



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Culture, Tourism, Europe and External Relations Committee

**Thursday 1 June 2017**

**Session 5**



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**CULTURE, TOURISM, EUROPE AND EXTERNAL RELATIONS COMMITTEE**  
**15<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)

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

\*Ross Greer (West Scotland) (Green)

\*Richard Lochhead (Moray) (SNP)

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

\*Tavish Scott (Shetland Islands) (LD)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

John Archer (Hopscotch Films)

Marie Archer (Aberdeen City and Shire Film Office)

Julie Craik (TayScreen Scotland)

Lloret Dunn

Rosie Ellison (Film Edinburgh)

Margaret Mitchell (Central Scotland) (Con) (Committee Substitute)

Jennifer Reynolds (Glasgow Film Office)

Dr Alistair Scott (Edinburgh Napier University)

Colin Simpson (Highlands and Islands Film Commission)

**CLERK TO THE COMMITTEE**

Katy Orr

**LOCATION**

The Mary Fairfax Somerville Room (CR2)



## Scottish Parliament

### Culture, Tourism, Europe and External Relations Committee

Thursday 1 June 2017

[The Convener opened the meeting at 10:03]

### Decision on Taking Business in Private

**The Convener (Joan McAlpine):** Good morning and welcome to the 15th meeting in 2017 of the Culture, Tourism, Europe and External Relations Committee. I remind members and the public to turn off mobile phones. Any members who are using electronic devices to access committee papers should ensure that they are switched to silent. Apologies have been received from Jackson Carlaw, and I welcome Margaret Mitchell MSP as his substitute.

Our first item of business is a decision on taking business in private. Are members content to take agenda item 3 in private?

**Members** *indicated agreement.*

## Film Making

10:03

**The Convener:** For our second item of business, we will hear from industry experts and representatives of film location offices in an evidence session on film making in Scotland. I welcome the witnesses. We will introduce ourselves, going anticlockwise round the table. I am the committee convener and a member of the Scottish Parliament for South Scotland.

**Lewis Macdonald (North East Scotland) (Lab):** I am the deputy convener and an MSP for North East Scotland.

**Mairi Evans (Angus North and Mearns) (SNP):** I am the MSP for Angus North and Mearns.

**Richard Lochhead (Moray) (SNP):** I am the MSP for Moray.

**Tavish Scott (Shetland Islands) (LD):** I am the MSP for Shetland, and we have just been filming "Shetland" in Shetland.

**Ross Greer (West Scotland) (Green):** I am an MSP for West Scotland.

**Stuart McMillan (Greenock and Inverclyde) (SNP):** I am the MSP for Greenock and Inverclyde.

**Margaret Mitchell (Central Scotland) (Con):** I am an MSP for Central Scotland.

**Rosie Ellison (Film Edinburgh):** I am from Film Edinburgh.

**Jennifer Reynolds (Glasgow Film Office):** I am from Glasgow Film Office.

**Colin Simpson (Highlands and Islands Film Commission):** I cover European affairs, tourism and film for Highland Council.

**Julie Craik (TayScreen Scotland):** I am from FifeScreen and TayScreen Scotland, which serves Fife and Tayside.

**Marie Archer (Aberdeen City and Shire Film Office):** I am from Aberdeen City and Shire Film Office.

**Dr Alistair Scott (Edinburgh Napier University):** I am from Edinburgh Napier University. Part of my role is director of screen academy Scotland, which is our partnership with Edinburgh College of Art.

**John Archer (Hopscotch Films):** I run Hopscotch Films and I chair Independent Producers Scotland.

**Lloret Dunn:** I am a freelance location manager.

**The Convener:** I invite Rosie Ellison to make some brief opening remarks.

**Rosie Ellison:** I thank the committee for inviting us to talk to you.

I run Film Edinburgh, which is the film office for Edinburgh, East Lothian and the Scottish Borders. Film Edinburgh is part of Marketing Edinburgh, the destination marketing bureau for the City of Edinburgh Council, and we are also funded by the councils of East Lothian and the Scottish Borders. As a film office, our remit is to promote the region to film makers on behalf of the local authority and to facilitate productions filming in the region.

Film Edinburgh generally works with about 500 productions a year, ranging from low-impact factual TV programmes such as “Countryfile”, “The X Factor” and party-political broadcasts, through to feature films and television dramas such as “Outlander”, “T2 Trainspotting” and “Avengers: Infinity War”, and everything in between. Since the film office was established in 1990—we are the oldest in Scotland—we have supported more than 5,500 productions filming in the city region, which has amounted to more than £85 million-worth of economic impact.

To promote the area, we work with property owners and landowners in the region who may be interested in having film makers use their property, and in our case we find it increasingly important to talk about the value of film tourism, which is of great interest to landowners and property owners. We have information on and photos of a huge range of potential filming locations, which we share with film makers in response to a brief. The register is continually evolving: we update it daily with changes or new locations, which we source through promotion, events and research.

In order to facilitate productions, we work with the local authority on film-friendly policies and procedures. We check policies against those of the other film offices in Scotland and around the United Kingdom, and they are backed up by a filming charter with the local authority. We are therefore in a good position to advise film makers about timescales, processes and costs of filming in the region. We keep a register of local crew and production services so that incoming productions can hire locally. We work with local education establishments on workshops and we promote training opportunities to new entrants in the region.

Film Edinburgh is part of an informal network across Scotland of four film offices—the others are in Glasgow, Dundee, for FifeScreen and TayScreen, and the Highlands—13 film liaison officers who represent most of the other local authorities in Scotland. The role of film liaison officers is to support film makers in their region,

though there is uneven coverage across Scotland due to resources.

