland received all the licence fee money that is raised here, the regions of England would have to get the same and the integrity of the BBC could be in issue.

We see the underpinning of the BBC rather differently—and the BBC's audience council for Scotland said more or less the same thing in its last annual report. There is a deficit of £140 million. A very welcome £40 million is coming over the next year or two. In our report, we say that the remaining £100 million could be brought into the sector over a five-year period, built up and developed to give us the sustainable growth that we have lacked in the past. We believe that that would strengthen the BBC rather than weaken it. In a devolved UK, the BBC has to have a very good case for saying that some of that £100 million must support the broadcasting industry in the overheated south-east of England.

The currency is programming. We know from research that there is strong support across the UK for high-cost drama productions coming from around the UK. More programming coming from Scotland, Wales and Northern Ireland would underpin the integrity of the BBC. Wales has done tremendously well in the past five years. With the increased investment that the committee heard about last time it discussed the matter, there is now an opportunity for the BBC to build on that. We believe that the integrity and strengthening of the BBC will come from that increased programming coming from around the UK, so that

its "UK-ness" is demonstrated on its major network channels.

The other side of the picture is, of course, Northern Ireland, where the relationship between Invest Northern Ireland and Northern Ireland Screen is free flowing and co-operative and where funding passes from Invest Northern Ireland to Northern Ireland Screen and they meet their shared objectives. They work very much in partnership, which is what we would like to happen here.

**Jackson Carlaw:** Thank you.

**The Convener:** Richard Lochhead has a question.

**Richard Lochhead (Moray) (SNP):** I have two questions, but one relates to infrastructure, which I am not sure that we are discussing at the moment.

As far as the overall scene in Scotland is concerned, will you help us to paint a picture on the challenge of retaining talent here? Is it the case that many people who want to work in the film and TV sectors feel that they have to move to London or elsewhere, or are people able to live and work in Scotland but still work on UK productions?

**Jane Muirhead:** That is an on-going issue. We have made progress in certain genres, one of which is features and factual programming. Nearly 20 years ago, a programme called "Location, Location, Location" was commissioned by Channel 4 in Scotland. On the back of that programme, companies have been spawned and there is now a whole generation of people who live and work in Scotland and work on that type of programming. As a result, more of that type of programming is being commissioned.

However, there is a real issue in scripted programming—for example, in drama. We have not had any major indigenous Scottish dramas produced here for a number of years. We can talk about programmes such as "Shetland", which is fantastic and is great for the area and uses local crew, but it is not actually an indigenous production; it comes from ITV Studios. That is a great thing, and we welcome it, but it is a tragedy that there is no drama that is being written and produced in Scotland, with the intellectual property being kept here as well.

**Ken Hay:** A lot of the talent works in the places where there is activity, so a lot of Scottish talent—particularly from the central belt—works in Northern Ireland on productions such as "Game of Thrones" or in Manchester on a range of productions from the north-west of England, as well as going to London. That is the way it is; it is a very mobile workforce, whose members have to make a living.

**Richard Lochhead:** A few days ago, we heard on the news that a major film is going to be shot in Edinburgh—I think that it is the follow-up to “The Avengers”, although I might have got that wrong. Will local people from the creative sectors be hired for that kind of production?

09:30

**Ken Hay:** I do not know the details, but my experience suggests that very few will be. It will be of huge benefit to hotels and other suppliers at that end of the scale. However, having walked around the centre of Edinburgh over the past couple of weeks and listened to the voices of the people who are setting things up, I do not think that they sound particularly local. You are right—the film is “The Avengers”.

**John McCormick:** As Ken Hay said, it is a transitory thing. People are attracted to where the work and the money are, and the people with the skills base to work behind the scenes are well used to travelling across the UK and Europe.

As we have not been able to have a sustained base of core business that goes from year to year to provide some stability, we do not have the basis of training or development to bring on the next generation of people. The transient population is part of the industry, but we lack the core, sustained business in scripted programming and film making to allow us to build that up for the future.

**Richard Lochhead:** I was interested in the comments about the film production, because when movies are shot in various locations around the world, you usually see in the credits the names of the different crews and people who are used in those different locations. Is that the norm for international film productions that are filmed in Scotland?

**Ken Hay:** Local people will certainly be used, but I do not know the details for the particular shoot that you are asking about. The vans, the lighting rigs and so on were from London-based studios and companies, so I assume that it is a London-based crew that is working here.

