



OFFICIAL REPORT
AITHISG OIFIGEIL

Culture, Tourism, Europe and External Relations Committee

Thursday 20 April 2017

Session 5



The Scottish Parliament
Pàrlamaid na h-Alba

Thursday 20 April 2017

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CULTURE, TOURISM, EUROPE AND EXTERNAL RELATIONS COMMITTEE
10th Meeting 2017, Session 5

CONVENER

Joan McAlpine (South Scotland) (SNP)

DEPUTY CONVENER

*Lewis Macdonald (North East Scotland) (Lab)

COMMITTEE MEMBERS

*Jackson Carlaw (Eastwood) (Con)

*Mairi Evans (Angus North and Mearns) (SNP)

*Ross Greer (West Scotland) (Green)

*Rachael Hamilton (South Scotland) (Con)

Richard Lochhead (Moray) (SNP)

*Stuart McMillan (Greenock and Inverclyde) (SNP)

*Tavish Scott (Shetland Islands) (LD)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Alan Clements (STV)

Sophie Jones (Channel 4)

Ian MacKenzie (Channel 4)

CLERK TO THE COMMITTEE

Katy Orr

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Culture, Tourism, Europe and External Relations Committee

Thursday 20 April 2017

[The Convener opened the meeting at 10:02]

Interests

The Deputy Convener (Lewis Macdonald):

Good morning. I welcome you all to the 10th meeting of the Culture, Tourism, Europe and External Relations Committee in 2017. As is always the way of it, I remind everyone to switch off all mobile phones. Any members who are using electronic devices to access committee papers during the meeting should ensure that they are switched to silent.

Apologies have been received from Joan McAlpine and Richard Lochhead.

Agenda item 1 is a declaration of interests. I welcome Mairi Evans MSP to the committee and invite her to declare any relevant interests.

Mairi Evans (Angus North and Mearns) (SNP): I declare that I am a councillor on Angus Council, but only for another two weeks.

Tavish Scott (Shetland Islands) (LD): Aha—bailing out.

The Deputy Convener: Thank you very much. Mr Scott, your comment is duly recorded and given the weight that it deserves.

I record our thanks to Emma Harper for her work and her contributions to the committee during the period in which she served as a member.

Decision on Taking Business in Private

10:04

The Deputy Convener: Our next item is a decision on whether to take agenda items 4 and 5 in private. Are members content to take those agenda items in private later in the meeting?

Members *indicated agreement.*

Commissioning Policy

10:05

The Deputy Convener: Our main item of business today is an evidence session with STV and Channel 4 on commissioning policy. I am delighted to welcome to the committee Alan Clements, the director of content at STV; Ian MacKenzie, the nations and regions manager at Channel 4; and Sophie Jones, the head of corporate relations at Channel 4. I think that Ian MacKenzie and Sophie Jones wish to make some opening remarks. Thereafter, we will go directly to questions.

Ian MacKenzie (Channel 4): Good morning, everyone. It is really good to be here on behalf of Channel 4. I thank you all for giving us the opportunity to contribute to this morning's proceedings.

As the nations and regions manager for Channel 4, I am based in our only editorial office outside London, which is in Glasgow. In today's discussion, I hope that we can indicate some of the work that my team and I do to support Scottish independent production companies and why we think that it is having a positive impact not only on their contribution to our programming but further afield with other broadcasters both here and internationally. I also hope to give a bit of insight into the growth and multi-genre success that we have seen in Scotland over the past few years and how we feel that more might be achieved in the future.

Sophie Jones (Channel 4): Thank you very much for the opportunity to come and talk to you today. It might be useful if I talk briefly about Channel 4—who we are—and touch on the current process that the United Kingdom Government has under way. We can talk about that in more depth as we go on.

As you will know, Channel 4 is a slightly unusual beast in that we are a public service broadcaster in public ownership although we are entirely commercially funded. Unlike other broadcasters, we have no in-house production. We were established in 1982, and a particular part of our model is to be a publisher. As such, we source all our commissioned content from outside our organisation, working with hundreds of production companies from all over the UK. Ian MacKenzie's work is involved in how we go about that, and he can talk in more detail about that.

That model means that the fundamental question for us when we think about our contribution to the nations and regions is where we spend our money. It is a question that we think about a lot, particularly at the moment. As an

investor whose profits in the market are reinvested into programmes, talent and production companies, that is what we see as the key contribution that we make.

I will give some context regarding the process that we are currently in. You will be aware that a review of Channel 4 has been going on for some 18 months and, in the past few weeks, further clarity has been achieved, which we welcome. The UK Government has clarified that it is not looking to privatise Channel 4, thereby answering a question that has been floating around for some time. We very much welcome that and the certainty that it gives us about our ownership status. The Government has also narrowed down the focus of the review and made it clear that the priority area is what more Channel 4 can do in the nations and regions. A consultation paper has been published and the consultation is open for comments until 5 July. It centres on three core questions: the first around Channel 4's location; the second around what more we can do in terms of commissioning; and the third around whether we should be able to take greater stakes in independent production companies.

We are continuing—as we have been over a number of months—to think about how we can enhance our contribution. We agree with the premise of the question that the Government has put. It is an important consideration for the whole UK, and we are keen to do more to support the nations and regions, consistent with our remit as a public service broadcaster and the commercially funded model that we operate. We will say as much as we can about that. We are in that process and we are giving a lot of thought to how we can make a significant contribution. We may not have all the answers yet, but we will be as helpful as we can be.

The Deputy Convener: Thank you very much—that was helpful.