At the centre of the network sits Creative Scotland’s screen commission. The network is kind of like a wheel: we are on the outside and Creative Scotland is in the middle. The screen commission is the first port of call for many UK and international productions that are looking at Scotland as a whole, and it takes the lead on proactive marketing and promotion in key markets, such as the US and Europe. The screen commission has funds to put towards bringing film makers to Scotland, which some of the film offices can complement with their own recce support. Creative Scotland’s screen commission also manages Scotland’s film funding and incentive programme, which has been very helpful in the couple of years since it was introduced.

The film offices and liaison services collate statistics to demonstrate to local authorities the amount and value of production. We share them voluntarily with Creative Scotland to help it to create pan-Scotland statistics, and we use them to benchmark against other parts of the UK, which helps us to inform filming policies.

In 2015, Scotland brought in £52 million-worth of economic spending from production. UK tax incentives are a huge draw for international film makers at the moment. The weak pound is also helping, and more than £2 billion was spent on high-value film and television drama in the UK in 2016.

The arrival of Netflix and Amazon, with film-industry-style tax breaks for high-value TV, which involves spending of more than £1 million per episode, has been a huge boost to the industry. Scotland has managed to attract “Outlander”, which is that type of show and which built its own film studio to house the production. That has resulted in more crew being trained at a high level and an increase in facilities basing in Scotland, all of which together makes Scotland a more attractive place for film makers. We still need more film studios in Scotland, and we are competing with the rest of the UK, where yet more film studios are being created right now in Wales, Liverpool, London, Manchester and the north-east.

Any production that is thinking about basing in Scotland is interested in the whole package: studio and sound stages, incentive finance, tax relief, accessible and varied film-friendly locations and production crew and facilities. Film-friendly local authorities and the co-operation of local agencies and businesses are vital to film and TV production, whether it is indigenous or inward. As such, film office support goes hand in hand with film studio provision in making Scotland an attractive proposition for film makers.

**The Convener:** Thank you very much.

We are not the first parliamentary committee to look into the screen sector. In the previous session of Parliament, the Economy, Energy and Tourism Committee did an extensive piece of work on the sector, and a number of important points were made and were taken up by the Government in helping to support the film industry in Scotland. That committee took evidence on film locations and incentives for attracting film companies. One point that was raised by a number of people involved in production was about local hire. As you outlined, £52 million of economic spending is attracted, but a number of people working in production raised questions about the number of local crews who are hired and the benefit to locations even if outside film makers are attracted.

Ben Owens, a scenic artist, who gave evidence to the Economy, Energy and Tourism Committee, pointed to the example of Canada, where people are given incentives in return for ensuring 25 or 50 per cent local hire. That was repeated by Belle Doyle, who also gave evidence to that committee. Could more be done to encourage local hire, rather than bringing in crews from elsewhere in the UK?

Andrea Calderwood has raised an issue about tax incentives, which Rosie Ellison referred to. Although those have been beneficial to the UK as a whole, could they be regionalised so as to be of particular benefit to Scotland?

**Julie Craik:** At events such as the TV festival, I have raised the idea of having some sort of condition on any funding or help that production companies get whereby they must hire a percentage of local services. However, most production companies that are coming in say that they would resist something like that. It would certainly be interesting for Creative Scotland and the tax authorities to discuss that to see whether some kind of onus could be put on productions to use local crew and services in order to get incentives and funding support.

Beyond having a local crew, that could involve having different production services. There is an organisation called Screen Facilities Scotland, which repeatedly says that, instead of using local services, which could be almost anything from transport to camera hire, people insist on using, say, London-based services.

**The Convener:** My understanding is that, in Canada, there is no way that people can make a film or arrange a television production without using a fair proportion of local crew.

**John Archer:** The Canadians operate a points system, and productions have to show that they are working with local people. Independent Producers Scotland has discussed whether

productions that benefit from an incoming production grant should work with local producers as a way of training people to work on big productions. That leaves at least some benefit to the local economy and to people's careers so that they can develop projects themselves.

On the other hand, it is a mobile business. Some of our best directors of photography go abroad to work and make their living in Canada. However, the more great productions that we have for them to work on here, the more they will stay at home to develop their careers.

10:15

**Rosie Ellison:** The UK tax credit has a points-based system, too. To benefit from it, productions have to hire a local crew, but "local" means from anywhere in the UK.

The production growth fund is further funding in Scotland that is based on how much is spent in Scotland. It operates on a 4:1 ratio, so productions that benefit from that fund, which is managed by Creative Scotland, have to hire locally, from Scotland, whether that is locations, crew or services. That does not necessarily mean that the crew or services come from the town in which filming takes place; they can come from anywhere in Scotland.

The other point is that productions have different needs, and some might be used to working with certain crew. The film sector review pointed to there being about 800 crew in Scotland, although there might be approximately 1,000 now. We might not have enough to service every production here, so people bring crew with them. Similarly, as John Archer pointed out, experienced crew from here might want to try out Canada, London or the US.

The work of the film colleges and universities here is critical to the overall package in training young people for the industry and providing opportunities to learn skills and crafts. That is just as important as training people to be directors and producers.

**Dr Scott:** To follow up Rosie Ellison's point, the partnership that we have between Edinburgh Napier University and Edinburgh College of Art was established in 2005 to create screen academy Scotland, which delivers practice-led postgraduate courses at a professional level to enable students in tertiary education to get the highest possible level of training that they can as new entrants to the industry. That has been very successful for the past 12 years.