**The Convener:** I have a supplementary on the same topic, which the cross-party group on culture—which I chair—had a session on. Our speakers included Andrea Calderwood, who talked specifically about the points that you made about major international dramas, which are always collaborations. She said that there was an issue with tax breaks in that, although tax breaks are good, they are not geographically specific. She said that we need the UK Government to specify that the tax break would be obtained only if the production employed people to do the work in, say, Scotland; in other words, it should be

geographically specific. What are your views on that? If we took that approach, would it improve the situation in Scotland and address some of the problems that Ken Hay identified?

**Ken Hay:** There are very specific rules for how the tax credit is applied, but it applies to the UK as a whole and there is no geographical differentiation within the UK. If you wanted more for Scotland, it would be a case of the Scottish Government, Creative Scotland or whoever putting further incentives on the table. In some ways, Northern Ireland Screen has been able to do that, but Creative Scotland and Scottish Enterprise have not. There has been the Creative Scotland production incentive growth fund, which I am not fully on top of, to provide some additional money to attract business, but it has not been enough and, from what I remember, it was just for an initial year with one follow-up year. The question is how to get sustained investment in place for a longer period.

**The Convener:** To go back to my original question—perhaps the other panellists have a view on it—if the details of the tax break were to be revisited so that there was a geographical incentive, would that help?

**John McCormick:** I think that it would be helpful, but there are sometimes unintended consequences that cannot be seen in advance that might provide disincentives to some people to come and work in the country. However, it would certainly be worth examining.

**Lewis Macdonald:** Perhaps Ken Hay could tell us a little bit about the additional measures that Northern Ireland Screen has been able to put in place on top of tax credits, which we might be able to learn from.

**Ken Hay:** The starting point is at the top rather than at the bottom. Northern Ireland Screen is tasked with developing the sector and all the parties involved agree that that development is a good thing to do. There is an integrated strategy that joins the dots at the top, and the leadership for implementing the strategy rests with Northern Ireland Screen. It has the money to invest in order to achieve those objectives, some of which comes from Invest Northern Ireland; some of it comes from the Northern Ireland Assembly and some of it comes from elsewhere. It works on the basis of that very simple, clear model, which has the full backing of everyone on the ground.

To go back to your question, Northern Ireland Screen can then address all the individual elements. Part of the challenge in describing the sector in such a report is that it is all interconnected. The studio is important, as are the skills base, the talent base, the development functions, inward investment and indigenous

production. The question is how we tie all those different strands together. Northern Ireland Screen has the mandate, the authority and the cash, along with a strategy to back them up. That seems to be quite a simple, straightforward thing that, for 21 years, we have not managed to achieve in Scotland.

**The Convener:** We need to go back to Richard Lochhead. I am aware that we interrupted his line of questioning.

**Richard Lochhead:** That is okay. Others might want to ask about a film studio, but my question is only loosely related to that, so I am not necessarily going to go down that road. It relates to good will among public sector and private sector organisations in Scotland. The former RAF Kinloss base in my constituency is a huge site and, in my view, it would be great for a film studio or at least outreach and film work. People who work in the industry agreed with that but, of course, the Ministry of Defence was very lukewarm about it being used, even though a massive proportion of the site is unused at the moment.

What is the situation throughout Scotland as far as getting co-operation and good will is concerned? I know that, in the main, local authorities welcome film and television work using their locations. What about wider public sector organisations, such as the MOD?

**John McCormick:** I have no experience of the MOD or Government departments in relation to the sector. A lot of entrepreneurial work goes on, whereby people who have available locations or warehouses that become empty are quick to make the local authority and local screen agencies around the country aware that they are available.

I remember—this was about 25 years ago—going into the disused WD and HO Wills cigarette factory in Dennistoun to see the BBC set up for a drama series. As our BBC guys were coming in with their truck of cameras and lighting rigs, STV was leaving, having derigged “Taggart” from that space. That is when I first thought that we should be able to join everything up and get a studio. If that were the case, there would be a fixed lighting rig and the costs would go on to the screen rather than into the infrastructure.

There are many examples of that around the country. The BBC development in Dumbarton is well used. A number of dramas have used that studio. The white-painted former whisky-bottling plant there is a kind of mini Hollywood. It is exploited behind the scenes and a lot of work is done there, but we lack a big sound stage studio that is a permanent fixture, which would mean that companies would not have to send their people up front to scout around for and locate premises and

then adapt them. That is an increased cost. We need a fixed resource.

The local authorities are certainly entrepreneurial. The different film offices across the local authorities do a lot to make facilities known to different film companies internationally. They do a lot of good work.