You have set out a number of the items that colleagues will wish to pursue, but I will start by asking about the screen sector leadership group report that was published recently, which made a number of recommendations that have a bearing on Channel 4 and STV. What is your response to that report? What is the general thrust of the direction of policy that you intend to follow?

Alan Clements (STV): Ian MacKenzie and I were on the committee that drafted the report, and we whole-heartedly agree with its conclusions. We have previously spoken in the Parliament, albeit not in this room, about the lack of focus in the public sector on growing the industry and the division of responsibilities among the many public bodies. The establishment of a screen unit would be a huge step forward, as long as it is properly funded and given the responsibility and the power

to deal with the growth of the sector. Scotland has lagged behind Wales in that regard and is now lagging behind Northern Ireland, too. Previously, we were challenging to be the second sector for the industry outside London. Now, we are fourth, at best, and we might well be drifting towards fifth, so it is extremely important that the report is taken seriously and acted on. I whole-heartedly back its recommendations.

Ian MacKenzie: I broadly agree with what Alan Clements said, but I will provide a bit of context specifically in relation to Channel 4. Scotland accounts for a very healthy proportion of our nations spend, which is counted across Scotland, Wales and Northern Ireland. We would like more measures to be taken that help to continue to support the efforts of the independent production sector here. Broadly, Channel 4 would welcome anything that would strengthen Scotland's ability to deliver at scale and to offer high-quality ideas.

The Deputy Convener: Alan Clements alluded to previous inquiries by parliamentary committees. When the Economy, Energy and Tourism Committee examined these matters a number of years ago, there was already a sense of urgency. Have we lost significant time in dealing with the situation? Is there time to make up what we have lost?

Alan Clements: I believe that we have lost ground. I do not know whether the committee has visited Salford, but the set-up there is incredibly impressive and it has grown. The BBC, ITV and a number of independent production companies operate there. Studios have been built in Bristol and Cardiff, which can be treated as a single travel-to-work area, and the growth, particularly in drama and features, has been very strong there. When we see the effect of "Game of Thrones" in Northern Ireland, everybody thinks that it should have been a Scottish series. Yet another studio is being built on the back of its success.

Although we have lost ground, that does not mean that we have not improved—we have improved over the past 10 years but, relative to other parts of the UK, we have fallen behind.

Tavish Scott: I want to ask Sophie Jones about the points that she made about the Government's review. My reading of the situation is that, until that review concludes, much of what we might ask today is, frankly, a bit academic. Do you know when the review will conclude, given that a general election has been announced?

Sophie Jones: On the consultation, as far as we know, life will carry on as it was before Tuesday's announcement. We are working on the basis that the consultation remains open. We will continue to give thought to how we can address the questions that the consultation poses, which

we have been doing for several months, even prior to the consultation coming out. Even without the Government asking those questions, Ian MacKenzie and I, along with the rest of Channel 4, are very much engaged in an on-going thought process about what more we can do to support the nations and regions, and that will carry on.

As far as we know, the consultation will continue as planned. Until anyone tells us differently, it is business as usual on that front.

Tavish Scott: Was there an end date for the consultation, prior to this week's events?

Sophie Jones: The consultation is open for comments until 5 July. No hard indication had been given about when the Government was planning to respond to that, although an informal indication was given that that would happen within months. We certainly hope that the Government will look to respond within that sort of timescale, but many uncertainties have been thrown up around that.

However, a lot of work has been done in Government over the past 18 months and in recent weeks, and we will continue to try to bring that process to a conclusion when we can.

10:15

Tavish Scott: Okay. Good. I want to ask Alan Clements a couple of questions, if I may. Forgive me: they are probably not directly about his responsibilities, but he can speak on behalf of STV.

Lewis Macdonald and I look back fondly on Grampian TV and local news. STV made a big pitch about local news and local news licences but, as a company, it has announced a national news programme, for want of a better phrase. Does that mean that local news has dropped down the priorities? What is the strategy for that?

Alan Clements: I hope that you are aware that we are launching STV2 on Monday, which we are incredibly excited about. It combines the five local licences that we applied for and were granted. As imitation is the sincerest form of flattery, it was very interesting to see BBC Scotland announcing a channel after we did and, indeed, an international, UK and Scottish news programme at 9 o'clock after we announced one at 7 o'clock. It will be interesting to see how successful STV2 is as it beds in.

There will be local news within that. As you have said, that is not my operational responsibility in the group of companies, but we will certainly reflect the communities of Scotland and take what is locally relevant to the other parts of the UK. We did an extraordinary amount of coverage of the Edinburgh festival, for example, but we also

played that on STV Glasgow, because we think that, despite what many people think, people in Glasgow are very interested in both Edinburgh and culture. We think that that was a huge success. Similarly, we covered the homeless world cup in Glasgow, but we also played that on the Edinburgh channel and gave it to a lot of local channels across the UK. We see that as the model.

Tavish Scott: My second question is about football content. Obviously, BBC Alba takes a lot of football and PRO12 rugby. Does STV have plans in that area? It strikes me that the investment that your company might make in that would be good news for the economy. Independent production companies would probably be hired to film games, for example. Is that part of the plans for the future?

Alan Clements: As far as I am aware, there are no plans to cover football much. As you know, football is a great passion of mine. It would be better if my colleague Bobby Hain spoke to the committee about that. I certainly would not want to mislead you in any way.

Tavish Scott: Sure. What about sport in general?

Alan Clements: We certainly intend to cover sport in general, and we have done so. The homeless world cup is a great example, and we have covered swimming and badminton. There is a great opportunity to cover sports that are sometimes not covered so well on television. As you know, there is a great focus on football in television coverage in Scotland.