Recent successes include a graduate, Robin Haig, who is based in the north-west of Scotland. His film "Hula" won the best short drama award at

this year's Celtic media festival and is now doing the rounds of various festivals. Last year, another one of our postgraduate graduates, Ben Sharrock, directed a feature film called "Pikadero", which won the Michael Powell award at the Edinburgh international film festival. That shows the level at the top end of creative talent being developed through screen academy Scotland.

One issue that we face is that the partnership was established with course enhancement funding, which we have benefited from during those 12 years. That funding came from Creative Skillset, which was originally the sector skills council for film and screen media. However, the policy on how the funding is delivered is changing. The previous British Film Institute strategy has come to an end and, in December last year, it announced the headline points of its new strategy, which runs from 2017 to 2022. Because of various policy delays, the framework has not yet been announced. It will be announced at Westminster on 28 June.

Consequently, there is a vulnerability about some of the funding that helps us in our programme of professional development for students and in the various ways in which students can engage with the industry in Scotland. Preserving that and having sustainable support for those industry-education links is absolutely vital to a future strategy for sustainable film in Scotland.

**Lewis Macdonald:** I am keen to explore how central Government and local government support your work and the film sector in general. Having heard from John Archer in previous evidence sessions, I know that things have moved on. Our advisers tell us that Creative Scotland's "Film in Scotland" guide indicates where studio space is available but does not provide contact details for the regional film offices. That surprised me. I am curious to know whether that is symptomatic of a wider problem or is simply a blip in somebody's preparation.

**Marie Archer:** All the film location networks are listed on the Creative Scotland website, so what you have described may be an anomaly. The working relationship with film liaison and the film offices is strong, as is the referral scheme that links them. From my experience as a film liaison officer in my local authority, I would say that, without the support of Creative Scotland, there is no way that I would have been trained to be a film commissioner and I would not have been able to access the support of the local authority. The connections and the wider opportunities that that brings to the region are highly supported. In the past five years we have had an increase in production that has been life changing for our communities. For example, this afternoon, I will go back to Aberdeen where 40 young people will be

doing the introduction to the hit the ground running course, which is an entry-level runners course. Our communities have had the opportunity to have feature films filmed in their town. I know of a young person who has come back to film in his home town as part of a professional crew. Young people have told us that it has been life changing.

We understand that the creative economy has huge power in Scotland, but it touches some of our regions only lightly. In the north-east of Scotland, film has changed that for us. However, we need further support and investment to maintain that at a time when local authorities are having to make some tough choices.

**Lewis Macdonald:** Is that a general view? Is there a robust and productive relationship across the board?

**Colin Simpson:** I certainly agree. We measure where our inquiries come from. I would say that more than a quarter of our inquiries are directed to us through Creative Scotland. There is definitely a good day-to-day working relationship.

**Lloret Dunn:** As an industry professional, I can say that there is no job that I do that does not have a direct line to Creative Scotland. The amount of support that it provides every production is hugely beneficial. In a way, it is the spine of what we do. I view the people in Creative Scotland as my colleagues. Regardless of which production I am working on and however many people are involved, there is a direct line to Creative Scotland and—from my perspective as someone who works in locations—it actively benefits everything. It is hugely rewarding. The people in Creative Scotland are interested, informative and up to date, and they provide valuable assistance when it is needed.

**Lewis Macdonald:** That is encouraging. I want to follow up the point that Rosie Ellison mentioned, which is perhaps relevant to Marie Archer and Julie Craik, as they are in neighbouring regions. The four film offices in Glasgow, Edinburgh, Highland, and Fife and Tayside have been described as a network, with a different concentric circle of other local authorities. What is the difference between how the Fife and Tayside office works and how the Grampian office works?

**Julie Craik:** The idea of a dedicated screen office is relevant. There is the wider Scottish locations network, and there is a website—[scottishlocationswebsite.com](http://scottishlocationswebsite.com)—that directs people to the page on the Creative Scotland website that has us all listed. However, the people who have screen liaison duties will have a wider remit. Generally speaking, they will be in an economic development department or, less often, a culture department, and they will have wider duties concerning tourism, different kinds of business



development, inward investment and so on. That means that they spend less time in offices that are dedicated to the work that we are concerned with. That does not mean that they do not provide a valuable and crucial service that provides coverage across Scotland, but the difference is that a dedicated screen office is strongly encouraged—certainly we are by Angus Council, Dundee City Council, Fife Council and Perth and Kinross Council—not only to keep a locations database, an image bank and so on but to identify all the local businesses that can benefit from screen production and bring together location owners and business owners in ways that can help them to understand the film business and engage with it.

Marie Archer can talk about how that compares with what happens in her office.

**Marie Archer:** Aberdeen City and Shire Film Office works across the two local authorities. I am partly funded by our cultural services department and a small amount of money from our economic development department to cover two days of my time to focus on film. That involves direct liaison with production companies that contact us, but it is also about building databases and information for productions and crew in the region. In addition, as we have had an increase in production in the past five years, we have a tourism product that relates to screen, which has added to the workload of my liaison role.

Each local authority will have a different range of skill sets behind their film liaison officer; some will have production understanding and some will be purely planners, marketing people or tourism people. Creative Scotland, which I referred to earlier, made a leap of faith five years ago and trained some film liaison officers for the first time, which changed my ability to do my job and to understand the needs of a film production. I say jokingly that, when a production comes in, it is like watching a small army take over a community, except that it does so in a good way; it can change the community so that it becomes part of that army and can make something really special.