There is a section in our report about the data that relates to the return on film investment. The data that we have shows that the return on investment is considerable but, as the report says, we need to do some granular work over the next couple of years to build up a statistics base about the return on investment in Scotland. Too many of the figures are dissipated—they are UK figures. There are very few figures for Scotland and for local authorities that enable us to demonstrate the return on the investment that local authorities put into their film studio work.

A lot of entrepreneurial work goes on, but that does not take away the need for a fixed film studio for the international marketplace.

**Emma Harper (South Scotland) (SNP):** Jane Muirhead spoke about development. We have heard about crews and teams in different specialties moving around to film. I am interested in talent development, skills and training. How do we ensure that there is no confusing overlap between existing bodies so that we can deliver appropriate skills and training?

It has been recommended that skills and training be considered a fundamental part of the overall investment. Once we train people, how do we ensure that we retain them in Scotland and that they do not disappear somewhere else?

**Jane Muirhead:** To keep people, we have to have the work. That is the bottom line. We cannot get away from that.

There is always quite a lot of training going on. One of the biggest providers is TRC Media, which receives funding from Scottish Enterprise and various other bodies.

Much of the training should take place on the job, but we need mechanisms in place to enable that to happen. As a company, we have had partnerships with Channel 4, for example, which gave us funding to enable an executive producer who worked on daytime programmes to work on a prime-time programme. That was very useful, because we would have had to have an additional budget line, as there was an additional person working on the production. Such partnerships are very helpful, because it is people at the executive producer level whom we are sometimes in danger of losing from Scotland. It is important that we keep them here, as they are the next generation of business owners and the people who will generate

the commissions. However, although we might get buy-in from Channel 4 or the BBC for what is quite a simple scheme, there is nothing on the table from agencies such as Scottish Enterprise.

**Ken Hay:** One point to emphasise is that, although the report is heavily weighted towards production, it covers the whole sector, including exhibition, distribution, audience development and education. As well as being about the production talent base on the creative and technical sides, the skills and training aspect is about developing talent for exhibitors and distributors, and for a wider education pool.

Last year, we were able to tap into Creative Scotland's one-off screen skills fund; I think that there was some money from the Scottish Further and Higher Education Funding Council, with backing from Scottish Enterprise. However, the funding was only for one year. A number of initiatives were set up and ran for their lifespan, and then they stopped.

CMI, working with film hub Scotland, ran an initiative to look at the next generation of talent coming through for distribution and exhibition, including people who want to run cinemas, film festivals and so on. You might assume that that is more at the cultural end of the sphere, but cinema exhibition has a higher turnover across the country than the average amount of production that comes into the country each year. Part of the issue is how we grow that marketplace. There is potential to do that, but we do not have the right level of skills—entrepreneurial skills, in particular—to ensure that we maximise it.

**John McCormick:** As we say in the report, we would like the screen unit's remit to be expanded to include taking on the leadership role in co-ordinating skills development for the screen sector. We recognise that skills must be provided by a range of bodies across Scotland. Some of the skills are specific to the culture sector and the screen sector; some are general and apply to other sectors. What is required is co-ordination, and some pressure on the bodies to work together.

We make the clear recommendation in the report that, if Creative Scotland had enhanced responsibility for skills development in the sector, it could do an audit of where the needs are and bring the different bodies round the table under its leadership. It would then follow the leadership of other areas on aspects that relate to the development of general skills rather than skills that are specific to the screen sector. Again, an enhanced role for the screen unit is crucial in that area.

**The Convener:** What we really need is a revival of Scottish Screen. We did away with it—that was

a political decision that was made even before the present Administration decided to set up Creative Scotland. We seem almost to be going back to that model, which is working for Northern Ireland.

**John McCormick:** You have some veterans of Scottish Screen sitting in front of you. Over the past year, as we were doing our work and talking to people, a number of them told us that it would be no surprise if people said to us, "We should have our own screen agency." On the other hand, we took the view as a group that, given the Government's proposal for a screen unit, we should give such a unit the opportunity to be fully set up, established and properly funded as part of the culture sector to see whether it could work.

We might have to move on at a later stage but, on the idea of changing course at this time, we would rather see the screen unit set up, strengthened and enhanced within the cultural body Creative Scotland and then give that a chance to work and see what happens.

09:45

**The Convener:** I suppose that, if a decision was made in future to set up a screen agency, the unit could be the basis of it.