Tavish Scott: Thank you.

Stuart McMillan (Greenock and Inverclyde) (SNP): I have a question for Sophie Jones and Ian MacKenzie about the headquartering of Channel 4. Manchester, Birmingham and Leeds have certainly been quick to put in bids to try to secure Channel 4's headquarters out of London. Does Scotland have the capabilities and skills to put in a bid to relocate the headquarters from Horseferry Road to somewhere in Scotland?

Sophie Jones: One of the questions that the consultation poses is whether the relocation of Channel 4 in whole or in substantial part is an option that should be explored further. Our starting point is to go back to the first principles of what Channel 4 is there to do, which involve two things, really. One is to ensure that we fulfil our remit, which asks us to do many things in relation to being alternative and diverse and representing a different point of view. It also requires us to ensure that the organisation is sustainable, in order to fulfil that remit over the long term. We ask ourselves questions in that context when we

consider the questions on location that have been posed to us.

As I said, our starting point is really how we can best make our contribution to the nations and regions. As a publisher and commissioner of content from production companies throughout the UK, our belief is that the most substantial contribution that we make is investment in those companies. It is about where we spend the money rather than where we spend the money from.

We have not really got into the details of where the most appropriate location would be, because we are asking ourselves what is the most effective and sizeable contribution that we can make on the most sustainable basis to the creative economy and in respect of representation and portrayal across our programmes. One thing that is clear from the independent analysis that we have done so far is that relocation would incur quite significant cost and disruption to the organisation, and it is clear that that will be a consideration in our thinking.

Ian MacKenzie: I am based in Scotland and we hope that the fact that we have an editorial presence in Scotland already—the nations and regions team—gives something of an advantage to the Scottish independent production sector. Recently, an executive joined my team who worked as an executive producer at one of our key suppliers, Raise the Roof Productions in Glasgow. That person's role is, in effect, to become an extra development executive or almost an executive producer to as many of the indies with which we partner as possible.

I will go back to the point that Alan Clements made about where Scotland may have slipped to in the broadest respect across the UK. From a Channel 4 perspective, it is heartening that the Scottish production sector is a significant contributor to our overall nations and regions spend. Crucially, we have seen an increase in spend each year since 2011. The most important point is that the basis for that has been sustainable. We have tried as much as possible to work with the indigenous production sector on that basis.

Stuart McMillan: The second part of my question was: does Scotland have the skills and capabilities to house a headquarters?

Ian MacKenzie: There is no shortage of skills in the independent production sector in Scotland. Some of our key, longest-running, highest-rating shows are delivered from Scotland. There is no shortage of production talent in this part of the world.

Stuart McMillan: I have a question for Alan Clements. Notwithstanding the questions from my colleague Tavish Scott, what work does STV

undertake in other countries, such as Ireland, and what benefits are there for the channel in any of its external activities?

Alan Clements: As I should have made clear, my job is to run the production business. STV Productions makes hardly anything for STV the channel. We are focused on the UK and international markets. Two weeks ago, I was in Cannes for the TV festival. We work with a distributor—Red Arrow International—that is based in Munich and we co-produce our programmes, sell our formats or buy formats internationally. We are very much involved in that. In fact, this month, we are about to launch a show for ITV called “Babushka”, presented by Rylan Clark, which is based around guessing the amount inside Russian dolls. That is based on an Israeli format from Armoza Formats. We developed the UK version and our version is now being optioned in the US by Warner Bros. As you can see, it is an international market.

We do not do much specifically in Ireland. We worked with Ulster Television and the Smithsonian channel in America on a series with Senator Jim Webb, who was briefly a candidate for the Democratic nomination for the presidency, about the Scots-Irish and how they shaped the United States.

We are always looking for such opportunities. Given the funding, STV2 and the new BBC Scotland channel, when it comes on board, will have to look to co-produce internationally to be successful.

Stuart McMillan: You mentioned the new BBC Scotland channel. How will that affect STV's operations? Obviously, there will be increased competition, but what does it mean for you apart from that?

Alan Clements: As our chief executive has made clear, we welcome competition. That is the nature of a commercial organisation. Ironically, it also offers an opportunity for STV Productions to win commissions because the channel will need some producers of scale and volume in Scotland. With my commercial hat on, I think that there is a great opportunity in that.

I believe that the interviews for the head of the new channel are taking place just now, so its direction will become clearer in the next few weeks. I am sure that its staff will look forward to coming to the committee and outlining their vision to you, but it is not for me to speak to that vision.

Stuart McMillan: My next question is for all the panellists. How are Channel 4 and STV getting involved in the digitisation of Scotland's film heritage?

Ian MacKenzie: Are you asking specifically about film archive and Scottish film heritage?

Stuart McMillan: Yes.

Ian MacKenzie: I would need to refer that question back to our colleagues at Film4 in order to give you a full answer. Most of our work on film in Scotland is in development and production. You will, I hope, have noted the long-anticipated sequel to “Trainspotting”, which was released at the start of the year. That is perhaps not a portrayal of Scotland that everyone loves; nonetheless, I hope that it is a striking example of Scottish talent on and off screen.

I might have to ask for the opportunity to give you more detail on that issue. Channel 4's nations and regions department is predominantly focused on working with the television commissioning teams to develop independent production companies.

Alan Clements: I would need to check and come back to you on that issue, too. I do not know of any current plans in that regard.