The film liaison role is unique. The local authority requires to have huge trust in an officer, who might or might not be trained to undertake the role but who will ask for everything from roads being closed and young people being licensed to be in a film, through to a community's landscape being changed. That requires both the local authority and the production company to have confidence in the liaison officer to pull it off. That role is quite a difficult one when it involves only one person rather than a full screen commission.

**Lewis Macdonald:** I happened to be in Macduff recently on a day when the kind of thing that you described happened, so I know what you mean.

However, it sounds to me that you are a full-time person who is as focused on their role as your colleague is.

**Marie Archer:** No, I work two days a week as a film officer and three days a week as an arts development officer in my local authority. Obviously, I try to balance the two roles to the best of my ability.

**Margaret Mitchell:** Before I go on to my main question, I want to pick up on what Julie Craik said about Creative Scotland earlier. Our briefing paper states:

“Creative Scotland Locations identifies itself as the National Film Commission for Scotland.”

The paper also refers to “Film in Scotland”, which it states is “aimed at film makers” to point them to what is happening with the network of local film offices. Our paper states:

“Although it does list the film studio spaces available in Scotland, the guide does not provide a list, or direct contact details, of the Regional Film Offices.”

That seems to be quite a gap.

To talk about just my local area, I had no idea, despite being in politics as an elected member at various levels from local government right up, that there was a Lanarkshire screen location office. Is more awareness raising needed in that regard? Further, to move on to my next question—you can maybe tackle them together—we now seem to be at a crossroads. Will we have a more centralised arrangement, with Creative Scotland having an overview and deciding where productions go, or will we look at local film location offices being gateways after beefing them up a bit, giving them more funding and encouraging them to look for matched funding so that they can do the kind of things that Dr Scott talked about? In my area, for example, Coatbridge College is doing amazing work in artistic or dramatic make-up, media studies and so on. There are opportunities to do things like that in education and to beef up local film offices in a way that will help local economies. Which way should we be looking, or is it about balancing the centralised with the local?

**Colin Simpson:** From a Highland perspective, I think that we have probably got the balance about right and would prefer not to see it to go too much one way or the other. There is a need for the centralised resource, because, when we try to do things at the larger scale and go outside Scotland to attract attention, people do not necessarily recognise the different parts of Scotland; they recognise Scotland as a whole. On the other hand, when it comes down to a specific inquiry such as “What’s that road like?” or “Who’s the owner of that property?”, that is when the local knowledge that local film offices have comes in. There needs to be a bit of both the centralised and the local.

Personally, I think that it would be a concern if we centralised more. Equally, though, there might be risks in going the other way.

**Marie Archer:** It is about investing so that, at the minimum, there is a Scotland-wide film liaison network that is trained and supports Creative Scotland. In the increase in film that we have had it has had a unique role. As film offices, we could not promote our regions to the scale that we can when we collectively promote together through Creative Scotland.

10:30

**Margaret Mitchell:** Is that because of funding and because it is not beefed up enough to cope? Could it be?

**Julie Craik:** Sorry, but do you mean the network or the central resources?

**Margaret Mitchell:** I mean the local offices. You say that you do not have the resources. We know that there is pressure on budgets but, if we could wave a magic wand and the funding could be made available, would that be the way to go? Would there be any disadvantages in that or could there be real opportunities?

**Marie Archer:** For my local authority, given the scale of filming that has happened in the past five years, if we had the ability to put more time into our film office to proactively market and to work with VisitScotland as a partner and our regional tourism partners to tell those film tourism stories, an economic benefit could come from that investment. There is an argument for that.

**Rosie Ellison:** Creative Scotland has a different role from that of the local authorities. Creative Scotland is very much a central pool and it goes out in the world selling Scotland as a whole. As local authority services, we look inwards. I spend an awful lot of time with various council officers and councillors convincing them that film and television benefit the region, whether that is through the tourism impact, the economic impact or the education impact as a result of people getting opportunities for jobs and training. It would not be of value for a local authority to suddenly go out on its own and promote its region when that can be done by a central resource. It is being done very well by Creative Scotland, which goes to the United States and to Europe fairly regularly to sell Scotland as a whole—I think that it has even been to Korea. That encourages people to come and look at Scotland and see the huge range of locations that we have.

Another point is that each local authority does not have a huge range of locations. In Edinburgh, the Scottish Borders and East Lothian, I cannot offer the sort of jiggedy-jaggedy mountains that

there are in the Highlands—we just do not have them. However, I am happy to refer people to the Highlands film office or to Julie Craik's office for some of the central Perthshire mountains. The central resource in Creative Scotland is invaluable.

However, although we work well, there is no doubt that we could work better. The whole of Scotland is not covered at the moment, and it would be better if every local authority had some kind of representation. Although the panel members today are very focused on what we do, there are other film liaison officers who do not even have a day to spend on film. There is a call for more even coverage to ensure that, when Creative Scotland is out looking for responses and information about filming all over Scotland, it gets responses from all of Scotland. There should be even collation of the statistics around Scotland. When film makers go to shoot in the more remote areas, there should be somebody in the council who can answer the phone, rather than people having to wait for Wednesday in a week's time or something like that.

**Jennifer Reynolds:** I want to emphasise Rosie Ellison's point. One of the greatest parts of our job in Glasgow Film Office is having that relationship with other departments in the council to emphasise what filming can bring to the city so that people understand that and to build relationships. That means that, when Creative Scotland attracts a production to Scotland, we can follow up on what has been told to those departments about what can happen in a city or a region and we can put the production in touch with the right people to make things happen.

