



OFFICIAL REPORT
AITHISG OIFIGEIL

Culture, Tourism, Europe and External Affairs Committee

Thursday 8 October 2020

Session 5



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CULTURE, TOURISM, EUROPE AND EXTERNAL AFFAIRS COMMITTEE
24th Meeting 2020, 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)

*Ross Greer (West Scotland) (Green)

*Dean Lockhart (Mid Scotland and Fife) (Con)

*Oliver Mundell (Dumfriesshire) (Con)

*Stewart Stevenson (Banffshire and Buchan Coast) (SNP)

*Beatrice Wishart (Shetland Islands) (LD)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Alan Clements (Two Rivers Media)

Claire Mundell (Synchronicity Films)

Neil Webster (Happy Tramp North)

CLERK TO THE COMMITTEE

Stephen Herbert

LOCATION

Virtual Meeting

Scottish Parliament

Culture, Tourism, Europe and External Affairs Committee

Thursday 8 October 2020

[The Convener opened the meeting at 09:30]

Public Sector Broadcasters and Commissioning

The Convener (Joan McAlpine): Good morning, and welcome to the 24th meeting in 2020 of the Culture, Tourism, Europe and External Affairs Committee—this is our 14th remote meeting.

Today we are taking evidence on public sector broadcasters and commissioning. I welcome the panel to the meeting. Alan Clements is the managing director of Two Rivers Media; Neil Webster is the managing director of Happy Tramp North; and Claire Mundell is the creative director and founder of Synchronicity Films.

I remind members and witnesses to give broadcasting staff a few seconds to operate the microphones before beginning to speak. I would be grateful if questions and answers could be kept as succinct as possible. Every member will have the opportunity to ask a question and a supplementary. We will take additional supplementary questions at the end, if time permits.

The purpose of today's session is to follow up on a major piece of work that the committee carried out a couple of years ago, "Making Scotland a Screen Leader", in which we made several recommendations aimed at increasing the amount of independent production in Scotland. We held an evidence session with some stakeholders in early March. Our post-report scrutiny was a little curtailed by the pandemic, but we are now returning to the subject.

I want to start by asking about lift and shift—where productions are classified as Scottish or Scotland made for the purposes of meeting the public sector broadcasters' quota, but where there are serious question marks over whether they really are Scottish productions. In its report, the committee recommends that

"reporting of what makes a Scottish production is made more robust and that checks on accuracy of the information provided is tightened."

Quite recently, Ofcom changed the criteria for what qualifies as a Scottish production. Do the

witnesses think that Ofcom's guidance and tests have improved the situation?

Alan Clements (Two Rivers Media): I am not Ofcom, so it is hard for me to regulate what happens in every single production. My sense is that the broadcasters try much harder to police it themselves. I would have liked the Ofcom criteria to have gone further, but I have a sense that the broadcasters really want to make it work. This week, we saw the figures for Channel 5: even though it has an out-of-London quota of 10 per cent, its nations and regions productions are actually about 36 per cent. There has been a sea change to try to make it work.

I am not sure that I can give you detailed evidence on specific productions in Scotland, but I sense a real willingness to make it work.

The Convener: That is encouraging. Does anyone else want comment on that?

Claire Mundell (Synchronicity Films): I agree with Alan Clements. It has been quite a long journey to get to this point, but the current definition, certainly in the scripted arena, is an improvement. I, too, see a genuine will among the broadcasters that we work with to meet the nations and regions target.

The world has obviously changed a lot over the past six months. In many ways, there has been a paradigm shift in the United Kingdom in that the nature of how people are—[*Inaudible*.]—has changed completely. To some degree, that will potentially play into a positive outcome for the nations and regions.

The Convener: I think there might be somebody who is not muted. It might have been Alan Clements—he is muted now, though. I mention that because we were getting some feedback.