I will pick up on the Channel 4 point. What Sophie Jones and Ian MacKenzie have outlined is correct. The issue is about where the money is spent rather than about where the channel's headquarters are. In Germany, there are major digital, film and TV centres in Hamburg, Munich and Berlin. It would perhaps be healthier for the UK to have such a less-centralised approach, but to move one headquarters out of London would be to make one company pay for the sins of the many.

The Deputy Convener: It is all about commissioning.

Alan Clements: Correct.

The Deputy Convener: I suspect that colleagues will want to explore that area.

Alan Clements: If Channel 4 were to move towards the BBC's 9 per cent production commitment for all the nations—I am not necessarily saying that we would get there—that would give an enormous boost to the Scottish sector without the need to move a single person.

Ian MacKenzie: The important thing about our nations quota number—the 9 per cent figure that Alan Clements refers to—is that we have never seen that as a long-term ceiling; rather, we see it as a basement. It is important to note that we have overachieved on our overall out-of-London quota for many years, and it is our ambition to increase the percentage.

It is heartening that Scottish indie's contribution on spend and hours is considerably more than the contribution of the indies in Wales and Northern Ireland combined.

Jackson Carlaw (Eastwood) (Con): Good morning. Thank you very much for joining us. So far, the committee has concentrated on the BBC. Ian MacKenzie and Alan Clements both participated in the screen sector leadership group report, which also had a tremendous focus on the BBC. Therefore, it is good to have Channel 4 and STV here to discuss the issues with us.

I have slightly related but different questions for you both. Alan Clements will know of my on-going interest in the development of continuing drama here in Scotland and STV's role in that. At one time, drama production was more prolific than it is today. I understand that the way in which the ITV network operates has completely changed and that you stand as almost the only independent company in that relationship. However, Rob Woodward has, in each of his business breakfast presentations to MSPs, repeatedly assured us of imminent announcements on exciting, groundbreaking new drama production in Scotland, which might lead to continuing and recurring drama production. In the discussions that we have had on the creative arts in Scotland—including in relation to the BBC and beyond—all that is seen to be part of what would lead to a sustained creative arts renaissance here in Scotland. We can touch on studio capacity in due course, but where is STV on the long path towards a potential creative renaissance in that area of spend?

I note and recognise that STV is one of the independents that contributes to BBC television, because I regularly see productions on the BBC that you have produced.

10:30

Alan Clements: Hello again, and thank you for that question. You are right to say that that is a recurring theme. Our fundamental problem in the area is that, as you suggest, we have no power over ITV commissioning.

Fundamentally, the system works by our remitting an amount of money to ITV network centre, which then commissions programmes on behalf of all the licensees across the UK. Now that it owns UTV, ITV happens to own all the licensees apart from the holder of the two licences in Scotland, which STV holds. As much as we can, we encourage it to commission drama. In fact, there is one on this year, the final title of which I think is "The Loch", which is shot around Loch Ness. It was made not by us but by ITV Studios. I hope that our encouragement has had some effect.

As Jackson Carlaw rightly says, a lot of the focus is on the BBC because it has both an industrial role in creating dramas and a

representational role in showing all the regions and nations of the UK on its channels. We have two scripts, paid for by the BBC, which are waiting for the head of drama and the controller of BBC One to give their ticks or not. Both of those would be based in Scotland.

Jackson Carlaw: Does that mean that, for example, the drama "In Plain Sight", which depicted the Peter Manuel murder inquiry and was very highly regarded and viewed in Scotland, was an ITV Studios commission as well?

Alan Clements: Yes, it was commissioned by ITV network centre, and I think that it was made by ITV Studios. The problem is that ITV also owns a huge in-house production company and, as committee members will be aware, has bought a number of other production companies, including, for example, So Television. "The Graham Norton Show", which is one of the shining jewels in the BBC schedule, is made by an ITV-owned company. Members might also remember the huge debate about which of the programmes "Victoria" and "Poldark" would win in the Sunday ratings. Both of those dramas were made by Mammoth, which is a company that is owned by ITV; so, whichever way the ratings battle went, ITV won. Much as I would love to have more influence over that, Mr Carlaw, I really do not.

Jackson Carlaw: When Rob Woodward briefs us on pending exciting announcements about potential continuing drama, he is not being a fantasist. He is obviously massaging our expectations, but—

Alan Clements: Yes—or putting more pressure on me.

Jackson Carlaw: You have referred to a couple of potential creative ideas, which I presume you will pitch to ITV Network, to the BBC or to whoever else might take them forward—or, indeed, to Channel 4.

Alan Clements: Or, indeed, to Channel 4 or to Sky. We have one big Scottish project with an international platform.

Jackson Carlaw: However, the idea that STV—unlike the BBC, which is a national broadcaster—could invest a significant sum in a continuing drama that might have an audience only across the Scottish region over which it had control is not financially sustainable.

Alan Clements: No, it is not.

Jackson Carlaw: Let us move on to our witnesses from Channel 4. You referred to the support that you give to independents. I am interested to know whether there are particular areas of the independent sector in Scotland with which you have developed relationships and that produce particular types of programmes. I would

be interested in knowing what they are, and it would be good to have some examples. Where does drama sit as regards commissioning?

That might then lead us to the fact that we have had the exciting announcement that planning consent has been granted for Pentland Studios, which could significantly increase studio capacity to complement the natural locations that we have in Scotland. Might that have an influence? Has studio capacity been an issue in any of the decisions that you have arrived at in terms of ideas that have been pitched to you or your ability to commission? I recognise that the sector that makes documentaries and similar productions can often operate from a broom cupboard as far as local resources are concerned—albeit that it can produce some startlingly good programming. However, on the issue of trying to develop a wider creative base on the ground in Scotland, where does Channel 4 see a potential opportunity, or one for Scotland, to respond to the percentage quota or non-glass ceiling quota that you referred to?

