



OFFICIAL REPORT
AITHISG OIFIGEIL

Culture, Tourism, Europe and External Affairs Committee

Thursday 27 September 2018

Session 5



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Thursday 27 September 2018

CONTENTS

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PRE-BUDGET SCRUTINY 2019-20	1
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CULTURE, TOURISM, EUROPE AND EXTERNAL AFFAIRS COMMITTEE
24th Meeting 2018, Session 5

CONVENER

*Joan McAlpine (South Scotland) (SNP)

DEPUTY CONVENER

*Claire Baker (Mid Scotland and Fife) (Lab)

COMMITTEE MEMBERS

*Annabelle Ewing (Cowdenbeath) (SNP)

Kenneth Gibson (Cunninghame North) (SNP)

*Jamie Greene (West Scotland) (Con)

*Ross Greer (West Scotland) (Green)

*Stuart McMillan (Greenock and Inverclyde) (SNP)

Tavish Scott (Shetland Islands) (LD)

*Alexander Stewart (Mid Scotland and Fife) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Fiona Hyslop (Cabinet Secretary for Culture, Tourism and External Affairs)

Karen Watt (Scottish Government)

CLERK TO THE COMMITTEE

Stephen Herbert

LOCATION

The James Clerk Maxwell Room (CR4)

Scottish Parliament

Culture, Tourism, Europe and External Affairs Committee

Thursday 27 September 2018

[The Convener opened the meeting at 10:00]

Pre-budget Scrutiny 2019-20

The Convener (Joan McAlpine): Good morning and welcome to the 24th meeting in 2018 of the Culture, Tourism, Europe and External Affairs Committee. I remind members and the public to turn off mobile phones; any members using electronic devices to access committee papers should please ensure that they are switched to silent. We have received apologies from Kenneth Gibson and Tavish Scott.

Our first item of business is an evidence session on pre-budget scrutiny. I welcome our witnesses. Fiona Hyslop, the Cabinet Secretary for Culture, Tourism and External Affairs, is joined by three Scottish Government officials: Karen Watt, director for external affairs; Jonathan Pryce, director for culture, tourism and major events; and David Seers, head of sponsorship and funding. I invite the cabinet secretary to make an opening statement.

The Cabinet Secretary for Culture, Tourism and External Affairs (Fiona Hyslop): Thank you very much, convener.

For this first session on what is, I think, a new budget scrutiny process, I thought that it might be useful to update the committee on progress with delivery of this year's budget and its priorities. The budget is being delivered as planned. The most substantial element of the autumn budget revisions is planned transfers to Creative Scotland's grant in aid. These comprise additional funds to offset reductions in national lottery income, as you will be aware; the first tranche of the additional investment in the screen sector; and the annual routine transfers for targeted funding, including the youth music initiative. Other portfolio budget changes are more minor and technical.

There are three main elements of my portfolio, of which the first is culture and historic environment. The cultural priorities for 2018-19 remain in place, as I indicated at the time of the draft budget proposals last December. I highlight the following.

We have increased investment in Scotland's culture by 10 per cent, including additional funding for Creative Scotland of £6.6 million to maintain the quantum of funding in the face of decreases in

national lottery income. The £10 million planned additional investment in the screen sector is under way, with the launch of Screen Scotland in August, a larger production growth fund and a new broadcast content fund, as detailed in my recent letter to the committee.

We have protected free access to Scotland's national collections, which have seen record visitor numbers—for example, the National Galleries of Scotland has recently reached a landmark figure of more than 2.5 million visitors a year. Earlier this month, Scotland celebrated the opening of the Victoria and Albert museum in Dundee as an exciting addition to our world-class collection of museums. It received international acclaim and has been supported by a substantial Government grant in this, its opening year.

We are investing £9 million in the youth music initiative during Scotland's year of young people. In March, I launched a report that explained the benefits that young people have received from the initiative in all 32 local authority areas.

Historic Environment Scotland is using the additional income generated by record visitor numbers to invest in the historic estate, and I am pleased to have been able to maintain HES's external grants at £14.5 million for a further year.

The second element of my budget is tourism and major events. We are committed to increasing sustainable tourism across Scotland, and the funding priorities reflect that. We have increased our capital funding for tourism infrastructure and are spending £500,000 in the south of Scotland and a further £300,000 in Ayrshire to help those areas to develop as tourist destinations. The £3 million for the rural tourism infrastructure fund will help to deliver improvements to support sustainable growth in rural tourism hotspots.

On major events, we hosted the inaugural European championships—a new event that brought together in Scotland the championships of six major Olympic sports, including golf. That was the result of an investment of £63 million over five years, which was complemented by Glasgow City Council's investment of £27 million. It really was a triumphant success: more than half a million people attended a range of free and ticketed events and 20 million viewers enjoyed the BBC coverage. The international coverage was really quite staggering, as I have heard from the European Broadcasting Union; it is still trying to collate all the information, but the figures were very much higher than it anticipated, so that was a great success. The fact that we in Scotland have played a key role in making the event a new and innovative highlight of the European sporting calendar reflects our capability in the events arena.

With the completion of our European championships commitment, the major events budget line will reduce substantially in 2019-20, because we have completed that major spend this year. That is something to look out for in the draft budget.

The year of young people continues to fulfil its commitment to celebrate the very best of young people through cultural and educational activities co-designed with young people, using a budget of £3.46 million over three years for programme delivery.

The third strand of my portfolio is external affairs. The key priorities for that budget remain consistent. They include consolidating our network of offices outwith Scotland, including in London, Berlin and Dublin, which are funded from the economy portfolio. They will mature and evolve as we seek to deepen our relationships and strengthen our impact in those priority locations. It is clear that, following the European championships, there is a great opportunity for us to follow through on the relationship with Berlin. As members have seen in the programme for government, the network will work to identify and create opportunities for Scotland's cultural and creative provision, complement trade and investment, and influence activity.

We continue to play our part in addressing global challenges through our international development funding, and we seek to support the attainment of the United Nations sustainable development goals outside Scotland. That work is clearly embedded in our national performance framework as well. Our inaugural report on our contribution to international development, which was published earlier this month, sets out practical examples of how that contribution is being achieved more widely across Government.

Maintaining the Government's key focus on migration is a priority. That focus is not just confined to my portfolio responsibilities. It is absolutely the case that our ambitious plans for Scotland cannot be delivered without growing our population and attracting a skilled and talented workforce to come here and make Scotland their home. That will be a considerable focus of our activity.

We will also take forward a range of activities to support European Union citizens who currently live here or who want to make Scotland their home. We will work with partners to develop a welcome to Scotland resource, make provision for an advice and support service for the 235,000 EU citizens who reside in Scotland during this uncertain time, and consider how best to build on the success of the we are Scotland social media campaign.