Neil Webster (Happy Tramp North): I agree with Alan Clements and Claire Mundell. I have not seen so much of the journey, as I am newer to Scottish production—I have been here for three or four years now—but the mindset is very much that the PSBs, and certainly the BBC, which we have been dealing with predominantly, have been really proactive. In quota and production terms, the PSBs have been really helpful. Judging from the productions that we have done, things seem to be working well.

The Convener: That is all very encouraging. The briefings that we have had from some of you and from the Scottish Parliament information centre show that more production is being done, and that the BBC Scotland channel has made a big difference. Alan Clements has been particularly positive about that.

However, when we took evidence in March, there were questions around the amount of money that is available to individual productions. For example, Arabella Page-Croft from Black Camel Pictures said that producers were being squeezed. She explained that,

“although we have this new channel, there is no money. For example, I have just done a £4 million deal with Sky on another series ... but my current deal with BBC Scotland is for £100,000. Producers are having to go elsewhere, because the money is not here.”—[*Official Report, Culture, Tourism, Europe and External Affairs Committee*, 5 March 2020; c 18.]

Is there, indeed, a squeeze? The Producers Alliance for Cinema and Television—PACT—has highlighted that, too.

Could you also address the changes at BBC Studios? I understand that some of the production capacity has been taken away from BBC Scotland. Will that make a difference?

Claire Mundell: I will take the BBC Scotland question. It is impossible to compare apples with pears in this situation. The channel is a really positive addition to the landscape in Scotland. We work in the scripted arena, and there is limited opportunity for the scripted genre. As I am sure the committee knows, the costs involved in creating a high-end scripted series often preclude working with that channel alone at that tariff level.

Where the channel can be, and indeed has been, innovative—I am sure that Neil Webster can talk more about this, with reference to “Guilt”—is in strategising and championing specific projects in the scripted area, including scripted comedy. It can champion projects to the network in a way that can be really helpful. The impact of the channel will be specified in certain genres.

I am broadly positive about the channel's growth. Would I like it to have more money? Absolutely, because its ambitions are limited. However, we have to operate in a real-world context. We are all facing major challenges, both in relation to Covid and internationally, with the dominance of the streamers.

For me, this is a journey. I have been working in nations and regions network television for 20 years, and I think that we are much closer to achieving the sort of growth that we ought to have in Scotland. The new channel is a good step in that direction, but it needs more money in order to have a significant impact. The channel does very well with what it has but often on low-tariff work.

It is really hard to compare the deal that someone would get at Sky with the deal that they might get at BBC Scotland. It totally depends on the nature of the project and on the genre.

Neil Webster: I totally agree with Claire Mundell. With regard to “Guilt”, the launch of BBC

Scotland has been incredible for us. As Claire said, Happy Tramp North now works predominantly—almost entirely—in scripted comedy and drama. It is incredibly difficult, because the high level of the budgets means that you can do only a certain number of shows. The main PSBs—the nations commissioners—can do only a certain number of shows. BBC Scotland has great ambitions, but limited resources, so we were very fortunate to get “Guilt” off the ground with it in conjunction with BBC 2.

The pre-Covid budget squeeze was tight; post-Covid, it will be a whole different ball game. Having more money coming through BBC Scotland would only increase the amount of productions that we can make. “Guilt” is a real stretch for BBC Scotland, because it requires a lot of money. Thankfully, it was a success, everyone enjoyed it and we are making more, but it is a lot of money to put into one basket. There need to be more baskets.

The Convener: Thanks very much. Other members will explore the effect of Covid later on in the session.

Do you want to come in on that, Alan? Are you able to address the issue of BBC Studios? I understand that there has been major change there.

Alan Clements: I will do that in a second. First, I am afraid that I have to violently agree with Claire Mundell and Neil Webster. What Steve Carson and his team have done with the money has been extraordinary. The comparison that Arabella Page-Croft made is not a valid one. You cannot compare a channel with a budget of £30-odd million with Sky, or even ITV, with a budget of £1 billion. It is horses for courses.