**John McCormick:** Yes, and that would have a lot of support across the sector—there is no doubt about it.

**The Convener:** I think that Jackson Carlaw has a supplementary on that topic.

**Jackson Carlaw:** No—it is on a separate issue.

**The Convener:** I will probably come back to you then, if that is all right. Rachael Hamilton has a supplementary.

**Rachael Hamilton (South Scotland) (Con):** I want to expand on Emma Harper's question about skills and development. The Scottish Government says on its website that it provides £1 million to deliver skills and development training for the Scottish screen industry. You have talked a lot about overlapping work. What are you looking for that the Scottish Government currently does not provide with that level of funding? Are you looking for something over and above that money, or does the money fund a lot of the overlapping work that you see as unnecessary?

**Ken Hay:** To go back to John McCormick's opening statement and one of the things underpinning the report, there are lots of bits of money and very good initiatives and good projects, but they are not joined up. We think that it would make most sense to have an integrated screen strategy for the whole of Scotland. For example, Creative Scotland has its own screen strategy, but it is for Creative Scotland and the

people who it works with; it does not embrace the whole of the sector. The issue is how we can ensure that the public sector, public service broadcasters and the broader industry are all properly understood and reflected in the strategy and that the dots can be joined. We can then think about how we deliver it. At the moment, we are doing things sort of from the bottom up and it is a bit of a mess.

**John McCormick:** We need coherence. There are a number of bodies, so things are overlooked or fall through the gaps between them. The specialist needs of the sector are overlooked because Creative Scotland does not have a lead role. It does skills development almost by stealth, but it does not have a lead role and so it cannot commission proper skills development work. As Ken Hay said, the approach is too bitty and it needs to be joined up.

What people are looking for is quite simple, really—it is not earth shattering at all, and it runs through the report. It is a one-stop shop. In our first month of working on the report, a senior figure in the industry who wanted to remain anonymous said that, if we had a few thousand pounds to spend, the best investment would be to provide a person who could say, “I’ll be your screen guide to help you through the myriad of things that you need to know—I’ll be your route map and your sat nav.” We could pay someone £100,000 and get that off the ground so that people could phone, contact or email that person, because people cannot do it on their own.

We work in the industry and we find it very difficult. We keep bumping into people who say, “That’s not my job,” “That’s not my level,” or, “That’s too small scale for me because you’re a small company.” People are sent from pillar to post. We need a one-stop shop. Give us a key guide and an evangelist, as was said earlier, and that person could help us through the myriad of places. That one-stop shop could be the screen unit, enhanced, emboldened and funded to provide that.

**Rachael Hamilton:** I understand why your recommendations are looking for clarity. That leads me to observe that I am surprised that the Scottish Government and other bodies have not responded to your recommendations. Did you set a timeframe in which they should have responded?

**John McCormick:** No. We saw our work as a report to this committee, which is why we appreciate the session this morning. The work was commissioned by the Economy, Energy and Tourism Committee—as we have discussed, the recommendation to set up the screen sector leadership group came from that committee. We saw our role as being to provide a response to that

recommendation. We expect this committee to be our go-between with the Government, although we had a positive response from the cabinet secretary in a meeting with her and officials about the report and the range of work in it, so I am optimistic about that.

My pessimism, which the convener drew attention to at the beginning, is because people from around the sector said to me that they had heard that I was coming to the committee today but they had not heard anything about the screen unit or any of the other issues and they were really worried, because the financial year is about to start and nothing has come out. I was expressing their concern about that situation. I hope that this meeting, the committee’s work and its attention to those concerns will put the needed energy behind our report.

We know that the committee has many competing priorities, as does the Government, but the report has been laying there for some time. After a year’s work, we hope that the detail in it can be put into the hands of the Government to do the macro work and to knock heads together—frankly, they need to be knocked together—and for the enhanced screen unit in Creative Scotland to get on with commissioning the different strategies for the different sectors, as we have outlined. That would give us optimism.

**Stuart McMillan (Greenock and Inverclyde) (SNP):** I have heard a lot this morning about leadership and direction and the issue of skills has also been touched on. Over the years, a wide range and large number of directors, actors and other people involved in the sector have won awards. I can think of a director who lives in my constituency who has won a British Academy of Film and Television Arts award. On a number of occasions, we have discussed his thinking on how to progress this issue. That has not always been about the need to have one big unit; rather, the focus has been on—as Mr McCormick has touched on—the need to ensure that a throughput of commissioning and activity takes place.

When you talked to people in your work on your report, did you ever find an attitude problem about the skills that are available in the sector in Scotland? Has peoples’ attitude been that Scotland is too wee and that it is perhaps not as important as other areas in the UK?

**John McCormick:** I will ask Ken Hay and Jane Muirhead to comment based on their different perspectives and involvement. My experience of broadcasting in Scotland is that people like working with the crews here. They feel a release, an energy, an openness and a friendliness that they say that they do not get in the overheated south-east, where people can be fairly picky about

what work they take or leave. The people up here relish the experience.