I hope that that gives members an overview of the portfolio priorities and where we are on the delivery of some of them this financial year. However, this is a new budget process, and I will be interested to know the committee's priorities or interests in exploring how the portfolio is performing to budget.

The Convener: Thank you very much, cabinet secretary.

I want to focus on the cultural part of your portfolio. The committee has received a letter from culture counts, which acknowledges the warm welcome for the Scottish Government's response to the cultural sector last year, when you were able to protect the budget for culture in the face of sharp declines in lottery funding, which you alluded to. The letter refers to the situation with lottery funds, focuses on the decline in local authority spending on culture, and says that that budget will require to be protected again. Will you respond to those concerns? Have you had discussions with local authorities about their cultural spending?

Fiona Hyslop: There are two issues there. We have made a commitment that the Creative Scotland budget line will be protected for the next three years to provide stability. We have also made a commitment that, if there is a shortfall in relation to national lottery funding over that period, we can supplement that up to £6.6 million. That is our side of things, but you are quite right to acknowledge that a large part of investment in culture comes from local authorities.

On our relationship with the Convention of Scottish Local Authorities, we used to have a committee that, at my suggestion, met every six months with the local authority conveners responsible for culture. One of the positive outcomes of that was the national strategy for public libraries, which was a very good collaborative piece of work. Obviously, the Scottish Library and Information Council was very involved in the development of that strategy.

However, the committee has not really met as much as we would have wanted, although that is not as a result of any desire of mine. The fact is that there were elections, and the new leads responsible for the different portfolios had to be appointed. The committee has not been convened since the last local government elections, but I am keen for it to meet, because it is a very good forum in which local authorities can have collective exchanges.

I keep a close eye on what local authorities are spending on culture. With regard to the provisional outturns for local government, I was interested to note that there tend to be reductions in events and tourism. For example, what I understand to be the

summary of the provisional outturn for 2017-18—*[Interruption.]* I am sorry; these are not provisional outturn figures but budget estimates. With regard to culture and related events, there is a change of zero per cent under the other cultural and heritage heading between 2017-18 and 2018-19. Library services are up 1 per cent, tourism is down 5 per cent and recreation support is down 3 per cent. You are right about the year-on-year budget for culture and related services, but I think that you need to differentiate in that respect.

Looking retrospectively, I would also point out that there was a big spike in spend in Glasgow in 2014, and the city will have that again, because of the European championships and the contribution to the cultural activity in festival 2018. The figures are more complex than they might seem on the surface.

I know that there are pressures in different local authority areas. As I have said on a number of occasions, there is a lot of variability between local authorities. In my own authority of West Lothian, there has been a 13 per cent reduction in culture, but there are also a considerable number of local authorities that have increased—or marginally increased—their spending. It is horses for courses with regard to the 32 local authorities, and there are, quite understandably, local variations depending on the decisions that particular local authorities make at particular points.

The Convener: I note that, to a large extent, the delivery of the new cultural strategy, with its focus on wellbeing, will come down to local authorities.

Fiona Hyslop: There is an opportunity for the cultural strategy to connect more widely not just with local authorities but with the health and justice systems with regard to finding ways of working together. After all, we all understand how culture helps to empower and transform lives, and local authorities will be key to that activity. I am therefore very keen that we understand how a place-based agenda can make a difference in particular areas. That will be quite a challenge for everyone, but I think that the strategy will provide support in that respect.

As you know, Creative Scotland has its own place partnership initiative that works on a policy level. As a result of that, South Ayrshire, for example, got a considerable amount of money—several hundred thousand pounds—and I wonder whether we need more of that sustained partnership between the national and local levels in order to create sustainable cultural offers.

You are absolutely right to highlight the wellbeing aspect, as that can make a real difference to the elderly population and to younger people. Culture can be an important element of wellbeing and resilience in communities.

The Convener: The other pressure on your budget will be Brexit. Do you know how many Scottish organisations in your portfolio receive European Union funding? Have you had discussions with the United Kingdom Government and the European Commission about what will happen to those funding streams after the UK leaves the European Union?

Fiona Hyslop: Yes. We know that from 2007 to 2016 at least £59 million of funding from EU sources was provided in support of 650 projects in the culture and creative industries.

Most recently, when we hosted the cultural summit here in the Scottish Parliament, I spoke to a senior representative from the European Commission about the different models for what could happen when the UK leaves.

The creative Europe programme has been very successful for Scottish organisations; we have probably punched above our weight with respect to the amount that we receive.

We are also a partner of choice: people like to work with us because we have a very vibrant creative sector. I think that they would like to continue to work with us but, as this committee of all committees will know, it is far from clear what the UK Government's plan is or what agreement it can secure on the funding streams. I have made it quite clear to the European Commission representative that we are very keen to continue to take whatever opportunities we can to work with creative Europe. Similar arguments can be made in other portfolios for programmes such as horizon 2020.

10:15

I also spoke to the Secretary of State for Digital, Culture, Media and Sport about these issues when he was here at the culture summit, and I think that he shares our understanding of the importance of international connections and collaborations as part of the cultural sector. Again, however, he could not give me any answers, which is worrying for many people because we will come soon to what could be a cliff edge, although we sincerely hope that it will not be. The ramifications are considerable.

There are different aspects to my portfolio, but in tourism it is very much about the population and the workforce. We know what the UK Government has just said in relation to decisions about migration; we have 235,000 EU nationals here, and in the tourism sector 13 per cent of the workforce are EU nationals. The UK Government has said nothing about whether or not it will accept the recommendations from the Migration Advisory Committee on the tier 2 work visas cap, but if we carry across the current rules, people will need to

earn £30,000 to stay here. Many people can have a fantastic career and make a fantastic living out of tourism and hospitality, and although people can earn in excess of that, the vast majority do not. Unless we can get that tackled immediately, it will be a real challenge. Again, that is something that I have shared not only with the previous tourism minister in the UK Government, but with the Welsh Minister for Tourism, Culture and Sport, when we have met collectively as tourism ministers.

Claire Baker (Mid Scotland and Fife) (Lab): Notwithstanding the cabinet secretary's comments about increases in budget—I recognise that there are areas in which the budget has increased—we are seeing pressure on arts funding across Scotland. Over the summer, there was a dispute about the allocation of regular funding from Creative Scotland.

As you have acknowledged, there has been a contraction in lottery funding. We accept that some local authorities are putting in more investment than others, but the figures for local government show an overall contraction of that funding.

On possible alternative sources, I have concerns that business and private interests will tend to look towards more corporate types of artistic activity—they are interested in supporting big events.

There is also a real contraction in community arts provision. As the cabinet secretary has acknowledged, the Scottish household survey figures show that people who live in deprived communities or who have long-term health conditions are less likely to engage in creative activity, whether through attending or participating. The national figures show a high rate of participation, but when we dig into them we can see that certain groups are excluded from the culture that Scotland has to offer.