**Richard Lochhead:** It is a bit worrying that you still have to persuade councillors that film is of value to the local economy. Maybe we will come back to that later. I should just put it on the record that, prior to being elected to Parliament in 1999, I worked in the inward investment section of the economic development department of Dundee City Council and proposed that we set up Film Dundee. It is good to see that we have a panel member from TayScreen, which I hope emerged out of that fantastic initiative Film Dundee.

My couple of questions are about Rosie Ellison's opening remarks. If I picked her up correctly, the spend in Scotland in 2015 was £50 million or thereabouts, whereas the spend in the UK was £2 billion. Someone will correct me if I am wrong, but my quick calculation is that about 2.5 per cent of expenditure is in Scotland. That is not good enough. Why do we have such a small share of the UK's expenditure on film? What support do we get from the private sector? I know that whisky companies commission expensive adverts and hire advertising agencies—Scottish ones, I hope, but no doubt they are often London ones, which

then hire film makers in London, presumably. I do not know the detail, but is that a trend? How are we selling Scotland overseas? A lot of today's discussion will be about what we can offer when film producers and companies come to Scotland. How are we getting Scotland on to the radar of the industries in other countries around the world, so that they think of Scotland in the first place?

**Julie Craik:** Correct me if I am wrong, but the £2 billion is not spent entirely on location production. A significant amount of the money is spent on the bricks-and-mortar services—post-production visual effects, animation, virtual reality, augmented reality and all the other technologies that are coming along.

Margaret Mitchell mentioned funding. Perhaps this is an appropriate moment to mention that, but forgive me if I have got the protocol wrong. The councils that I have worked for have supported applications for external funding. I will come on to the point about post-production shortly. We were originally funded with European regional development fund money. When we could not get that any more, we moved on to Interreg European Union money. We had an original project called North Sea screen partners. We now have a new project called create converge. It is concerned with the need for a strategy and a policy for development of the sectors for post-production, animation, visual effects, virtual reality and all the things that are firing in the south of England but which are not being developed at a sufficient speed here in Scotland in order to attract inward investment and spend.

I will leave the studio side out of it, because that issue has been long and well debated, but it would be helpful if there were a strategy and a policy for the development of those sectors in Scotland. As a transnational project, with nine partners and five countries, we are doing our best to inform the policy.

**Rosie Ellison:** The majority of the £2 billion-plus is spent in studio productions, the majority of which are housed down south. There are loads of film studios around London, each with many stages. Wales has three or four complexes, each with several stages. That is where the money is being spent.

In Scotland, we have Wardpark Studios, which is brilliant—thank goodness we have it. Other than that, we have various sheds that get converted for a short time while they are used for a film, after which they are returned to their usual use. If an engineering firm wants to move in and take it on a 10-year lease, it is off the market.

**Lloret Dunn:** Wardpark is not available to the wider film community—the studio is used only by the “Outlander” production company. Even when

that programme is on downtime, the studio cannot be rented, so it does not enter our sphere of studio space at all.

**Rosie Ellison:** That is right.

A reason why we have not been able to get more of the available £2 billion is that we have not got the studio infrastructure. Increasingly, we are seeing high-value productions coming in. In the past year, we have had a 35 per cent increase in inquiries from high-value TV and feature films, all of which are looking for studio space, although they might come up here, as “The Avengers” did, and use our locations, which is fantastic. We are incredibly happy to have them here and for us to be able to then sell Scotland off the back of that. They spend a lot more money when they choose to base here. They can spend, as the “Outlander” production company does, nine months of the year filming, creating jobs and training opportunities for young people.

We are not just calling for one studio. In Scotland, we have one studio, with “Outlander” filling every stage going there. What we need is what exists down south, which brings in so much money, because there is a range of studios in different places to facilitate different productions of different sizes.

In Atlanta, Georgia, there are 18 studio complexes all around the city. A film academy has been created to train local people as crew so that they can service the productions that come in. That is another issue that has come up in the discussion about a studio here. We could create all the studios in the world, but we also need to drive crew to live and work here. In Scotland, it has been feast or famine. After a splurge of production, it suddenly goes quiet and the crew leave. It is difficult for people to sustain a career here. That issue was raised in the “Review of the Film Sector in Scotland” in 2014. A few people, such as Lloret Dunn, have decided to stay—let us hope that she does stay, as she has a fantastic track record. However, many people leave and go to London or elsewhere, because there has not been enough work for them.

If we can create studios and the UK tax credit continues or we have something similar, and if incentive finance is provided to make productions consider Scotland, the hope is that we can attract productions to stay here and to shoot over many months and years, which will offer careers and opportunities to people who want to live here.

**Lloret Dunn:** When an international production comes over here, it will want to have everything, as Rosie Ellison said—it will want a studio as well as locations. The benefit of a studio is that, as well as providing weather cover, it offers flexibility. For example, the inside of a castle might be built in a

studio rather than in one of Historic Environment Scotland's properties.

More and more, productions will come over only for the key locations that they need, because there is no studio. Therefore, instead of us getting an entire production that will automatically result in employment locally and across the whole country, we get only a small amount. People will bring in their entire crew, because their production base is elsewhere, where the studio is. We do not see the same amount of spend coming through. That is why people say that they did not even realise that such-and-such a production was here. Productions come in, they shoot on location and then they take the entire crew to another country.

With the studio, we will be able to provide a great deal more in the way of jobs, and there will be a dramatic benefit to our economy.