I have had a lot of feedback over the years, including from film producers and directors involved in the Edinburgh international film festival, who have told me what a relief it is for them to come to the festival and to meet people who they can work with as a team. It is a very positive attitude. Over the past year, people have expressed to me their disappointment that, although they would relish the opportunity to come to Scotland, they cannot join up the dots in order to do the work here.

I have never experienced any barriers at all to that. What about you, Jane and Ken?

**Jane Muirhead:** No, not at all.

**Ken Hay:** No.

**Jane Muirhead:** Were you asking about commissioning, for example?

**Stuart McMillan:** Yes, but also from the perspective that there might not be as much creative talent in Scotland.

**Jane Muirhead:** Again, it is that catch-22 situation. The more work that we have here, the more experienced our workforce will be and the more commissions we will get. However, I do not see that as a massive issue.

The BBC is making inroads in some genres in Scotland by having people embedded here, such as Jo Street, who works across daytime and entertainment, and works with producers in Scotland at a granular level to develop ideas that she takes to the network, where she champions them.

We now have a lot of daytime producers, which is important to the economy, because that genre produces fast turnaround, long-running, returnable series that sell well internationally. On many bases, that works very well for us as companies, because that money goes on to fund our next round of development.

**John McCormick:** Convener, you mentioned Andrea Calderwood. When she was BBC Scotland's head of drama, she led a golden age of development—

**The Convener:** You appointed her.

**John McCormick:** I forbore to say that.

My next comment takes us back to Mr McMillan's point. When I read the evidence of your previous meeting on this topic, I saw that you talked about the commissioning role. The commissioner for drama in Scotland is a crucial role. It helps with the development of scripted work, it can develop the skills that are needed in

the film industry, and it can work across both media.

It works because the drama commissioner in Scotland works in partnership with the head of drama in London to develop programmes in Scotland. It is a bit like what we were saying about Northern Ireland Screen and Invest Northern Ireland. There is no resistance to developing programmes in Scotland. Like many businesses, television is a people business. That relationship was crucial to building on that. There was a similar relationship in the 1980s, when Bill Bryden, head of drama at BBC Scotland, worked with Michael Grade, controller of BBC1, and five or six years of wonderful drama was commissioned from Scotland and seen across the UK. Roles such as Jo Street's, in the factual and features area, are crucial. They can work with people on the ground and help them to develop their programmes. It is that crucial development role that we would like the screen unit to have.

**Jackson Carlaw:** I return to the issue of studio capacity. The budget for "The Avengers" is apparently the largest that has ever been spent on a movie production in Scotland. It has Scottish and UK stars speaking with American accents and is being filmed on location in Edinburgh. However, all the studio and post-production work is being done in Atlanta, in the United States, because there is no studio or post-production capacity here in Scotland. My understanding is that that is what the Pentland studio project is about—six sound stages and one water stage and an academy that would bring in all the permanent skill sets.

You mentioned the Dumbarton studio but we know that there has been expansion in Cumbernauld, too, which, for the foreseeable future, is nearly all committed to the digital television series "Outlander". It seems to me from the representations from industry figures that the whole Pentland project is mired in planning hell at the moment. Years after the plans commenced, the reporter has made a recommendation to the Government and we are waiting for the Government to make a decision. The project seems to be becoming something of a symbolic totem pole for the industry. Will the energy be put into a facility that will allow Scotland to compete for many such productions? Is a lot of industry expectation resting on the plan? Is another proposal in the works anywhere that would meet any of the objectives of the Pentland facility? If the Pentland studio does not go ahead, what post-production and studio capacity can we offer in the immediate future to complement and match the phenomenal locations that we are now able to offer?

**John McCormick:** In the screen sector leadership group there is strong support for that

fixed studio facility and frustration that the process is taking so long. The group understands that the planning process has got to be adhered to, but there would be great disappointment if the studio did not come to pass. People like Gillian Berry and Iain Smith on the group are talking about it, supporting it and expecting it. There is expectation throughout the industry, but the project has got to meet the planning objectives. People are just waiting for a decision so that they have some clarity. It has been delayed beyond the time that they were expecting a decision.

People are looking at other areas. Mr Lochhead drew attention to the possibilities that exist in different parts of the country. Premises are being looked at in Leith—there is the possibility of investment in a studio development in a building that is currently vacant. Although the eggs are by no means in one basket, a lot of effort, thought and scrutiny has gone into the Pentland project, and there is the expectation throughout the industry that if it passes the planning strictures, it might be the beginning of a new wave of production in Scotland.