I am interested in how the Scottish Government can use its funding decisions to target activity at those areas and try to increase participation, and in how that would be measured so that we know that it is effective. I appreciate that one of the problems is that the funding goes through local authorities—they are really the ones on the front line trying to deliver the service. I am not asking the cabinet secretary to direct what they do, but there is an argument about there having been a reduction in local government funding over recent years.

Funding for the creative area is not a statutory responsibility. I know that the cabinet secretary mentioned a forum with COSLA that she would like to reconvene. How does the Scottish Government try to prioritise funding to close the

culture gap and ensure that more people can be engaged in what Scotland has to offer?

Fiona Hyslop: There was a lot in those questions. It is really important that we do not just accept the idea that culture funding is reducing: in the national budget, the budget for culture that the committee is currently reviewing has increased by 10 per cent.

Claire Baker: The figures that we have for Creative Scotland show a decrease. There is a note that explains some of the reduction, which has been from £86.7 million in 2012-13 to £67.2 million in the most recent financial year.

Fiona Hyslop: The Scottish Parliament information service briefing looks at the combination of Creative Scotland funding, which is lottery funding and grants in aid. The provision that we are making as part of this year's budget will increase Creative Scotland's budget by £10 million for screen activity, plus another £6.6 million. That will take the figure, which is on page 3 of the SPICe briefing, above the £50 million figure for 2014-15. That is a comparatively healthy position.

The issue around regularly funded organisations is not a reduction in funding: we maintained the level of funding in this year's budget. You cannot correlate the RFO issues with a reduction in national or lottery funding because they were compensated for. Therefore, the budget for Creative Scotland is above what it was in 2014-15.

On Claire Baker's point about local authorities, I agree that there are pressures. Our position is that, through provisions that have been made by the Scottish Government, local authorities have the capability, which many have exercised, to increase council tax so that they have more to spend. I am not sure that this is the right committee in which to hold that on-going debate; it should probably be held in the Finance and Constitution Committee.

We should use the evidence. If you look at the provisional outturn and the budget estimates for recent years, you can probably get a truer picture of what is spent on culture.

Claire Baker made an accurate point in relation to the disparity between where the spend is and who benefits from it. There has to be a partnership to identify how we make sure that there is more equity in the cultural system.

The draft culture strategy looked at the transforming and empowering agenda. It might not always be about the type of culture that is currently recognised and celebrated and which is sometimes transported and parachuted into local authorities to places where people might not necessarily have experienced it before. It is about celebrating the type of culture that people want to

celebrate, which can be quite different. That is why we have to recognise the community arts that people really want to be involved in, and in which they can find their own creative expression, rather than just watching and listening to performances by other people. It is a genuine problem on which we need to take artistic advice, because I am a politician, as are committee members.

The cultural youth experience funds will be about making sure that existing experiences can be accessed by children who cannot currently access them, in particular. However, we also need advice on how else we can ensure that self-generated culture in communities is given recognition, status and support. We have to bear in mind that culture is not a statutory responsibility of local authorities, so when there are pressures, such as from the requirement for more care for the ageing population, areas that are not statutorily protected are more vulnerable. I recognise that there is a potential vulnerability for culture in local authorities, including spend on libraries and other things, because it is not a statutory responsibility. However, the experience to date has not been what people might think; there might be individual examples in members' local councils, but the overall figures look reasonable.

Claire Baker made a point about what people want to invest in and how to strike a balance. The convener is hosting an Arts & Business Scotland event tonight in Parliament, which I will attend. The good practice in Arts & Business Scotland provides good examples for businesses that want to be partners.

The culture and business fund Scotland generates more income for culture although, again, there is a question about how we make sure that it is not just all public funding and that we lever in other sources of funding, whether from trusts or private investment. One example is the fantastic programme that involves the Edinburgh international children's festival and the National Theatre of Scotland with corporate partners that co-invest, which ensures that every schoolchild sees a theatre production.

However, it is not just about seeing something that is excellent; it is about being involved in something, yourself. Local authorities have strength in the culture that is generated by communities, rather than in the culture that is consumed.

Claire Baker: Is it a Scottish Government priority to reduce inequality in culture? If it is a priority, how do you measure that reduction? I think that the Scottish household survey includes library visits as a measure of cultural activity. I am not in any way underestimating the value of visiting a library, but there are questions about whether that is a good measure of cultural

participation and engagement. How does the Government measure whether its funding is making a difference?

Fiona Hyslop: We have a new indicator in the national performance framework, which is something that many of the people whom you have spoken to, including those at culture counts, wanted. Now we have to consider what measures are in it.

The household survey gives us explanations. I think that reading is a hugely important part of our culture—I would not underestimate it in any shape or form—so it can be included. Cinema is important, too. The screen world is all around us; we may view it on our tablets or go to a cinema to see it. Some people might say that including cinema visits distorts figures, but it is cultural activity.

We are in the process of ensuring that we have the right underlying indicators in order to have a measure that works. Our clear focus across Government is on all portfolios tackling inequality and on what that means.

We have very good evidence of our national performance companies working with different communities, such as the Edinburgh international festival's previous partnership with Castlebrae high school in Edinburgh and its current partnership with Leith academy. Indeed, far more outreach and community activity is probably taking place than most people realise, in order to tackle those areas of inequality.

We can capture evidence of activity; it is more challenging to identify the outcomes from that activity, and the national performance framework will allow us to do that. The household survey can do that, but we need to do more than what the survey provides in order to make sure that we have got the information. We need to identify not only what people have seen but what they have participated in, which is a different thing.

The Convener: Thank you very much. I respectfully ask you to keep the answers a little bit shorter, because five members are still hoping to ask questions.

Fiona Hyslop: I am sorry. I will do that, convener.

Jamie Greene (West Scotland) (Con): Good morning. I have a few questions, which are all probably quite different.

What is your response to the perception, whether it be right or wrong, that a lot of the cultural spend in Scotland is focused on Scotland's cities and the central belt? Although it is great to see things like the V&A in Dundee and lots of activity in Glasgow and Edinburgh, how do we address the concerns of smaller towns and

communities in the Highlands, the south or the west that they see lots of money being spent in our cities and do not see “big tent” type activities?

Fiona Hyslop: Again, that is a challenging area. It is related to Claire Baker’s points.

On the issue of reach, if you look at Creative Scotland’s programme of regularly funded organisations, it is clear that not all local authorities have such organisations in their area and that there is a concentration in Glasgow and Edinburgh. However, although many of those organisations may be based in Glasgow, they work elsewhere.