**Dr Scott:** One of the problems is continuity and consistency of funding. In addition to our degree programmes, screen academy Scotland has engaged with the industry through the new entrants training programme, which is called screen NETS. That was funded through Creative Scotland using the film skills fund that the Scottish Government made available in 2016, which was announced in the autumn of 2015. The project has been very successful in finding and developing young trainees and engaging them with the high-end television productions that have come to the country and with the feature films that were made here last year. That is a great way of developing trainees and giving them the skills that are needed for the incoming productions.

However, that was a one-off that lasted just for that year. The lack of continuity is a real problem when it comes to building a sustainable industry and allowing the young people who are training or who are already educated in the skills that are necessary for the industry to believe that they can have careers that are based here rather than having to look elsewhere and inevitably having to move south because there is a fracturing of the jobs that are available. It is vital that we find a way of having a strategy that makes things more consistent.

**Ross Greer:** I go back to the convener's original question, in which she mentioned the evidence that Ben Owens gave to the Economy, Energy and Tourism Committee in session 4. As was touched on in answer to Lewis Macdonald, one thing that Ben Owens mentioned was the difficulty that people who work in the sector, particularly the self-employed, have in finding employment. He gave the example that the provincial film commissions in Canada have live production lists on their websites, with dates of productions and full contact details for folk to get in touch directly, which has boosted employment and made it

easier for people to get in. He recommended that approach for Scotland. Has that been developed since he gave that evidence in session 4?

10:45

**Rosie Ellison:** Most productions do not want us to take that approach, as a starting point. We would breach confidentiality if we put such details on websites. When productions reach a point at which they want to start crewing up, they will ask those of us who have lists of local crew to put the message out to them, so that they can send in CVs and get in touch, or to send the production company the crew CVs and put them in touch in that way. An online list of forthcoming productions does not happen at all.

**Ross Greer:** The point that you made about confidentiality was my first assumption when I read the evidence, but I could not think why British Columbia and Ontario would be radically different from here. Why is that approach working for them? Why has it been cited as a useful example, if it would not work here? I had the same thought as Rosie Ellison did about confidentiality.

**Colin Simpson:** Confidentiality is one issue. Another side from some production companies is that, when they are in relatively remote areas, it might be okay for them to make things a bit clearer about what they are doing and where. However, when they are in more populated areas, the concern, particularly for better-known productions, is that they will have lots of people coming out to watch, which will interrupt their filming, so they are cautious about making things too public. Approaching crew through organisations such as us rather than putting the word out publicly seems to suit companies better.

**Marie Archer:** It might be worth highlighting Film Bang, which is a directory for production services in Scotland. External productions have that shared with them as a website, but they are also given Film Bang's paper directories when they come into the country.

From my perspective, when we talk about crew, that might be as specific as hiring the local TV aerial man rather than bringing someone in to remove all the aerials for the filming of "Whisky Galore!" and put them back up every night. When we say "crew", we need to think about not only the professional film crew but the crew who are used on the ground in communities, which comes down to local knowledge, who is the best and who will turn up to the job on time.

**Stuart McMillan:** A few examples of film studios have been provided, and we have discussed the situation in Scotland. Surely film studios are owned predominantly, if not solely, by private

businesses rather than by the state. Is that not the case elsewhere, too?

**Lloret Dunn:** It seems to be.

**Julie Craik:** In other places in Europe that we deal with through our European projects—for example, in Aarhus in central Denmark—the creation of a publicly funded studio is seen as being a real help. Although the studio in Aarhus is not the most glamorous, it is fully functioning and is very large, which has helped to bring in a lot of Scandi-noir productions.

Where there might be a market failure is that one of the challenges for studios is finding a studio operator, as there are not many of them. Increasingly, Pinewood Studios as a business wants to do more dry hire rather than wet hire—dry hire means that it will do a deal to allow companies such as Disney to take over some stages on a full maintenance basis and bring in their own crews and so on. That means that studios are responsible only for keeping the place wind and watertight, as opposed to the old days, when they would have perhaps several hundred of their own staff to support productions.

As I said, we come back to the challenge of finding enough appropriate operators to run studios. Operators—and, typically, Pinewood—would also want quite a significant share of profits and a large fee in order to run studios in Scotland, which is an element that might need initial Government support.

**Stuart McMillan:** I posed the question because I have heard this morning—and the committee has heard before—of the shortage of studio capacity in Scotland. Do you argue that, if operators or film companies do not want to invest in building a film studio, the state should fund studios in different locations in Scotland?

**Rosie Ellison:** The Pentland studio, which is an entirely private sector project, is on the table. We are grateful that the Government has recently given it the green light for planning permission in principle, and we in the Edinburgh city region hope that the project goes all the way through.

People are working together on other proposals to get studios off the ground—the more the merrier. We will then need more crew to facilitate productions, which may take a long time. One difficulty when the private sector considers a studio project is the high risk, which includes the risk from Scotland not having a much larger crew base to service productions. An approach that works for studios around the UK and the world is to have other tenants on the studio complex site that carry on paying rent and rates even if the studio stands empty for a few months. The Pentland proposal takes that approach, as do studios in Bristol, Liverpool and Manchester—I am

not sure about Pinewood Studios, on which I am not an expert—and others may be built on that model.

**John Archer:** Extra fiscal incentives would make a big difference—they were mentioned at the beginning of the session. The Scottish screen leadership group report mentions putting VAT on cinema tickets into a film fund. Any extra funding that could come to a production is attractive to people who are considering where to film around the world. If Scotland had such funding, it would be much more practical and realistic for someone to invest in a studio here, because productions could access extra funds. Anything that can be done to add to film funding would be terrific. Scotland's production businesses have been underdeveloped for a long time.