We are doing a couple of major projects with BBC Scotland that are fully funded by it. It is starting to be entrepreneurial about being a minority funder. We are doing a major theatrical doc with a Scottish character at its heart, and BBC Scotland's funding has helped us find other funding towards creating a cinema doc. I have nothing but praise for BBC Scotland, which has done great.

The BBC Studios issue is difficult. In effect, it is a private company within the BBC. I guess that it has to make the commercial decisions that it makes. I would always regret the centralisation of any production in London. It is a real shame for the production base in Scotland that those skills are being lost. That is a commercial decision. However, it feels a slightly odd commercial decision, given that BBC Studios is encouraging other companies to move out to the nations and regions while it is retrenching and taking the documentaries unit back to London. That is a

shame, but it must be a commercial decision for BBC Studios to make.

The Convener: I see. I am sure that we will have lots more questions on those themes.

Claire Baker (Mid Scotland and Fife) (Lab): A couple of the witnesses have referred to the Covid pandemic. I think that Claire Mundell sounded more optimistic and thought that there might be opportunities.

Nonetheless, what has the impact been on the sector and on independent production? How do the witnesses think that the sector will adapt to what might be a long-term situation? Perhaps Claire Mundell wants to respond first, as she raised the issue.

Claire Mundell: In the scripted arena, we have very much focused on what we can control. The only thing that we can control at the moment is development. We have used the past few months to work on making sure that we have sufficient product—at the end of the day, that is what we make—on our slate to sell to the broadcasters and to funders around the world at the appropriate time.

It is hard to see how—certainly in the scripted arena—things will return to any kind of normal in the short term. I am optimistic that, in the longer term—in three to five years—we will return to the levels that we were at previously, but, in the immediate and medium terms, we need to adjust what we do to meet the new reality.

09:45

Covid is the new reality—it is no longer considered an exceptional cost; it is already considered a cost of production. Production companies, on the whole, have to bear that cost. During the middle of the pandemic, when projects were in production, there was some additional funding to help cover the unforeseen additional cost, but now we all know that we are in the “new normal”—I am sorry to use that expression because I hate it—and therefore it is just considered as a cost. It is a significant cost: in scripted, it might be anywhere from 15 to 25 per cent on top of the costs of production. That will put pressure on margins for production companies.

It will also change the nature of the editorial. The committee might have noticed that, in the past week, Netflix has cancelled several shows that are based on ensemble casts because the risk profile is too great. We will see far less multiterritory international filming. High-end television has been going through a boom in international production. It can still boom, but it will boom in a different way. All the broadcasters are going to do everything that they can to protect their investment by

focusing on projects that are restricted to filming in one territory. That will not help the issue of funding high-end drama. High-end drama relies on a commissioning broadcaster—for us, typically the broadcaster is in the UK, but that is not always the case; they can sometimes be in Germany, Australia or the United States—and then the production company has to piece together the rest of the puzzle. The finance challenge will remain, but without having the editorial power of being able to have characters in some of those territories we will have to find another way of balancing how we make those projects attractive internationally.

Covid has been devastating for the freelance community. There are many crew members who have not earned a penny for six months. That will change the shape of the talent base here—some people will leave the industry, because no one wants to be exposed to that level of risk again. As a production company, we have hunkered down and focused on development. Fortunately, we were not hit in production, but we are aiming to shoot by the end of the year. The reinsurance programme that was recently announced is a welcome addition to help us to tackle the challenges that we face.

We are all going to have to cut our cloth to fit and think about the sorts of stories that we tell, how many characters are in the drama, how many locations we use and so on. I am an optimist; no one can be a producer without being a pathological optimist—they just would not do it.

There are opportunities in new technology in making drama. The audience demands the same level of quality and ambition that it has become used to and, ultimately, we have to serve the audience. Our business is to deliver something that the audience wants to watch. That will push us all into exploring new technology and the ways in which it can help us to achieve scale and ambition in drama, in a safe way that puts nobody at risk.