I am very conscious of the need for a spread of activity, and I have tried to make sure that activity takes place in the south of Scotland in particular. Yesterday, I referred to a £3 million investment in the Gaiety theatre over six years, and to what is happening in Galashiels. The transformation of culture is not just about having the V&A in Dundee, however remarkable that is. Locating the great tapestry of Scotland in Galashiels will, we hope, lead to cultural regeneration activity in its centre. Another example is Moat Brae in Dumfries. I was involved right at the beginning when Historic Environment Scotland stepped in early doors to secure the roof in order to allow the project to happen. It is now well developed.

Those are capital projects; nationally, I have managed to do more on a capital basis. I think, however, that you are asking about what we do in revenue terms to ensure sustainability. I am very conscious of that, and I hope that the culture strategy will give a clear message to everybody about our direction.

10:30

If you compare what the national companies are doing now with what they used to do, you will see that they now have far greater reach in the north and the south. Moreover, with regard to galleries, there is a relationship between Kirkcudbright Galleries and National Museums Scotland and National Galleries of Scotland. There is also an increasing relationship with Inverness—although I realise that it is a city. The point is that, although we cannot be responsible at national level for what is happening in every town and village, we can highlight such activity as a priority in our letters of grant in aid to various bodies.

Creative Scotland’s creative places award, which is for large towns, small towns and what would I suppose be called villages, has been very successful in providing leverage, recognising what is happening in small towns, and providing funding for taking things even further. That award has been in development for several years and has

had quite a big impact on precisely the sort of communities that Jamie Greene asked about.

Jamie Greene: I had some questions about the external affairs budget, but for the sake of ease, I might park them and let the discussion on culture and tourism continue. Perhaps I can come back in later, convener.

The Convener: Okay.

Stuart McMillan (Greenock and Inverclyde) (SNP): Good morning, cabinet secretary. Last night, the news broke that the UK budget will be brought forward by three weeks. Will that have any effect on the Scottish Government and your budget area?

Fiona Hyslop: The date for the UK Budget—29 October—has been set for the UK Government. Clearly, that will have consequences for us, because we will need to know the position for the Scottish Government. What that means is really a matter for the Cabinet Secretary for Finance and the Constitution, Derek Mackay, but I think that from everyone’s point of view, the sooner we have the information, the better, given that our budgeting year runs from April to April. I know that the committees must feel the same, because they have expressed concern about budgets being pushed back later and later.

It will mean that we will have a lot of work to do in a short time; we had expected to have longer. We are looking at what our figures might be: obviously I cannot share them with the committee, because I have not even had the chance to go through them properly with my officials. However, we will have to move very quickly to meet any deadline that is set by the finance secretary—or, indeed, by the committee, with regard to evidence.

Stuart McMillan: It is quite fitting that we meet on world tourism day. Moreover, the budget that we have just talked about goes into 2020, the theme of which is Scotland’s coast and waters. Can you provide the committee with any information about budget lines or the budget for that themed year?

Fiona Hyslop: In order to answer that, I will probably have to seek guidance from the convener about the new process. I realise that this meeting is taking place after the programme for government, much of which applies to the budget year 2019-20, but I understand that the evidence session itself is actually about in-year scrutiny of the current budget.

Nevertheless, you are right to identify 2020 as the year of coast and waters. We are now moving to two-year cycles for themed years—2019 will therefore be a preparation year, which means that spend will still be required, but perhaps not as much as will be required in delivery year 2020. I

recently attended a very good meeting with the steering group for the year of coast and waters at VisitScotland. We heard some fantastic ideas for events at that meeting, but obviously there will have to be a bidding process. I cannot give you the information that you seek just now, but it is the sort of information that I will be able to give with regard to the budget for 2019-20.

The Convener: This is a pre-budget scrutiny evidence session, and the committee will be considering what it would like to see in the forthcoming budget. When the budget is published, we will invite you back to talk to it. I hope that that clarifies matters.

Fiona Hyslop: That is fine, convener. The process is new for everyone. I think, though, that we heard a pitch from Stuart McMillan for a specific budget line.

Stuart McMillan: I should say that I convene the cross-party group on recreational boating and marine tourism.

Fiona Hyslop: I am glad that you have declared that interest. [*Laughter.*]

Stuart McMillan: Finally, how do you and the Scottish Government measure value for money from the funding that is committed to major events such as the European championships, which you mentioned in your opening remarks?

Fiona Hyslop: There will be an evaluation of impacts. We are not in a position to share that information with the committee just now, but we will be happy to do so when it is produced.

Obviously, a lot of what we are trying to do is to help economic activity. We know that investment in major events has major spin-offs. We should think about the number of people who come to visit and stay in hotels. I am thinking not only about tourists or visitors who come to see the events, but about the athletes, federations and organisations at them. It is very important that we have a pipeline: we have the Solheim cup next year and UEFA Euro 2020 after that.

The budget is not static, so it is quite a challenge to think about what funding there might be, even beyond the next spending review. Even with the European championships, a lot of the activity was to ensure that the event was cultural. Festival 2018 was very much appreciated by everyone who was involved. A lot of people came to observe it because they wanted to involve culture in sporting events in their countries.

There was a lot of focus in Glasgow Green on active Scotland in order to try to ensure that we use things for health and wellbeing benefits. That was not just about encouraging people to take up sports; it was also about encouraging people to

take up any activity. The participation at Glasgow Green by community organisations was strong.

To reflect on Jamie Greene's point, our specification for festival 2018 was that community involvement and activity in the arts were as important as what was happening in George Square.

Annabelle Ewing (Cowdenbeath) (SNP): Good morning. I want to return to a discussion that we had a wee bit earlier. The cabinet secretary made the point that culture that is generated by communities themselves is an important element of the Scotland-wide position. In my constituency, for example, there are street art projects in Cowdenbeath, Kelty and Rosyth. The cabinet secretary referred to cinema as a cultural activity. A community cinema has been set up in Kelty, and people in Benarty are also seeking to set one up. All that good activity is happening in my constituency and doubtless elsewhere. How can those initiatives be facilitated?

My other question relates to the launch of the cultural youth experience fund, which is a specific item in the programme for government. The Government intends to support

"a number of pilots in the next year, with a focus on areas of deprivation".

As the MSP for Cowdenbeath, I put in a plea for consideration to be given to activity in my constituency and, crucially, to involving young people who are currently at high school. I understand from previous discussions in the committee that engaging primary school children is not such a challenge but that things become a bit more challenging for various reasons when young people get to high school.

Fiona Hyslop: On that last issue, I have taken on board points that the committee has previously made—I think that Ross Greer in particular made them. We might look at how we focus on early secondary school rather than primary school, because a lot of outreach work is happening in that respect.

Organisations can apply to Creative Scotland for funding other than regular funding, such as open project funding, as that might be more suitable for them. They can take advice on how to take that forward. Leverage is also important, for example through Arts Trust Scotland. Arts & Business Scotland has been very effective in helping match funding activity, even very locally, and I would encourage that model.