**Ken Hay:** I agree with Jackson Carlaw's assessment of the project as being totemic. I would link his comments with those of Mr McMillan—it is about confidence. There has been a lot of negativity about the state of the industry. There are huge opportunities in the industry if we could just get our act together—and it is a collective act, involving a raft of public bodies, and the broadcasters and so on. There is huge frustration that everything seems to take so long to make not very much progress.

10:00

**The Convener:** Do members have any other questions about the film studio specifically? I want to bring Stuart McMillan in again because he had more questions, but we will deal with the studio first.

**John McCormick:** We were very clear, convener, that because the studio was in planning for most of the time we sat—planning hell, as Mr Carlaw told us—the film studio delivery group was working with a necessarily confidential process. We had hoped that there would be a result by the time that we put in a report. The group was working in parallel with us in private, and with the planners.

**Lewis Macdonald:** The Pentland project has taken some time to reach the stage it has. Presumably, if it were not to pass the planning strictures as you describe them, we might find ourselves in a position in which we were facing another significant period of time before something comparable could reach maturity.

**John McCormick:** Colleagues in the film area in Creative Scotland are very aware of the expectations and are considering whether other projects that emerge should require this long period of time.

**Ken Hay:** On its own, the development will not necessarily solve everything anyway. It is the beginning rather than a one-off event.

**The Convener:** There have been comments that a difficulty is the state aid rules. Because Scotland is part of the UK and state aid has gone into other film studios in the UK, we would struggle to justify significant state aid for a film studio. The one in Lothian is a private initiative. Are the state aid rules a significant barrier?

**John McCormick:** I am advised that they are. I am not a specialist in that area and could not add any valuable comment about that. We know that that is one of the barriers that have to be dealt with and overcome. We did not think that the Pentland studio would fall at that hurdle.

We have been watching and observing the progress of the Pentland discussions as they go into planning, rather than playing an active part in them; we simply feel that the studio as part of the infrastructure is an essential development for the sector in Scotland.

**Richard Lochhead:** Given that MOD buildings are already publicly owned, would they not be exempt from state aid rules? There will be a number of empty sites around Scotland.

**John McCormick:** I am glad that you made that point. Not many of my colleagues at Creative Scotland will be aware of that.

**The Convener:** There are also empty aircraft hangars in Dumfries and Galloway that should be in with a good shout.

**Stuart McMillan:** I will take you to Greenock. In recent years, "Waterloo Road" was part of the lifting and shifting. It was successful for the local economy and provided employment opportunities. If we had a major unit within Scotland—whether that was Pentland or something else—would that aid programmes being lifted and shifted here, or have the opposite effect? If people with that skill set had a permanent base here, would that provide additional flexibility for lifting and shifting to take place, with programmes moving even for a period of time, or would it have the opposite effect?

**Ken Hay:** I do not think that it is a binary question. It is not an either/or but a both/and. Lift and shift was in some ways blamed for things not working. Lift and shift was fine, because it created employment opportunities. The problem was that we were not investing in indigenous production at the same time.

It is back to John McCormick's point about how to create a critical mass of talent, whether creative or technical, and provide the facilities and so on to sustain that activity. Achieving that would mean that, if a further "Waterloo Road" appeared, it could be absorbed within the overall workforce and employment set-up. At the same time, we could happily take on "The Avengers" or anyone else—not necessarily personally.

**John McCormick:** A big strength would be securing the permanent infrastructure, skills base and training base for people, which we do not have at the moment, because it moves around the country.

I formed a view, which has been reinforced by the committee's deliberations, that the lift and shift process has been devalued. People in the BBC recognise that, and I would be disappointed to see it resurrected in any major way. As I said when I was in the BBC and have said since then, it is better not to meet your criteria by doing that. If you have a quota of 9 or 8 per cent, there is no shame in not meeting it one year. It is a creative business; it ebbs and flows. You should be allowed to not make your quota, but you should not dress up something as an indigenous production when it is not one. That argument has been heard and accepted across the BBC.

I was interested to see that, yesterday, Ofcom published proposals for the regulation of the BBC in Scotland. I have yet to read the small print, but it is clear that it will—as we recommended in our report, although I do not think that it is necessarily cause and effect—establish new and clear criteria for investment in the nations. The report that I read said that that should lead to an increased investment in Scotland.

**Ken Hay:** I should say that the Ofcom document is a consultation and that this committee, the screen sector leadership group and individual companies need to respond to it over the coming weeks to say that they think that that is a good idea. Please.