There are many challenges ahead, and there will be a rationalisation of the production base. Sadly, some companies that were perhaps not viable anyway might not make it through. It is a constant juggling act to show that we can keep going. That is particularly true for drama, which has a very long lead time from development. However, if a company can stay in the game long enough, the rewards are extremely high. That is what builds value and is what we need to do in Scotland. We need to build intellectual property value, and wealth creation through IP value, from creators and production companies here in Scotland.

I am sorry—I segued into a whole other topic there. Covid is a reckoning. We have to adapt. Television professionals, crews and the talented

individuals who make productions are very adaptable, flexible people. We have to adapt the way we work and our methodology. It is a challenge. In scripted productions, we will not see major scenes being made in the same way as before. We will have to change the way we make such scenes and the kind of stories that we put together.

Claire Baker: Thank you. Would Neil Webster or Alan Clements like to comment on the Covid response? I imagine that you agree with much of what Claire Mundell has said. She has laid out some of the key issues around freelancers and the viability of some parts of the sector.

Could you also say something about the BBC as the main public sector broadcaster? There are changes at the BBC: we have a new director general and we are awaiting the appointment of a chair. There will also be a new leader of Ofcom. Do you have any views on where you hope that the public sector broadcaster's emphasis will be in response to Covid? Alan Clements said that there had been a "sea change" in regional investment. Do you have any concerns that that might not continue under the new leadership, or are you confident that the BBC will continue in that direction?

Alan Clements: There is no point in me going over everything that Claire Mundell said about Covid, all of which I agree with, especially what she said about costs. Everything just takes longer if we have to check temperatures and we can only film and edit remotely. That is particularly the case for factual television. We have kept going, but it is definitely more expensive.

I have praised the BBC because I think that, this time, it means what it says, and I think that BBC Scotland has been a significant help to the sector in Scotland. I return to the point that I made in my written evidence: the one area in which the BBC has been disappointing and has done more than make noises—it has made promises—about is the decentralisation of decision making, which is critical to helping the sector in Scotland. I gave the example of what happened when Jo Street, who is from Doncaster, moved up to Scotland from London. She could not just develop but commission productions, which she could sign off, along with the channel controller. That had an enormous effect on daytime and early peak production from Scotland, because she was here and she knew the companies and their strengths and weaknesses.

At the nations and regions conference in Leeds, Charlotte Moore said that the BBC was not going to have a big bang of the kind that Channel 4 had in moving to Leeds, Glasgow and Bristol; she said that it was going to make its move organically. However, it feels to me as though there has been

no organic progress, and in many ways it has retreated a bit. Craig Hunter, who was the BBC commissioner for specialist factual in Scotland, left to work for STV Productions, which is now STV Studios, and although his two replacements, Tom Coveney and Emma Cahusac, are excellent commissioners, they are both based in London. They now represent Scotland in BBC factual commissioning.

We have to get people out into the nations and regions to deal with the companies directly. If the people move here, the money and commissioning power will follow them. That is critical. I hope that Tim Davie will pick up that challenge and move the BBC in that direction. That is the fundamental change that we need. There has been a change in mindset—the BBC trusts nations and regions producers—but it now needs to take that next step, which Channel 4 has already taken, and start to move decision makers out of London.

Claire Baker: Neil Webster, would you like to comment on the Covid situation or the BBC?

Neil Webster: I would like to comment on both. I could not agree more with Claire Mundell and Alan Clements in respect of Covid. From our perspective as a very small production company, the increased costs and reduced margins make it a high-wire act. All being well—fingers crossed—we are about to go into production on two shows in November. Even with the reinsurance programme, we are going into uncharted territory. There are so many things that could fall down at so many stages of production. Keeping people safe is the main priority, but as Claire Mundell pointed out, drama production is hugely costly and has an enormous machine around it, and it only takes one part of the machine to falter for us to be left high and dry.