The point about people generating their own art is hugely important. We as a country have a lot of self-generated community activity that should be recognised. I know that from West Lothian.

Annabelle Ewing was reflecting on her constituency, which I think includes Lochgelly. I had the pleasure of seeing Cora Bissett's fantastic show about growing up in Fife, which was one of the made in Scotland shows and was supported by the Scottish Government. It was shown at the Traverse theatre. If there is an opportunity to do so, Cora Bissett is keen to take it back to Lochgelly, as she trained at Lochgelly youth theatre. It is very important for people to have the experience of telling stories about people in their own communities and what has happened to people in their communities who have become very successful. Cora Bissett is a fantastic role model in many different ways. I cannot say to her that she must do something or to organisations that they must go somewhere, but that is a very good example of how we can try to connect people to place.

Every community has success stories; I was talking just last night to the provost of Angus about Bon Scott and Kirriemuir. Every part of Scotland has people who have been successful. How do we celebrate that, connect it and use it as an inspiration for young people? That may be a suggestion for you.

Annabelle Ewing: Thank you for that very practical suggestion. I think that it is always important that, as we discuss more nationally focused bodies, we do not lose sight of the importance of place in arts and culture, because that is what is happening on the ground and it is very important to smaller communities. I hope that, as we go forward with the new cultural strategy, it will be as much a centrepiece as the national picture, because in my view it is equally important.

Fiona Hyslop: Absolutely. That is why I impress all the time on our national companies and collections the fact that it is not just about what they are doing in Glasgow and Edinburgh. More people live between Glasgow and Edinburgh than live in Glasgow and Edinburgh, and there are also lots of other areas, as Jamie Greene pointed out. One of the best examples I have seen of involving local communities and inspiring them to do things that they might not have experienced was "Fever!" by Scottish Opera in Bo'ness. I was struck by the impact of that production on the school and individuals there and by the empowerment that it gave young people to perform. We have tremendous cultural educators in our national companies; we just have to ensure reach and penetration. Maybe that is something that we can look at—I welcome the committee's views on it.

Ross Greer (West Scotland) (Green): The committee has taken a very keen interest in the screen sector, but we have found it somewhat challenging to effectively scrutinise the new screen unit in Creative Scotland. Although it was not

promised, it was strongly indicated to us that the memorandums of understanding between the public agencies would be ready for the unit's scheduled launch in the spring. When that did not happen, we were promised by Creative Scotland that they would be published by the end of the summer, but they were not. Creative Scotland's letter to us at the start of this month committed to the publication of the MOUs by the end of the month, but there is only one more working day in the month and, when I checked this morning, they had not yet been published. Could you give us an update on that? May I also ask whether you are satisfied with the progress that has been made?

Fiona Hyslop: I think that they were signed yesterday.

Ross Greer: Excellent.

Fiona Hyslop: I will encourage publication and ask for a copy to be sent to the committee—I think that that would be helpful.

The screen unit was launched in August and now has a new executive director in place. The advice on timing was to have a big-bang launch in August, particularly with the website and everything else. The screen unit was launched during the Edinburgh film and television festival, which made sense in terms of reach and penetration among the audience that we want the unit to work with. That has now happened and the executive director is in place. I know that the committee is seeking a debate so, obviously, we will be able to talk more about progress then, but, as I said, the MOUs were signed yesterday.

Ross Greer: Fantastic. The cabinet secretary mentioned the website, which was a key recommendation from the committee. Having looked at the new portal, I certainly welcome it; it looks essentially exactly like what we recommended on the basis of evidence from the sector. How will you be judging the success of the unit over the coming financial year? What will you be measuring to judge its success?

Fiona Hyslop: It will not necessarily be immediate, because it will take some time for a lot of the investments to be realised and to secure the number of projects. I think that it is about the sustainability of the sector, about employability and about making sure we are utilising the talents. With the various funds available, including the production growth fund and the content fund, we want to ensure that there are projects in place that can utilise the resources that we have. It is also about not just the number and quality of projects but the strength and diversity of the relationships made. I am very keen to see what can be done internationally in the co-production space, which I think the committee has been involved in as well.

Ross Greer: How would that affect your decisions about the various budget lines that feed into the work of the unit, which come from a lot of different agencies? The committee took a lot of time to look at how those agencies relate to one another, and we will have a look at the MOUs when they are published. As cabinet secretary, what will you be looking at when in future years you make decisions about the state of each of those individual budget lines—what goes up, what goes down and what is adequate as it stands?

10:45

Fiona Hyslop: My budget line is the one for Creative Scotland, and we have effectively doubled that spend. An element of Creative Scotland funding comes from the lottery, which has potentially restricted what it can be used for, and it will need to decide for itself where that lottery funding will go in its wider portfolio. We want to ensure that it is making best use of its activities, and we release funds when we reach agreement on, for example, what the content fund will do in different areas.

One issue is to identify the contribution from everyone else, including the Scottish Further and Higher Education Funding Council; Skills Development Scotland, particularly with regard to the creative skills set; and Scottish Enterprise. Indeed, as far as Scottish Enterprise is concerned, I want to ensure that, even through regional selective assistance, it is continuing to contribute not just to screen but to creative industries more generally. That is a key point; it is not just a case of saying, “We’ve got £10 million, so other agencies don’t need to contribute or make any investment.” They need to do so, and I am sure that the committee will keep a close eye on that.

I should at this point mention two companies: Blazing Griffin and Axis. I know that Axis has a launch coming up in which it will show some of its more developmental work on, for example, virtual reality. A lot of our strengths in screen lie in the combination of virtual reality and gaming, and in that respect Axis has been very good and astute in its investments in business development.

The impact that we have on screen is not just a matter of what we give Creative Scotland; it is about what happens in other areas. I—and I am sure the committee—will be keeping a close eye on that.

Ross Greer: Can I ask a brief final question, convener?

The Convener: Please be very brief.

Ross Greer: When the committee looked at the post of executive director for the unit, we were concerned that the job title went beyond screen. In

the letter that you sent to the committee during the month, you informed us that “for an initial period” the executive director would focus solely on screen. What is your understanding of how long that period will be?

Fiona Hyslop: That is really an operational matter for Creative Scotland. As you will be aware, it is undergoing an organisational review, and that issue might arise in the feedback from that. I am sure that the Creative Scotland board will consider the views of the committee, too, but as I have said, it is really an issue for the board.

The Convener: I should say that the debate on our screen inquiry will be on 23 October.

Alexander Stewart (Mid Scotland and Fife) (Con): Good morning, cabinet secretary. We have already touched on not only the success of the cultural sector but the demands that are placed on it, and we have also seen growth in the sector. What are the biggest factors contributing to the growth of Scotland’s cultural economy?