Ian MacKenzie: Over the past few years, Scotland has developed quite an enviable track record in what we refer to as features and lifestyle programming and, by extension, daytime programming. I understand that daytime programming might not sound as exciting as returning drama, but it has factual genres that provide, in many respects, lasting throughput for production companies. A successful example, which is not a Channel 4 show but one that is produced by STV Productions, is the long-running “Antiques Road Trip” on the BBC, which is the kind of production that allows a company to retain and develop talent. I have mentioned Raise the Roof Productions, from which we have recently been lucky enough to bring somebody in and which continues to be a key supplier. The company spun out of the already successful IWC Media, which continues to deliver “Location, Location, Location”. Not every individual, couple or family that we see on the show buying a house is necessarily based in Scotland; crucially, though, the show is made in Scotland by Scottish production talent.

Beyond that, there has always been a tradition of quality documentary storytelling in Scotland, and we are starting to see the emergence of companies in the specialist factual space. Indeed, STV Productions is one of the suppliers in that space for us. However, from another perspective, we are now working with a new company called Red Sky Productions, which is headed by Jane Rogerson and Ross Harper, whose expertise is in factual and specialist factual entertainment. The importance for us of that is that those are probably growth sectors for Scotland. There is definitely the capacity for us to do more, but we produce long-running daytime series in Scotland, such as

“Fifteen to One”, which is recorded at the BBC’s Pacific Quay studios.

As a neat segue to your question on the capacity of studios, I can think of only one specific example. It was a daytime quiz show back in early 2015, which, because of a lack of capacity, the production company was forced to record elsewhere. I believe that the show in question was called “Benchmark”, from Victory Television, but I would need to check those details.

On the question of scripted content, Channel 4 has an important part to play in that regard but, to be honest, across any given year there is a limited number of slots on Channel 4 for scripted content. Arguably, the most enriching thing for a channel’s reputation is to find scripted content that will bring a big audience and have halo effects in terms of not only audience appreciation but people being employed in the production sector. We have on-going dialogue with a small number of Scottish independent production companies such as Synchronicity Films and, crucially, with Sarah Brown at STV Productions, who is highly respected by the Channel 4 team and is involved in on-going development conversations with us.

It is interesting that Alan Clements’s and Rob Woodward’s discussion around drama has been mentioned. Drama development can be a tortuously long process—I do not think that any company in that business would disagree with that—but it remains a great opportunity for Scottish production companies, which look for something in that space. We do not have that, but we have a real strength in multiple factual genres that has allowed to emerge more production companies, trust in the skills in the sector and, because of the relatively long-running nature of daytime and features programmes, the retention and training of quality staff, which is important.

Jackson Carlaw: John McCormick has discussed with the committee the screen sector leadership group report, which Alan Clements and Ian MacKenzie participated in, and there was a reference earlier to the potential advantage that Northern Ireland Screen has secured. There seem to be two aspects to that: one is the structural focus and the other is the fact that the organisation is fronted by strong leadership—John McCormick did not distance himself from that view. It seems that Northern Ireland Screen has particularly strong leadership, which has driven things through, whereas Scottish Enterprise’s attitude to investment in programming has been lukewarm because it seems to sit well below its understanding of things. What is needed is really strong leadership. Do you think that the establishment of a screen unit will be enough in itself, or will there have to be a real creative drive

by a strong leader who can work with the Government to pursue proposals to their fruition?

Ian MacKenzie: The establishment of a screen unit is a very important step in the right direction. If I am to talk about Channel 4's experience of working in Northern Ireland, it is important to state at the outset that our spend in Scotland still eclipses our spend in Northern Ireland by quite some distance. However, we have had there a very constructive co-investment approach from Northern Ireland Screen. That has come about directly through the work that my team carries out in our funding via a development fund that is called the alpha fund, which is working with indies on front-end development.

For Northern Ireland Screen to be able to co-invest with us each time we support an indie has been transformational for a number of the companies there. To illustrate that, we had no returning series in Northern Ireland in 2015 but we had three the following year, two of which return this year. That shows what impact can be made when not just broadcasters but funding bodies work in partnership to leverage the impact for independent suppliers.

I can speak only from my knowledge of Northern Ireland Screen and say that, having worked with its chief executive officer, Richard Williams, I know that he understands the potential benefits to the production sector. If we say that we want to support an indie and ask him to help us do that—

Jackson Carlaw: Is the contrast that you are drawing between the experience there and the current experience in Scotland?

Ian MacKenzie: It is, to some extent. We have had on-going discussions in Scotland, but they have not led anywhere of late.

Alan Clements: I could not agree more with Jackson Carlaw that there must be clarity of purpose. Northern Ireland Screen's website says that it aims for Northern Ireland to be the second sector of production outside London, and everything flows from that.

It is also about leadership. I am reminded of Henry Kissinger, when talking about Europe, saying, "Who do I call?" It is about having somebody who says that their sole purpose is to drive up the production that comes out of Scotland. Currently we do not have that.

Ross Greer (West Scotland) (Green): I have two questions, the first of which—a relatively brief one, given that the issue has previously been covered—is for Ian MacKenzie and Sophie Jones.

One issue that has been raised with us in the past by the independent production sector is the location of commissioners, commissioning editors or whatever the title might be. Those whose

responsibility is to commission content from the Scottish sector are often not—or are not consistently—based in Scotland, so it is harder to build up a relationship. The familiarity is not there. Naturally, there is something of a tendency to commission from people whom they know, and if they are not based in an area, they know the sector there less well. Can you go into more detail about what commissioning staff you have based in Scotland?