Everyone is desperate to get back into production, because we have not made any money over the past six months. We are now at an existential point in our working life. We have to get into production and we have to make it work. Given the reduced margins and increased risk, the key thing for the next four to five months will be getting through production. We are all going to learn a lot. It has been great to share information among companies up here as people have learned things, but it is a precarious time, even for successful shows.

To go back to the return of "Guilt", we cannot wait to make the show. We have been lucky enough to have a writer who is responding to the problems of Covid that often affect the minutiae of drama, such as when we suddenly realise that we cannot film two people in a car safely at the moment, and we have to reimagine the scene. We wrestle with elements like that on a day-to-day basis.

On the BBC and the point that Alan Clements made about the decentralisation of decision making, one of the upsides of Covid—if there are any—is that Zoom and BlueJeans are democratising those meetings. When I first moved to Scotland, everyone told me about the culture of the £250 coffee, which is where you go to London for a meeting, have a coffee and come back again. People had a lot of those experiences. I hope that the current situation explodes that culture and we can work in a way whereby we can pitch to people and have contact with them. We will always miss something without the human contact, but I hope that that change will level the playing field in that regard.

With decentralisation, one big issue that we always find is that when commissioning power is diluted—for example, when a show is made between BBC Scotland and BBC Two—the speed of decision making is slowed down, and speed is crucial, particularly for small companies. As Claire Mundell said, the lead time on making scripted programmes is huge—there is a huge development period. After that, if there is decentralised commissioning, more than just two ticks are required, and that really slows down the process, which makes it precarious for small producers, because we end up waiting much longer.

Claire Baker: Thank you very much.

Ross Greer (West Scotland) (Green): I am interested in sticking with the short-term impact of Covid and the impact that it might have had on commissions that were being negotiated or had just been secured by March, when the lockdown started, which meant that production could not commence. Are those who commissioned such productions—whether PSBs or other providers—still holding on to those, or are you finding that production companies in the sector are losing out on business that was just about to be, or had been, secured, because channels are cancelling those commissions and have decided not to move ahead with production that would have happened in March, April or May?

Claire Mundell: I will jump in. We have not had direct experience of that, because we were not in production with any scripted programmes at that point, but I know that other companies have had a variety of responses. Some productions have been postponed until next spring. In other cases, productions have been cancelled, because for various reasons, such as the risk profile around them, those particular shows no longer feel achievable in the current climate. It is very much a project-by-project situation, and it depends on the genre as well. We do not make factual programmes, so I cannot speak about this from personal experience, but I understand that, in the

factual area, ways have been found for planned programmes to stay in production and there have been many innovative responses to the new reality of filming with Covid.

I certainly know that shows have been cancelled. For production companies in the scripted area that have had their shows postponed, that is a big challenge, too, because such companies do not earn any significant, meaningful income until the first day of principal photography. Those cash-flow challenges are acute.

Ross Greer: Does Alan Clements or Neil Webster have any experience of that, or have you heard of patterns in other companies?

10:00

Alan Clements: We have heard anecdotally of projects being cancelled. We were lucky. I can give you two examples. We have filmed and are now editing the “Inside Tynecastle” series that followed the season of Heart of Midlothian, which did not turn out as anybody expected. The BBC has supported that production continuing, even though filming was meant to finish in May. There will be some cost to us and some cost to the BBC.

The Dick and Angel series “Escape to the Chateau: Make Do and Mend” had a different format when we started, but we adapted it to lockdown. It worked well and was very successful, to the extent that we are talking to them about whether to do more of those programmes. It was a lockdown show, so people would send in videos of their DIY or craft problems and Dick and Angel would deal with them from the chateau. It got a great response from the audience—[*Inaudible.*]—non-lockdown show. We have been fortunate in that broadcasters have been very understanding and have worked collaboratively.