Fiona Hyslop: It depends on how you look at it. Having a vibrant cultural sector is an essential prerequisite for what can happen more widely with creative industries, and the sector is recognised not just in Scotland but in the rest of the UK as one of the fastest growing. As the committee will be aware, there are a lot of microbusinesses—indeed, almost nanobusinesses—in the sector, and one of the challenges is how we support them. With Bob Last and Jamie Hepburn, I co-chair the creative industries advisory group, and this was one of the issues that were raised when the group met yesterday.

With regard to the cultural economy, the important issue for the Government is whether we have sustainable and inclusive growth. That is what we base our judgments on, and it leads on to another important area that the committee might want to look at: the funding for the cultural economy that does not necessarily come directly from my funds. Part of what I want to do through the cultural strategy is to mainstream culture not only in health and wellbeing, which the convener referred to, but in economic activity. I am pleased that in a number of the city deals that have already been signed or in, say, the Ayrshire growth deal, the demand that is coming from local authorities—and quite rightly so; I agree with them—makes it clear that the culture, heritage and tourism aspects of what might previously have been seen as infrastructure funds can themselves be quite transformational in their own local activities.

My point about sustainable and inclusive growth ties in with Claire Baker’s point about ensuring that we deal with all of our society and tackle inequalities. That is how I would define being successful. I know that UK-wide criteria include

metrics and measures such as numbers employed and gross value added contribution, but if we are to stay true to our economic aim, we need to think about this from a different direction.

Alexander Stewart: It has always been difficult to balance growth and the high demand for funding. The draft cultural strategy talks about the actions that we will take to deal with skills development, leadership and innovation, and the digital aspects of what is being introduced. What funding is the Scottish Government planning to commit in the budget to skills development, in order to support growth in the sector and attract individuals in arts and culture?

Fiona Hyslop: We need to work with Skills Development Scotland to identify its funding, particularly for the creative sector, and I am happy to do so as part of the on-going dialogue with the committee. A practical example is that we want to have modern apprenticeships that are fit for the creative sector, so we are looking to scale up the reach of shared apprenticeships, because those can work very well. I visited the Out of the Blue drill hall—I do not know whether members have done so—which is a good example of activity in the creative industry space. It runs a very good and practical shared apprenticeship scheme that has allowed people to make the connections and relationships to sell their product. The company might not necessarily be able to afford to employ someone full time, but having a share of someone allows it to get help with manufacturing. Such a scheme is perhaps not large in terms of numbers but, in principle, it is a practical measure that can help in the creative sector.

The Convener: Before we move on to talk about external affairs, do any members have questions on culture or tourism?

Annabelle Ewing: Yes. Last week, we had an evidence session on the tourist levy or tax, and we plan to have a further evidence session next week. I am sure that the cabinet secretary has been listening to the various voices on the issue, not all of which support the same approach. I know that it is early days, but what are your thoughts at this stage?

Fiona Hyslop: We are not in favour of a tourism levy. To make any progress in the area, we would need to involve the tourism industry from the start. We understand that a live discussion is happening in Edinburgh, and I met the leader of the City of Edinburgh Council just last week. However, we need to remember that there are different positions and that the issue is not as simple as people are saying it is.

The figures for our tourism industry are fantastic—we are doing very well indeed—but, because of other financial pressures on turnover

and profit margins, tourism businesses are not necessarily enjoying the profit levels that we might expect from the increase in tourist numbers.

Scotland is also perceived to be a high-cost place to visit for a number of different reasons. VAT is at 20 per cent, which is quite different from the situation in the other cities to which people always refer, where VAT on hospitality and tourism might be as low as 8 per cent.

However, we also understand the pressures on cities—particularly cities but also rural areas—to be fit for purpose to meet demand. That is one of the reasons why we have the rural infrastructure fund. I will shortly announce the beneficiaries of that fund, and the money will help pressured areas, in particular.

In Edinburgh, a significant amount of the investment in the provisions for culture and tourism comes from the Scottish Government. The investment in major developments—Edinburgh castle, the national galleries and museums, including the Scottish national portrait gallery, and even the roof of the Queen's hall—has come from funding from the Scottish Government or our agencies or from non-departmental public bodies. The expo fund has provided £2 million of investment a year to the festivals over the past period. On top of that, the Scottish Government has contributed to the place investment, as part of Edinburgh's city deal. There is also the V&A in Dundee and what we have done in the cities, in particular. A huge amount of investment is coming from central Government into those areas.

I understand that the debate is happening—I just want it to be an informed one, which is probably the territory that we are in. The committee's work in getting out all the different perspectives is helpful in that regard.

Annabelle Ewing: That is helpful. We will be able to probe some of the issues in more detail at our evidence session, and we will be able to feed that back.

The Convener: Yes, we are having a session soon with the hospitality industry.

Claire Baker: The culture budget is a tiny percentage of the Scottish Government's budget. I appreciate that there is pressure on all budget areas, but it such a small amount of money and we have discussed what big benefits can come from culture. I accept that it would be challenging for the cabinet secretary to convince others to increase the percentage of funding that goes to culture, but a small increase of 0.5 per cent would make such a huge difference to what you can provide. Are there on-going discussions with your Cabinet colleagues about what contribution their budgets could make to culture? Increasingly, there is a discussion about how culture can improve

educational attainment, increase health benefits and work across other policy areas, but there is not a lot of discussion about those other policy areas contributing to the culture budget to make those things happen. Are you able to advance that agenda in discussion with colleagues?

Fiona Hyslop: Yes. I suppose that it is about how you look at it. Over the period in which I have been in post, I have managed to leverage in contributions to culture from other portfolios for different reasons. An example that we have just talked about is the city deal. However, I think that you are talking about revenue. We have not previously managed to do that on the revenue side; there has probably been more on the capital side of things.

There has been an intensive amount of cross-Government work on the draft culture strategy, which is probably not the most obvious part of the consultations. The discussion has been about contributions in environment, or health or other areas. You are right to say that culture can make such a difference. An obvious example, which was shown at the Edinburgh international culture summit hosted at the Parliament, is the contribution of dance to people who have Parkinson's disease. Scottish Ballet is working through music and dance to help those with Parkinson's who have difficulty in controlling their movements. Whatever the cognitive and neurological aspects of their condition, music makes a difference to their ability to move. It was astounding to watch the videos and to see that activity.

As you said, however, that is about other areas consuming culture for their own purposes, as opposed to contributing to it. We have not quite got to the point at which other areas contribute to culture, although other areas will fund things themselves. For example, over the past few years, "The Balisong", which is a drama about knife crime, has, I think, been performed in more than 100 high schools. The justice department funds that through the police budget. The play has been funded because there is a realisation that messaging from a drama can have more of an impact than the messaging that comes from police going into schools. The justice department is funding that culture initiative—it is not in my budget line.