Ian MacKenzie: As I have mentioned, my team—the nations and regions team—is a strategic arm of Channel 4 commissioning, and we work in close partnership with all genres to achieve as much as we can to help indies deliver more for us from all the nations and regions.

Specifically on Scotland, I have said that strengths have been built up in features and daytime. Neither of those departments is based in Scotland—the commissioning editors are based in London—but I have a lot of confidence that if you were to speak to the Scottish indies who work with those departments, you would hear that they do not see that as a barrier either to pitching ideas or to the on-going success of shows that they have on screen. It is notable that the BBC has a dedicated daytime commissioner who is based in Scotland, but our daytime commissioner David Sayer commissions from Scottish suppliers a huge number of shows that also have a huge reach.

In addition to that, my team undertakes to deliver on an annual basis a large number of UK-wide events in which commissioning editors go out on the road and meet production companies in their places of work. Those events are pan-UK, and several take place in Scotland; indeed, the next one will be in Glasgow on 4 May. They usually involve multiple commissioning editors taking focused meetings and giving what can be either a happy review or a post-mortem of a recent show. They pass on some of their experience of shows that have or have not worked to provide as much intelligence as possible to the sector, and we hope that that dialogue both continues and helps.

Although we do not record this, it is crucial to make it clear that multiple commissioning editors are already out on the road at viewings and in edits and are having focused creative meetings with Scottish suppliers. That is going on in the background, but it is an important part of the job and most commissioning editors who work with Scottish suppliers take it very seriously. They understand the importance of spending time with the companies in their place of work as well as in London.

10:45

Sophie Jones: Just to add to that, I think that there is a benefit in the way in which Channel 4 as a whole—and the commissioning element in particular—operates in that it is a relatively small and integrated organisation. There is a benefit in having the commissioning team all working in a very close way, with individual genre heads sited together and talking to each other frequently to ensure that they share ideas and contacts. Everyone is in one place instead of people being one step removed and operating in a slightly disconnected way.

Ian MacKenzie and his team act as brokers between producers all over the UK and work with the commissioning team to ensure not only that people are coming to London and doing business with multiple potential customers, as currently happens, but that the team is getting out and meeting people. Is there more that we can do in that space to ensure that we are out, interacting and meeting new people as well as deepening existing relationships? Yes, there is, and that is the work that Ian MacKenzie and the commissioning team are doing.

Ross Greer: My second question is about what is commissioned. It has been raised with us in the past that a notable proportion of what is commissioned in Scotland tends to be short-term projects, such as mini-series and one-off factual programmes. There are obviously issues around growing the sector, but it is hard to grow the sector when people are lurching from project to project or when there are significant gaps between projects. What can we do to attract to Scotland more long-term projects such as series that have a chance of being renewed?

Ian MacKenzie: It is a really good question. I think that this works at different levels. For example, I have mentioned the alpha fund that we utilise to support independent production companies. We have positioned that for indies not just in Scotland but in the rest of the UK by saying that the emphasis of our support is on those with the ambition to provide to Channel 4 at scale. That does not necessarily happen overnight, but it means that we are asking the company coming in to focus the development that we are backing with funding on areas that can lead to series—and ideally series that return.

Of course, we cannot guarantee that that will happen, but we also work in close partnership with named commissioning editors on all those deals. That ensures that those named commissioning editors work in tandem with us and have regular meetings with those production companies, effectively to try to maximise the opportunity for success.

I have mentioned features and daytime. There are long-running series that come from Scotland—“Fifteen to One”, for instance—and Raise the Roof is bringing back “Kirsty and Phil’s Love It or List It” this year. We also have “Location, Location, Location”. I know that I keep saying this, but it is one of Channel 4’s most evergreen, long-running, fantastically high-rating shows, both in terms of audience appreciation and ratings, and it does a good job of portraying multiple communities and people’s experiences across the UK.

It is not fair for me to go into too much detail about it at this stage, but I should mention that we have a very exciting access documentary series coming from Mentorn Scotland this year. It is the type of series that takes a lot of careful negotiation around access, and it is not the sort of series that will easily come back.

The mix is important as well. We need an emphasis on scale, but reputational, highly authored documentary pieces, even if they consist of only three or four parts, are hugely valuable to the creative reputation of people working in the sector, too.

Perhaps I can go back to last year and the two series of “Britain’s Benefit Tenants”, which came from IWC Media. It was another great example of a show in which we helped to develop talent through a talent shadowing scheme. I must give Creative Scotland credit, because we partnered with it on that show at the time, and we were able to support a young female director on that show who went on to series produce later series.

We are seeing the beginnings of quite a lot of scale coming out of Scotland but, of course, we are keen for more. That is why our investment at multiple levels is weighted towards finding more series that have the potential to return.

Sophie Jones: A couple of years ago, we launched the £20 million indie growth fund to invest stakes in independent production companies. The intention behind the fund—whose most recent investment, made in the last few weeks, was in Glasgow-based Firecrest Films—is to provide investment that would not otherwise flow from the market to enable those companies to get through the next stage of growth.

We recently made our first exit from one of our first investments—True North, which is based in Leeds. That company has said that, as a result of our investment, it has been able to grow over the past few years and to put itself on a secure and long-term footing. It is now one of the biggest factual producers working out of that part of the country. That is a very positive story for True North, and we hope that the investment, expertise and advice that we bring to Firecrest Films and

other investees provide an extra level of sustainability and long-term growth for them, too.