A problem that puzzled my investors is that we often start productions without a contract being fully signed. That is how television has always worked. I have had shows transmitted before the production contract has been signed. My understanding is that some companies were caught in that by the letter of the law rather than the spirit of it, but I could not give you chapter and verse.

Neil Webster: On a practical level, everything shutting down or pausing has a domino effect, and we are all now desperately trying to get back into production as we work through the Covid protocols. Actors are one element of that. There were the jobs that they were meant to do between March and September. All the companies are now desperate to make those shows because, as Claire Mundell said, there is no money to be made until principal photography starts. Therefore, it is

necessary to start production as soon as possible. There is a glut now, whereby everybody is trying to get into production with the resources that would normally be spread across a year. That makes it an incredibly difficult situation.

As well as the postponement of productions because the landscape has changed, there is the practical issue of everyone trying to work with the resources that would normally be spread across the whole year in the next three or four months.

Claire Mundell: When productions are pushed along the line, that has a knock-on effect on commissioning opportunities. The terrestrial broadcasters are mostly still operating linear channels with slots. That means that new opportunities are now well into 2023, if not 2024. That is a long time for companies to sustain their businesses and still be available to compete for those projects.

There are now so many buyers for drama. We talk to broadcasters and funders all over the world and, as Alan Clements said in his submission, Zoom has democratised those conversations. In the interim, we have saved money by not having to spend £250 going to meet someone for a coffee. It is a constant juggling act between rushing into production to get to the first day of principal photography and start to earn some income, and competing with every other company in the UK and internationally for slots that might in many cases be two years down the line.

Drama typically takes 12 to 18 months to make, so there is a certain amount of lead time that we always have to contend with, but the current situation is pushing many of us to look at opportunities with the streamers, because they are benefiting massively from Covid, and they have endless demand, endless audience need and an audience that is available to view like never before.

It is a balancing act, because although we can gain good production fees on streamer commissions, we do not have any back end, and back end is what builds value. Ultimately, that is what will build sustainability in Scotland.

Ross Greer: Thank you.

Convener, do you want me to come in on the role of Screen Scotland now or later?

The Convener: If we have time, we can come back to that later.

Oliver Mundell (Dumfriesshire) (Con): I am interested in what the witnesses think about how well public service broadcasting in Scotland reflects the whole country and in the equality of opportunity that is available for all communities and regions of Scotland. In the area that I represent, there is sometimes a feeling that the

BBC and others can be very focused on the central belt and that we do not see all the different parts of Scotland being well reflected. Can anything be done to improve that?

Claire Mundell: I absolutely agree. In the central belt of Scotland, we are sometimes as guilty of the very thing for which, for many years, we have decried London; we just do not see it ourselves. There are definite practical challenges, because the bulk of the crew base is in the central belt, between Glasgow and Edinburgh, but we have to overcome them.

We need to talk about diversity in a Scottish sense. We have to talk about social inclusion. All of that is absolutely part and parcel of what we have to deliver to the audience, as well as consider in developing the industry. To go back to what we want to watch on television, we all respond to material that is authentic and has a very clear sense of place, as well as universal themes that we can all relate to. I think that we do not make enough of that in Scotland.

From an international point of view, we completely underestimate the extent to which the landscape of Scotland, and the remoteness and distinctiveness of parts of Scotland, is a massive sell to the international market—in particular, to the US market. Very often, we, on the ground, do not exploit that as much as we should.

There is a moral duty and an industry duty to do all of those things, but there is also a good commercial imperative, because it is what makes us distinctive in the UK and we ought to harness it more.

Neil Webster: I totally agree with Claire Mundell. The issue with the central belt and centralisation is the same as the issue that the UK has with London, in that most of the resources are currently found in those places.

I am up north, along the coast from Inverness, and we are currently developing some documentary strands that speak to the stories and landscape up here. There are incredible stories to tell and incredible places in which to tell them.