Just as we want to make sure that we evidence the activities of our national performing companies and national collections in different communities, we need to see what the spend is. We do not want to turn this into a bureaucratic exercise that is done just for the sake of it; we just want to get to the spirit of embedding culture more so that it becomes a mainstream part of what organisations do as opposed to becoming something that is nice

to do if they have extra budget. I hope that the culture strategy will bring that change. I know that that is not the specific or detailed answer that you might want, but that is our direction of travel.

Ross Greer: I want to drill down further into Annabelle Ewing's question about a tourist tax. It often feels as though we are conflating two separate policy-related debates. One is about whether local government should have at its disposal the power to tax tourists so that locally elected bodies could choose whether to use that power; the other is about whether a tourist tax should be introduced. Although I might take a different view, I could understand it if the Scottish Government's position was that a tourist tax should not be introduced. Is it, however, the Scottish Government's view that that option should not be available to local government, which, after all, is an elected body like this one?

Fiona Hyslop: I understand the different tensions. We clearly recognise that there is a discussion to take place with local government about what taxation powers it should or should not have in principle or in operation. COSLA's request on this issue is in relation to that context, and that is why there is an issue in relation to the local government review that Aileen Campbell leads on. There is also a more general impact on taxation, which is an issue for the finance secretary.

11:00

The issue for me is how the tourism industry can be sustainable in the longer term, not just for today or tomorrow. Scotland has benefited from the pound's devaluation, as it is now cheaper to visit, but about 60 per cent of our visitors are from the European Union. They want to visit and recognise that Scotland is a welcoming place, but if there are any risks to airlines—which make decisions about provision 18 months out—those strong figures will not necessarily continue. We want to be upbeat about the figures continuing to be strong, but we will have to watch for timing, flexibility and what is and is not within our power.

You are right to identify that my interest is in the implications for the national tourism sector, which is one of our seven key economic sectors. This is not straightforward, but the Government—between Derek Mackay, Aileen Campbell and myself—will try to understand how to make sure that the debates are as well-informed as possible, so that they operate in parallel and are connected. It is right to be rational and objective in looking at the pros and cons of the issues; the local government review should not just be in isolation from other local and national debates.

The Convener: The draft culture strategy suggests that a new cultural leadership post will

be established—I am sure that it will be called a culture tsar in due course—with impact measured by establishing the measuring change group that you have spoken about. When will the new culture tsar be appointed? How will you recruit to the measuring change group and when will it be established?

Fiona Hyslop: As you might appreciate, I do not recognise the way in which the idea of a culture tsar has been reported. I return to Claire Baker's point about ensuring that the importance of culture is a read-across for all Government areas—in particular, health, justice and environment. A person in post who could drive that is very important; nobody thinks twice that we have a chief scientific adviser to the Government and advisers in lots of other areas; why would we not have an adviser for culture? They would not tell people what to consume or see; it is about how to make sure that the power of culture reaches across different areas. The strategy is not complete; we have just closed the consultation. I am interested in people's views on the proposals and I will not make a decision until I have seen the feedback.

Measuring change means that cross-governmental bodies and agencies have a capability to understand culture's power and influence. Those are not just monetary; they are about impact, which is the challenging part. I do not say that it is easy to measure how the cultural activity of organisations and of areas across Government—not just the culture department—make a difference. We want to recruit to the group from across Government and external organisations, including community groups or specialist advisers from the wider cultural sector. The approach is not definitive, because the culture strategy has not yet been published—we have not even assessed the responses to the consultation, which closed on 19 September. I want to look at those first, before I take any steps.

The Convener: Will the proposed measuring change group be part of Government or completely independent?

Fiona Hyslop: It is too early to say what the form and structure will be.

Jamie Greene: Before we move on to external affairs, I will pick up two points on culture and tourism that are relevant to pre-budget scrutiny. The culture secretary is probably aware that Norwegian Air UK is pulling its US to Scotland routes, which may have a detrimental effect on direct connectivity and inward tourism from the US. They cited the failure to reduce air passenger duty as a reason. Has the cabinet secretary had any discussions with her finance secretary colleagues about the matter? When might we see some progress on that?

Fiona Hyslop: Obviously, from a tourism point of view, reducing APD will make us more competitive. To go back to the questions about tourist tax, APD is one reason why we are, and are perceived to be, an expensive location compared with other countries. From a tourism perspective, that reduction absolutely makes sense; there are understandable reasons why it has not yet happened, but in the interests of tourism we want to see progress in the area. Again, however, that is a cross-Government issue—it affects transport and, indeed, our taxation discussions—so I cannot give you any clear indication of what, when or how, but I am very conscious of it. Inward investment and direct connectivity make a great difference. We now have direct Beijing flights, so it will be interesting to see the impact on Chinese tourism.

Jamie Greene: That is very welcome. I think the difference is largely that the Norwegian model is very much a low-cost one, so APD is much higher, relative to ticket cost, than on routes to China, for example.

My second point, although it is not a policy suggestion by any means, is that on other committees we have had some frank conversations about the effect of the road equivalent tariff on island communities and on the ability of people in Scotland to commute on ferries, for example. Do you think that tourists or overseas visitors should continue to benefit from RET? Again, I am not suggesting that they should or should not; I am just wondering whether you have considered it.

Fiona Hyslop: I think our islands benefit from international and domestic tourists. The point is about what benefits the islands want for their economic development and sustainable tourism. We are already seeing that the tourism year is beginning earlier and ending later; it used to begin post-Easter, whereas now there is more activity in March and it goes on into November. That is really important.

I took part in a tourism summit on Islay last Easter. One of the issues raised was that, for its own sustainability, the island needs to ensure that young families move there, for which it needs all-year-round employment. The tourism industry in particular therefore needs to be year-round as well. There is a balance to be struck, because obviously there are issues, which I know Alasdair Allan has raised very effectively, relating to pressures on domestic island travellers and their essential activity. I know that Paul Wheelhouse, the Minister for Energy, Connectivity and the Islands, has been involved recently in active discussions about the impact of RET and what the plans are.

There is no easy answer to this. I know that there are pressures on ferries, and obviously we want to ensure that ferry connectivity is strong, but we should look at this from the perspective of whether tourists benefit the islands. I think that the answer is yes; it is just a question of how we manage the transportation effectively.

Jamie Greene: Thank you; I appreciate that response. I have no further questions about culture or tourism, so I will move on to the external and international affairs budgets—I am sure that in the short time that we have, other members will want to chip in.

My understanding is that the budget is currently approximately £18 million a year, of which £10 million is for international development and the rest is spent on external relations and so on. It is very unclear from the SPICe briefing whether that includes funding for the Scottish Development International offices, or whether that is from another budget and your budget is just for the international hubs. Perhaps there is also some confusion about the difference between the two.