The prospect of the new BBC Scotland channel offers our first bit of optimism for a long time. The BBC will put an extra £40 million into Scotland every year—£20 million will be for the channel and £20 million will be for network production. Alongside that, I would like the Government to take on board the screen leadership group report's suggestion of doubling Government funding for Creative Scotland and its film unit, which would bring it to about the same level as Northern Ireland's production funding. That is the big issue for the Government to tackle—getting that right would be a tremendous boost.

Many in the BBC will want the new channel to fail and collapse, as they do not like the money coming to Scotland. We want it to grow and we do not want to miss the important opportunity for growth. In letters to Creative Scotland and Scottish Enterprise, the committee has told those organisations to work together, which is long overdue; my plea is for them to help screen businesses in Scotland to take advantage of the new channel.

One company that has grown over the past 20 years in a perfect way is Sigma Films. Gillian Berrie and David Mackenzie started by making shorts, such as "California Sunshine", paid for mostly by Scottish Screen, and then they made the low-budget feature "The Last Great Wilderness", followed by "Young Adam" and "Starred Up".

The films gradually grew in scale, and David Mackenzie's first Hollywood feature was "Hell or High Water". Now he is developing a £70 million Netflix production in Scotland, which is the kind of thing that we love to see attracted into Scotland, although this has been grown from within. "Outlaw King" will be about the story of Robert the Bruce and should be a huge boost to the economy.

We need more Sigmas. We need more companies that are capable of developing such

projects, but they cannot do it on thin air—they need support.

**The Convener:** You have touched on an important point. Julie Craik mentioned support for post-production, too. The impression that I am getting from your evidence reflects the impression that I get when I speak to people in the industry and at the cross-party group on culture, which I convene, and that is that Creative Scotland is now getting it right, but there is still a big question mark over what the enterprise agency, Scottish Enterprise, is doing. Is that a reasonable impression?

**John Archer:** Yes. What needs to happen is clear in the SSLG report. The film unit that has been proposed for Creative Scotland needs to be given the chance to grow.

When Scottish Screen was set up 20-odd years ago, all the ambition was there but the funding was not, so the work could not be done. There is now an opportunity to put the funding in. If we cannot make the approach work off the back of the BBC's investment, which has been denied us for many years, we never will.

**Colin Simpson:** I will return to the public sector support angle. To move away from film for a moment, I am from the area around Inverness, where there has been investment in the life science sector. However, that was kick-started only because public investment was made, which started to create a cluster effect.

The film industry might not jump in and take the risk itself but, if the public sector supports the initial phase, the industry will become involved and the cluster effect will see it grow and take over. The film industry might just need the kick start, rather than something that has to be publicly run well into the future.

**Richard Lochhead:** I am excited by the idea of a Netflix series on Robert the Bruce, played by Chris Pine. I would have been available myself if asked.

**Lewis Macdonald:** For which role?

**Richard Lochhead:** For the role of Robert the Bruce, of course.

John Archer talked about the public agencies working together. I want to ask Lloret Dunn a question about that in relation to the team Scotland approach to making Scotland's locations and facilities available to productions.

There is a case in my constituency that I am trying to pursue. We have a former Royal Air Force base, RAF Kinloss, which is a massive site that is largely unused by the Army, which has moved in. There is all that spare infrastructure and capacity, and many people have told me that it

would be an ideal location for film work. It has empty hangars, lots of space and so on, and it is on the border of the Highlands. When I raised that possibility with the Ministry of Defence, it did not object to the idea but it was not exactly full of enthusiasm; it was inclined to think more of the problems than of the opportunities. Do you feel that there is a team Scotland approach to making it easy for filming to happen in Scotland?

**Lloret Dunn:** That is an interesting question. On some days I would say yes and on other days I would say no. It depends on which direction I find myself travelling in. I have filmed with the MOD fairly extensively in the past few years and have found that, even in that period of time, it has become much more focused on bringing in new business, including film makers. Doors that were once firmly closed have started to open.

It is interesting, because every production differs from every other, as you can imagine. When I work within the country—as I always do—I find that, although Creative Scotland is a key factor, all the regional offices are incredibly important as well. I know that, wherever in Scotland I am aiming for, there is somebody with experience there to facilitate the work. That experience is the key element that helps the doors to open. Also, in those regional offices there is an underlying current of moving forward the whole time. Almost every day, they open the eyes of another new business or another new landowner to the fact that filming is a possibility and a bringer of investment, however short term that is. I see it as a positive thing.

As for a team Scotland approach, I would probably say that, yes, there is a strong feeling of "Let's make this happen," whether it be about making films, TV programmes or whatever. It brings jobs and other good things.

**The Convener:** I think that Stuart McMillan wanted to come back in.

**Stuart McMillan:** I have a separate question to ask on a different area, convener, if that is okay.

**The Convener:** Okay. On you go.

11:00

**Stuart McMillan:** I accept that the film industry is global and that various factors and elements regularly come into play, but what about political change? I am thinking in particular of the European Union position with regard to Scotland and the UK. EU funding has been touched on, but has any of you discussed with public bodies the potential outcome of the UK leaving the European Union? How will that affect what you are trying to do in Scotland?

**Colin Simpson:** I have some involvement in that, largely because I play a European role in the Highland Council as well as a role in film. In short, we foresee some impact on all forms of business, partly because of uncertainty and partly because of potential changes in access to markets, which might affect collaborative projects. It is fair to say, however, that we have not homed in on the film industry and looked at whether there will be any impacts on it that will not apply to other sectors.