**The Convener:** That is useful. Going back to what you said earlier about the relationship between the drama commissioner in Scotland and London, I note that you listened to the director general's evidence to the committee and you will have heard us pushing him on that point. How confident are you that the new drama commissioner in Scotland will deliver on the expectations that original material will come from here and that there will be a good relationship with London? One thing that came out of that evidence session was that a lot of the commissioning still rests in London.

**John McCormick:** We were talking about that before we came in this morning. Too much

commissioning is in the hands of a few people based in London. As an outsider, I cannot comment on that. It is down to the relationships and it will depend on the person who is appointed in Scotland and their relationship with the people in London.

I know that there is frustration in the sector as we heard it round our table. Too few people at the centre in London sign off too many major projects. Our report recommends that the BBC should devolve commissioning. In a devolved United Kingdom, there should be a measure of devolved scripted commissioning, as there is in features in Glasgow, but we have yet to see that. I hope that the appointment of a new commissioner for drama in Scotland will lead to that, but I am not too optimistic.

It comes down to relationships and individuals. I hope that the committee's work, the report and all the discussions about the importance of the commissioning process will be heard by those in drama commissioning at the BBC in London.

**The Convener:** There are some other areas of your report that we have not really touched on, and it is important that we give you an opportunity to talk about them. You mentioned gaps in the data. Your report says that existing regular UK surveys such as Ofcom's communications market reports and the Producers Alliance for Cinema and Television annual census should be reconfigured to extract more useful and consistent data, and that those and other UK studies should provide more detailed Scotland-specific data. How should we go about making that happen?

**John McCormick:** It is up to us to move that forward and I hope that we can do so with the committee's interest and support. The information on return on investment is important. Working with colleagues in Creative Scotland, it is up to us to move that forward, keep attention on it and ensure that data is commissioned that can really have an impact on Scotland. The picture is too fragmented at the moment. Jane Muirhead has been working in that area for a long time.

**Jane Muirhead:** Our sector is heavily surveyed. There tend to be a few times every year when we get three or four surveys in our inboxes. It is a question of bringing all that data together in a coherent way so that we have a baseline, because we do not really know in any great detail where we actually are at this point. As a group, we should take that forward.

**Rachael Hamilton:** I have a supplementary question on that point. Why is the data that Ofcom and PACT provide not Scotland specific? What is holding them back from providing Scottish data? Is it the way that the data is collated and gathered?



**Jane Muirhead:** It is the way that it is collected. PACT is a UK-wide organisation, and that is why it collects the data in that way. However, the issue is something that we could take forward with your backing and perhaps that of Scottish Enterprise as well.

**The Convener:** So there is not a gap in the data. Data is being collected. It is just that it is not being co-ordinated properly. Is that it?

**John McCormick:** Too little data is Scotland specific. We generalise from and build on the UK data, but we need specific data on Scotland. If we had that, we could make a strong case for screen investment and the return on it.

**The Convener:** Why do you think it is for Scottish Enterprise to back that, and not the new unit within Creative Scotland?

**Jane Muirhead:** Because the new unit does not exist.

**Ken Hay:** Unless you know something.

**The Convener:** Fair enough. Another interesting issue that you talked about is Scotland's screen heritage, and you talked about strengthening the connections between that heritage and audiences. Will you say a little bit more about that and how you think that strengthening of connections can be achieved?

**Ken Hay:** Film is a relatively new art form and TV is an even newer one. Film is just over a century old, but we have fantastic archive collections in the National Library of Scotland moving image archive and a number of other collections. On getting that material out there, a number of programmes over a number of years have dug into the collections, but we need to ask how we can make the wider population in the country more aware of the richness of our screen heritage.

It can be about the development of film as an art form in its own right, but it is also about social history. It is about how Scotland has evolved as a nation over the past century and about looking at where we are now as a country. If we can understand from our history where we might be heading, that will be a good thing.

Part of the challenge is that a lot of the material is in formats that no one is able to screen any more. Very little of it is digitised. It may exist on film, but there are very few venues left in Scotland that continue to show film—Edinburgh Filmhouse and the Glasgow Film Theatre are two of the few that can do that. Otherwise, if we want to screen films, we have to digitise them, which costs money. A key point that is not reflected in the report is that it will cost money to support the digitisation of Scotland's screen heritage. Over the past 10 years, the National Film Board of Canada

has digitised its entire collection, which dates back over 75 years, and it makes the collection available to film-makers, programme makers and audiences, so if exhibitors want to get that collection out to audiences, they can do so.