Ian MacKenzie: Back in 2015, we supported Tern Television, which—as Lewis Macdonald might be aware—has an Aberdeen base as well as a Glasgow base. Two to three years ago, Tern was predominantly a BBC, Sky or non-Channel 4 supplier; fast forward to 2017, and it is delivering five different series for Channel 4 this year. That is a remarkable turnaround for Tern, and it is evidence of what our support through the alpha fund can do by connecting companies to the right commissioning editors. Those companies have doubled down on their efforts to secure commissions, and we are starting to see—and are encouraged by—the results of the strategy.

Ross Greer: I would also welcome Alan Clements's thoughts on that. On a policy level, what would you like to see from the Scottish Government, Creative Scotland and so on to attract more long-term projects?

Alan Clements: With regard to your first question about the proximity of the commissioners, I have to say that I diverge slightly from Ian MacKenzie and Sophie Jones, because I think that it is incredibly useful to have an on-going dialogue. For example, Jo Street at BBC Scotland is a pan-UK commissioner based in Glasgow who has really helped to build the sector here alongside Channel 4's fantastic efforts. Although he is a commissioning editor for science across the UK, Craig Hunter also looks at factual programming from Scotland for the network. Dropping him an email to ask if he is developing something in a particular area is a real short cut and can save you a lot of time and effort, because he is very close to the sector. Not that it is for me to pre-empt the review, but if, as a result, there were a pan-factual Channel 4 commissioner based in Glasgow, that would not be a tragedy or a poor outcome. However, there is an argument both ways in that respect.

To return to an earlier point made by Jackson Carlaw, I think that it would be great to have clarity, a certain level of investment and speed in decision making. I listened very carefully to the BBC's evidence to the committee about keeping true to its investment in Scotland and in indigenous companies that intend to stay here and develop even when their commission is finished. That would be great for the whole sector.

Ian MacKenzie: Channel 4 would echo most of what Alan Clements has said about the need for strong leadership and for anything that will allow us to leverage our investment at multiple levels. When I say investment, I should make it clear that that is often as simple as development investment and allowing companies to bolster either their existing teams or their ideas generation. It is a

costly business; a lot of people who work in development say that they work in the rejection business, because most of the great work that they do receives, I am sad to say, a no. We welcome any way in which we can bolster such activity, which, in our experience, is best done through partnership.

Alan Clements: Let me give you one example: Sky Vision, which is a wholly owned subsidiary of Sky Television and invests in and distributes material around the world, has made a deal with the Welsh Government to co-invest in ideas that, as long as they are made in Wales, can travel anywhere in the world. I was delighted to act as a kind of marriage broker and introduce Sky Vision to the Scottish Government, and those conversations are on-going. However, although I was delighted to do that, it should not really be my role; I just happened to know the individuals involved.

Coming back to Jackson Carlaw's point, I think that that is what I mean about leadership. Someone in the Scottish Government should have seen that happening in Wales a year ago and said, "Why are we not doing that?" Hopefully, the Government is now on the right path, and it is up to it to make a deal or not, but I think that that provides a good illustration of the point about leadership.

Rachael Hamilton (South Scotland) (Con): The culture secretary Karen Bradley talked about exploring "strong creative clusters" throughout the UK. Can you expand on that? Does it include Scotland? What work have you been doing with Creative Scotland? Those questions are particularly for Ian MacKenzie as nations and regions manager for Channel 4.

Ian MacKenzie: The only example that I have of a partnership with Creative Scotland is from two years ago. However, it was valuable and we then unilaterally repeated it by allowing a junior executive—the individual who I am referring to, Deborah Dunnett, has actually now joined the Channel 4 nations and regions team—to shadow an experienced executive producer with Raise the Roof Productions. She then went on to be an executive producer on, I believe, BBC and Channel 4 series. The crucial thing for us was that she was developing her skills to work on Channel 4 series at the time. We do not have recent examples of partnership, and we would very much welcome the opportunity to do more of it.

With regard to the creative clusters around the UK, our work is, in effect, to sit down with independent production companies on the back of our baseline offering and all the briefings that we do, and ask what success will look like for them over the coming 18 to 24 months and how we can support them to get there. That comes in different

forms. At an early stage, it might be about our acting as brokers to the commissioning system, to go back to Sophie Jones's point. We are genre agnostic, so we work across all the major commissioning genres in television and connect those companies, if they are not already connected, to the correct commissioning editors.

It is crucial to have brought into the fold somebody who has worked at the sharp end of production and development in a very successful Scottish indie such as Raise the Roof Productions. Her role is instrumental in helping indies in this space. She can sit across the table from them and look them in the eyes, as she has been in a similar position, and she spends a lot of her time downloading as much intelligence as possible from the commissioning teams and passing it on to those indies. That takes many forms, from development brainstorming and downloading recent briefs from various departments to the sort of tip-offs that Alan Clements mentioned about anything else that is in development or in production in that space. Timing is crucial for companies in pitching their ideas. There are lots of good ideas out there that sadly do not see the light of day because something similar has been green lit or is coming to screens soon.

I have already mentioned Tern TV and Red Sky Productions, but we have worked with a number of indies in Scotland over the years. Sophie Jones has mentioned Firecrest Films, which is a fantastic example of our investing at multiple levels. In Firecrest's early days, it delivered longer-form items for Channel 4 News. It then graduated to delivering half-hour "Dispatches" programmes for Channel 4's news and current affairs strand, and it had great success with that; in fact, it did some of our highest-rating "Dispatches" programmes ever with "Secrets of Poundland" and "Secrets of the Discount Stores".