**Julie Craik:** Our office has benefited significantly from European funding, and we are concerned about what, if anything, will replace not that funding as such but the opportunity that it presents. At the moment, we can co-ordinate and assemble projects that can apply to schemes such as horizon 2020, the creative fund that is operated in Europe and various Interregs. I do not know how people feel about a Norwegian-type deal, but I think that we need something like that to enable us to still apply for funding. However, I understand that, even when Norway is involved in projects, it is unable to access the central EU money. In effect, it has to match it with money from its own Government; it is just part of the same scheme.

It is a concern, but I am afraid that I have no answers as to what the future will look like.

**John Archer:** For producers, creative Europe is another place to go for development and production funding. Our most successful production, in that it sold to 30 countries around the world, has been “The Story of Film: An Odyssey”, and the initial funding for that was a development grant from the media programme, which is now creative Europe. The question for producers now is whether that money remains available for screen production and development. The money comes from us to begin with, so, if we are no longer part of creative Europe, will it come to Creative Scotland, will it go to the BFI or will it get siphoned off elsewhere?

**Rosie Ellison:** At the moment, only about 4 per cent of the inquiries and productions that we get in the region are high-value dramas; the rest are documentaries, corporate material, light entertainment and so on, and they come from Scotland, the rest of the UK, Europe and the States—indeed, from all over the place. Those are the kinds of production that might be affected by Brexit.

An increase in tariffs for coming here might have an impact, but I would point out that American productions already pay tariffs and the weak pound is making the UK an attractive place to come to. A colleague in the film office in Kent has reported that a long-running Netflix series that operated in Kent and in France was lost due to the risks of Brexit, but we here have not yet

experienced any loss as a result of the future. It is still hard to say exactly how things will play out.

**Mairi Evans:** I want to ask about the transnational funding such as Interreg, which was mentioned earlier. How big a feature has that been of the operations of the bodies that are represented here today? Will the loss of that funding hit you in a big way?

**Rosie Ellison:** We do not get any European funding.

**Jennifer Reynolds:** Glasgow Film Office was a Europe Union-funded project from 1999 to 2008. With the increase in the size of the EU around the end of that period, the funding ended. Since that point, we have reduced our staff from six to two and we are now fully funded by Glasgow City Council.

**Colin Simpson:** Our film office in Highland does not receive any direct European funding. On the other hand, there could be secondary impacts because some of the infrastructure that we rely on for productions has been funded by European money. The loss of that funding will have an indirect impact on the filming side.

**Marie Archer:** Some of our productions have received money through the LEADER programme, but I do not see any connection at the moment.

**Dr Scott:** One of our postgraduate taught masters programmes is a partnership with a university in Portugal and a university in Estonia. It is funded through the Erasmus scheme, so the loss of the funding that you are talking about will have an impact on that programme.

**Julie Craik:** Beyond the original ERDF, the European funding that we receive has not been directly and solely for the functions of the screen office. We have had to explore other opportunities in order to attract that kind of funding, and the quid pro quo is that we have to deliver on those projects. Although we willingly do that, that takes time away from our sole focus of being a screen office.

**The Convener:** We are about to wind up this evidence session. If anyone wants to raise any issues that have not been raised so far and that you think are important to the sector, we have a few minutes in which you can do so.

**Marie Archer:** I would like to highlight the connection with film tourism. Jenni Steele at VisitScotland has been doing an amazing job of promoting the product that we have in Scotland. However, as the scale of that product increases, the challenge to Scotland of how to use that resource will also increase. When that resource goes out to market, that will be another way of marketing our country as being open for film. The issue of whether film could be included in the

tourism Scotland 2020 strategy has been raised in that regard.

**Julie Craik:** I think that Rosie Ellison said that she does not think that film is mentioned in “Tourism Scotland 2020”—is that right?

**Rosie Ellison:** I am not an expert on “Tourism Scotland 2020”.

**Julie Craik:** I tried to identify such a mention, and there does not seem to be one.

**Colin Simpson:** On the tourism site, having the Highlands featured in films has been a key driver of bringing visitors to the area, although that could potentially have a negative impact on future filming. For example, Skye has been a really popular area for filming, but we are now getting to the stage at which film companies that are interested in filming on Skye find that the area is so popular with visitors that they cannot get the accommodation that they need for their crew and so on. In a way, that is a nice problem to have—we would rather be busy than not busy—but an increase in visitors can put pressure on infrastructure. That issue is typical of all rural areas but, equally, it is probably a seasonal issue in our cities as well.

**The Convener:** We had a round-table evidence session with the tourism industry last week, and that issue came up in relation to Glasgow and Edinburgh in particular. We were told that Glasgow lost a big international conference because it did not have enough high-end hotel accommodation. It is interesting to hear that that is affecting you as well.

**Lloret Dunn:** We have recently been working on the film “Outlaw King”, which John Archer mentioned. We were particularly interested in filming in one area, but we are not going there, because we cannot find accommodation for the crew.

**The Convener:** Where is it?

**Lloret Dunn:** It is in Aberdeenshire.

**Marie Archer:** The one benefit of the oil downturn is that we have spare hotel rooms but, even so, we struggle to get crew in. It took every agency that we could use to house the crews for “Whisky Galore” and “Stonemouth”. There is a future production that might be on the cards and I worry about where we are going to house the crew for that.

**The Convener:** Thank you for giving evidence today. The committee is engaging widely with the sectors that are within our remit to inform our work programme and perhaps allow us to drill down further into particular issues that affect the screen industry later in the session. If you want to follow

up on anything that has been said today, you are welcome to submit written evidence to us.

11:10

*Meeting continued in private until 11:30.*



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