The advice that I was given by the moving image archive is that about 15 per cent of the archive is digitised. There is a big gap between the fantastic collections that we have and our ability to allow audiences to connect to them.

**The Convener:** How much will digitisation cost and how long will it take?

**Ken Hay:** The National Film Board of Canada did it over six or seven years. I do not have exact figures, but its budget was, as you would expect, significantly higher than the budget that the moving image archive or indeed Creative Scotland has to put into that kind of work.

**The Convener:** Have you made representations on that to the Government?

**Ken Hay:** With my old Scottish Screen hat on, yes. I am not sure what representations have been made recently, because the moving image archive is now part of NLS, but we would fully back its ambitions to make the archive more accessible.

**Rachael Hamilton:** I wonder whether we should also mention the digital strategy and digital delivery. Do you feel that there is a clear focus on that? Is there a target that we need to reach within your proposals?

10:15

**Ken Hay:** In the audience development and distribution section, we recognise that large parts of Scotland are not connected to superfast broadband. There is a commitment through digital Scotland to roll out superfast broadband as promptly as possible, but that will take place over a number of years and, as ever in these situations, the original target will shift. What counted as superfast broadband 10 years ago will be quite slow now.

If we are genuine about wanting to give people throughout the country the ability to access archive material or watch film and television on their screens at home or in their local village hall, we need the roll-out of superfast broadband, which will transform their ability to see screen content.

**The Convener:** Do you want to come in on that point, Lewis?

**Lewis Macdonald:** My question is not directly on that point; I will come in at a tangent. In our conversations about providing and upgrading facilities, there is sometimes a risk that we will propose centralising everything. Ken Hay talked earlier about talent that is mobile. A lot of the

talent is in the central belt, but there is also an awful lot of production talent outwith the central belt, in the north and indeed the south of the country. How do you envisage that your recommendations will impact on those other centres of production? I am thinking of Aberdeen in particular, but there are other existing centres of production talent and activity such as Inverness and Stornoway.

**Ken Hay:** Moving on from talking about the audience aspect to talk about the production and talent pool aspect, I would say that, again, having access to superfast broadband would be transformational. I know a number of people who work in Aberdeen and a number who work north of Inverness who are plugged into the system. In effect, it does not matter where they are in the country, because they are connected to the rest of the world. However, people's ability to get that level of access is inconsistent. On the whole, people tend to get more of it if they are in one of the big city centres.

As someone who commutes backwards and forwards between Glasgow and Edinburgh, I know that getting decent mobile broadband or a decent phone signal on the train is just about impossible. Surely it is within our powers somehow to address those things. We are not saying that it is our job to do it but, as part of the joining of the dots that we talked about earlier, we acknowledge that it is something that the country wants to do anyway, and we are asking how we can assist the argument to make it happen.

**The Convener:** The committee is planning its work programme. You have produced a wide-ranging report that we are very appreciative of, and it gives us a great deal to get our teeth into. What would you like us to focus on in our work programme?

**John McCormick:** We clearly set out our priorities in the report. We strongly support increased investment in the industry. We spent a lot of time talking about that because people going cap in hand do not often get the answer, "Yes." Looking at what is happening across the sector in the UK and internationally, we felt that a £20 million increase to investment in Creative Scotland's screen unit is the biggest priority. Whether that additional public money comes from other sources or is new money, it is essential to get the development slates off the ground and encourage a number of new companies and their projects. That is the number 1 priority.

The film studio and infrastructure are also important because they will bring in some of the granular areas of skills development and building up the workforce, which will bring stability. Our priority would be infrastructure support and

increased investment to help with the sustained economic development of the sector.

**Ken Hay:** Underpinning that would be the strategy and mandate, which are currently quite confused.

**Lewis Macdonald:** On your first point, the Scottish Government's website says that it will create a screen unit within Creative Scotland in 2017. From what John McCormick said, I think the concern is that, given that we have missed April 2017, the date will have to be April 2018.

**John McCormick:** In the past few days, people across the sector have expressed to me their disappointment because, post budget, they were expecting to see something on financial planning by the end of this month. We do not know that it will not happen in 2017 but, as time goes on, there is disappointment across the sector. There is no white smoke as a sign that there is progress.

**Lewis Macdonald:** Is it fair to say that you would like the committee to ask questions about that at the earliest opportunity?

**John McCormick:** Yes. It is a great proposal. We just want it to get up and running without too much delay. We know that, as we go from financial year to financial year, things can be delayed for a year without people thinking.

**The Convener:** I thank our witnesses for attending.

10:20

*Meeting continued in private until 11:17.*

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

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