When we sat down with Firecrest in 2013-14, we said that that was fantastic, but it was the first to admit that it was not a particularly sustainable business model, because that sort of investigative journalism programme is labour intensive and not hugely well funded. It had to consider how to broaden that out to more accessible subject matter and areas that speak to a broader audience and can work at scale. We supported Firecrest in bolstering its development efforts and team; fast forward a couple of years, and it has been commissioned to do a series called "Supershoppers", which is returning to the channel. It is a bit of a hybrid, as it works between news and current affairs and features, and it is very much about informing the consumer but in an entertaining way. It also happens to be a great example of a strong portrayal of Scotland. It has two female diverse lead presenters and it is all shot in and around Glasgow and post-produced in

Glasgow by a Glasgow production company. It is very strong on all counts.

We are supporting companies on that sort of trajectory on an on-going basis. It might not always end with their receiving investment from, for example, the Channel 4 growth fund, but it is likely to mean that they garner further interest from other broadcasters. The more we can strengthen such companies and the more they can supply to others, the more they can retain and develop their own talent.

Rachael Hamilton: My second question is a general one for the panel. The screen sector leadership group has made some recommendations. It seemed from the evidence that we heard that Scottish Enterprise has not been particularly supportive of the screen sector. From your experience of gathering together various stakeholders to create productions, have you found Scottish Enterprise not to be very supportive?

11:00

Alan Clements: I have dealt with Scottish Enterprise on and off in my previous two companies and at STV. Although it is always up for a conversation, it is, as Tavish Scott suggested earlier, not really that interested in the screen sector. My overall sense is that the sector has not really been a top priority for Scottish Enterprise.

Ian MacKenzie: The screen sector is perhaps atypical compared with other sectors that Scottish Enterprise works with. Television has a big freelance workforce that an agency might find it quite difficult to quantify and which can also be quite fluid in moving from company to company. Nonetheless, a lot of people are employed in the sector and if companies are backed to a greater degree by multiple parties—by broadcasters and agencies—they can retain staff for longer. They can potentially secure them in a staff position and therefore solidify their supply relationships with more broadcasters.

Rachael Hamilton: I am still feeling bereaved about the racing; you had it on Channel 4 for 32 years but it has now gone to ITV. Given your liking for long-standing programmes such as "Location, Location, Location", why did you let go of the racing?

Ian MacKenzie: I am not able to comment specifically on that—it was certainly not a decision that I played any part in. As the programme was produced regionally for Channel 4, it created straight away for me, given my role at Channel 4, a huge challenge, because it meant a drop in regional spend. We need to think about how to address that.

Sophie Jones: Sports rights are a competitive game. We were a proud home of racing for many years, but we are also proud broadcasters of Paralympic sport and formula 1. This summer, we will be proud broadcasters of women's football, which I am sure will be a wonderful spectacle in its own right.

Alan Clements: I am sure that you will enjoy the grand national on STV.

The Deputy Convener: Will anyone put any bets on that? The last question is from Mairi Evans.

Mairi Evans: Rachael Hamilton essentially covered the question that I was thinking about asking, which was about your relationship with Scottish Enterprise.

Ian MacKenzie touched on his working relationship with Creative Scotland and the talent shadowing scheme that he has done with it, and I am interested in hearing from him and from Alan Clements about their working relationships with that organisation. In addition to that, do the witnesses have any other relationships with other public bodies in Scotland and, if so, how do those relationships operate?

Alan Clements: We have a very friendly relationship with Creative Scotland. There has probably been nothing strategic in the past three years but we are sitting down next week with the head of Sky Arts and the chief executive of Creative Scotland to talk about what more we can do about the arts in Scotland. I am brokering that meeting and I hope that opportunities might come from it, but it is really about how we can replicate in Scotland what Sky Arts does with the arts bodies in England and Wales. If we could do that, it would be great for the sector. Obviously, we have not yet seen the emergence of the screen unit—that will be the key factor.

Ian MacKenzie: From a Channel 4 perspective, I was disappointed that when we approached Creative Scotland back in 2015 to suggest rolling out a talent shadowing scheme across the sector with the aim of working with a number of individuals across the year, it did not feel that it could do it at that time.

We have other partnerships—I suppose that I would refer to them as creative stakeholder partnerships—that are valuable in that they allow us to deepen and broaden our horizons as a pan-UK broadcaster. We support the likes of the British Academy of Film and Television Arts Scotland and Royal Television Society Scotland, both of which recognise excellence in the screen industries.

BAFTA has quite an exciting new talent strand that is really important in how it feeds into a number of areas such as our All 4 commissioning

area, and it provides a big opportunity for new, emerging and smaller production companies. Although it involves origination for online and shorter pieces, it is potentially quite long-running in terms of supply.

I probably cannot go into too much detail about this just yet but, in partnership with the Film4 team, we have plans to provide sponsorship and editorial support to an exciting new venture from Chris Young, the producer of the series and the film "The Inbetweeners". Chris, who I think is now based back on Skye—he certainly hails from there—will be running a new talent initiative to which Channel 4 will provide editorial input and support that we hope will help him to promote it. That is crucial to allow us to reach beyond the central belt in Scotland in order to develop talent.

Mairi Evans: It is indeed vital that talent development expands beyond the central belt and takes in all the other areas of Scotland so that we are able to encourage and build on that talent, so thank you very much for that.

The Deputy Convener: I thank our witnesses very much for their very useful evidence this morning. Clearly there are important things coming up in the worlds of Channel 4 and STV over the next few weeks, and we will watch them with great interest.

We now move into private session.

11:05

Meeting continued in private until 11:20.

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