Fiona Hyslop: The Scottish Development International offices, of which there are more than 30, are funded through Scottish Development International, which is an economy budget line.

I might ask Karen Watt to correct me if I have got this wrong, but the point of the innovation and investment hubs is to allow us to combine governmental and diplomatic activity with investment and economic activity as well as cultural and other relationships. What we are now seeing in our new innovation and investment hubs is a co-location. For example, we have support from SDI on location in Dublin and Berlin, and it is also planned for Paris, where a new hub is due to open. Again, we are trying to be very practical and efficient for the public purse in how we align the budgets; I think that that is what you would expect from us.

As I mentioned, some of those budgets are funded through SDI and the economy line, and some are funded through our line. We are working closely on that with the new Minister for Trade, Investment and Innovation, Ivan McKee, and with Derek Mackay. We will try to make it clear what we are funding and what they are funding. I think that members would expect us to make joined-up, collective use of our funds.

Jamie Greene: That would be helpful. I believe that you have had sight of the SPICe briefing. Page 20 of that briefing says:

“the Scottish Government does not currently appear to have set out any specific indicators or outcomes against which the specific spend in areas such as the international offices and hubs can be measured. In addition, no business

plans appear to have been published setting out the individual work of each international office or Hub.”

As you said, there are 30-odd SDI offices in far-flung places such as Accra in Ghana, in Bern and so on. You are also setting up consolidated hubs. Can you enlighten us about what happens in those offices? How does the Government monitor their operational efficacy? How do you monitor outcomes, financial or otherwise? The only outcome that we could find was the metric on Scotland’s reputation, which is one of the five key external affairs performance indicators. Even then, according to the SPICe briefing, the graph showed that Scotland’s reputation dropped by 10 per cent between 2012 and 2016. That seemed to be our only outcome metric. As a standalone figure, that does not really make sense. How is the Government monitoring the purpose of those offices and whether it is getting good value for money?

Fiona Hyslop: I refer you to the national performance framework, which we are working to, and the revised international perspective in it, which is about our connectedness and openness. The NPF says how we will judge that. It states:

“We are open, connected and make a positive contribution internationally”.

IDF is probably easier, but that is a separate budget line, as you have identified. We will look at

“A positive experience for people coming to Scotland”,

and “Scotland’s reputation”. I am not sure that I recognise the figures that you mentioned, but I would be happy to look at them again. Our position on the Anholt-GfK Roper nation brands index has been fairly constant, and we have used that index previously. Other indicators include “Scotland’s population”, “Trust in public organisations”, “International relationships” and

“Contribution of development support to other nations”.

International relationships is a challenging area, because a lot of that is about how we build good partnerships. The hubs enable us to ensure that we have more sustainable and longer-term relationships. The Dublin hub, which has been going for two years now, is the oldest, and it has built up its staff, which now includes representation from SDI. Karen Watt can say more about the operational level, business effectiveness, the business plans that have been developed and the oversight that we have of all of that, together with our economy colleagues and the international boards that we have set up.

There are almost two levels. One involves the national performance framework and the indicators, and the other involves how we measure what offices are doing. Obviously, my main interest is in the hubs. The Berlin hub was opened

only in April and the Paris hub is due to come on stream shortly. The London hub has been extremely effective. We know that from different metrics, such as its activity and its membership information. It is used not just by the Government, but by all our partners to try to ensure that we have a platform to get new lines of business and opportunities.

Some of the activity will be Government-to-Government activity. The question is, how does anybody measure that? However, it opens up doors that allow us to take up other activity.

The Berlin hub is a very good example. When we opened the hub on the back of the European championships, Glasgow chamber of commerce and Berlin chamber of commerce signed agreements. I know from my experience of meeting elected members in Berlin and business and cultural organisations in the city that having a hub there will enable far more activity. However, in the business plans that we develop, we will ensure that we do that in an operational way. As I said, most of the hubs are in the process of being set up. We have not published that information to date, but Karen Watt can perhaps give you an operational insight into how the business plans will be monitored.

11:15

Karen Watt (Scottish Government): Each Government hub does three things: first, Government-to-Government work, to understand policies, priorities and positions and to promote joint work in areas of mutual interest; secondly, building cultural relations and exchange by international connections and mutual understanding; and thirdly, longer-term economic diplomacy to set conditions for the trade and investment activity that is entertained by Scottish Development International and other actors, such as the chambers of commerce.

The budget largely pays for people. Some offices may have three or four people in one location, with the exception of London, which has a much bigger blend of agencies, public bodies and Government footprint. All the offices plan every year and have different levels of maturity. This year, we have done a lot of work on how to move from measuring inputs—such as the number of ministerial visits, which can be a good proxy for activity—to how to crystallise and measure outcomes effectively and consistently for different levels of maturity across the network, as the cabinet secretary has said. We will explore ways to make that more public from 2019-20 onwards.

Jamie Greene: More transparency of their work will be very welcome, as the external affairs directorate section of the Scottish Government

website is very light on information. They do good work; I went to the Dublin hub earlier this year and met staff. I believe that it is co-located in the British embassy, and I wondered how much the approach is joined-up and how best to piggyback the diplomatic presence in those locations, as our offices have no formal diplomatic or consular roles. The SDI offices are also co-located in UK embassies; how do they work together, with regard to the separation of the diplomatic role of an embassy versus the cultural or trade role of a development office?

Fiona Hyslop: The relationships are very important. On every visit to a hub or a country, I meet the UK ambassador to make sure that their contribution to our agenda and our understanding of theirs are complementary if at all possible, particularly for trade, which is not my ministerial remit. Scotland can sometimes have more specialist interests, such as renewables or food and drink. On my third visit to Japan, the ambassador's feedback was that the SDI team—it is not a Scottish Government team there—has been very effective; reach and impact are very strong and complement what UK Trade and Investment and the UK embassy do. We are conscious that we face the world; although we have differences domestically, our important responsibility is to secure investment and reputation and positive relations with Scotland, and we do that as diplomatically as possible.

The Convener: Before we wind up, I have a question about the overall figure for EU funding streams that you gave earlier. Would it be possible to send the committee a list of the areas in your portfolio that depend on EU funding, with the requisite amounts?

Fiona Hyslop: Yes; not all of the list is areas of my Government portfolios; more of it is organisations that we work with. A group advises us regularly on creative and cultural issues, such as import-export issues—or potential issues, as we do not know the deal—and we have created a list of agencies in the wider cultural sector that benefit from those funding streams. Most of it is not direct to the Government or to my budget, as it tends to go to the organisations. Some of the information will have come to committee members previously, as part of the Brexit inquiry. I will check that we send the up-to-date information.

The Convener: That would be very helpful. I thank the cabinet secretary and her officials for giving evidence. They will be back in front of members to give evidence once the budget is published—we look forward to that.

11:20

Meeting continued in private until 11:33.

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