However, it is a resource issue as much as anything, because people move to the areas where the work is. Even to build a small team up here is hard because, when people want to find work, they go to the central area. The central belt is where they will be; they will be in Glasgow. If we want to crew up, Glasgow is where we go.

We need to think about building things up from small starts. The slight issue with that approach, probably more so at the moment with Covid, is that it involves a big investment of time and energy for not a lot of return. You tend to find yourself gravitating back towards having a bigger show,

and thinking about how you can get a show off the ground that will pay for it—[*Inaudible.*]

That draws you back to the bigger central areas. Nonetheless, from our perspective up here in the north of Scotland, the ambition is very much to build stories, in not only dramatic terms but documentary terms.

Alan Clements: I agree with all of that. Having grown up in Stranraer, I understand what it feels like to be remote from the central belt. There is sometimes a laziness in decision making. Our scripted side is focused on setting shows outside Glasgow. To be fair to BBC Scotland, it has turned down shows from us on two occasions because it did not want any more Glasgow stories. It has tried hard, in its factual output in particular, to show stories that are not based only in Glasgow and only in certain communities.

Oliver Mundell: That is helpful. I am interested in whether you feel that our enterprise agencies could do more to incentivise new production in the Highlands and Islands and in the south of Scotland, and whether that would encourage the development of a skills base.

Claire Mundell: One thing that would be incredibly helpful, and possibly transformative—I have banged on about this for years—would be local incentives, which could top up the UK tax credit.

Some time ago, in Dumfries and Galloway, there was a very forward-thinking individual, Mark Geddes, who had a relatively modest pot of money—it came from the tourist budget, I believe. He used that money to incentivise us to go to that part of Scotland and to base projects there. I do not have the figures to hand, but I remember being told at one time that the return on his £100,000, which was the amount of production spend that went into Dumfries and Galloway, was enormous.

We are not shy in coming forward when it comes to following the money. An incentive scheme would make a massive difference and would give Scotland a competitive advantage over other parts of the UK. Even a small percentage or a fixed amount of money in return for spend in a local area would be incredible. It would drive change, because we follow the money—everybody does. That is definitely something to examine. If you look at the model in Dumfries and Galloway, you will see how it can work.

We all understand that there are, unfortunately, pressures on budgets—even more so now—so it perhaps seems somewhat selfish of us to ask for more money. However, a small amount of investment from local regions would absolutely drive people to go there; we have evidence to back that up, based on what happened in Dumfries and Galloway.

Beatrice Wishart (Shetland Islands) (LD): Good morning, panel. I was interested to hear the previous line of questioning, as I obviously want to ensure that the Highlands and Islands benefits as well as the central belt. We have hopes—we still have our fingers crossed—for the new series of “Shetland”, which is due to start production in February next year; we will have to wait and see where that goes. The series has been successful and has done enormous good for our tourism industry in Shetland.

I am also interested in diversity and encouraging fresh new talent. I would like the witnesses’ opinions on how we can continue to nurture Scottish talent and enable progression, given the financial constraints that we will obviously experience as a result of Covid.

Alan Clements, your submission was quite strong on that area, so perhaps you can expand on your views.

10:15

Alan Clements: I am happy to do that. There is a micro level and a macro level in that regard. At the micro level, one of the great frustrations of working from home and not having an office is that we have had to cease a lot of our mentoring activities. We take mentoring and the experience of our mentees very seriously, and we want to reach out to communities that are not well served in the television industry. It is clear that there is a huge issue around black, Asian and minority ethnic communities, but there is often a loss of focus on class and socioeconomic exclusion. As a company, we are keen to tackle that.

My broader point, to go back to the decentralisation of decision making, is that if we can build big industries in Sheffield, Coventry, Belfast, Aberdeen and Glasgow, people will not have to go to London. The people who can currently afford to go to London and join the industry are those who, by and large, have the bank of mum and dad behind them. That increases social exclusion. The more we can build up the industry all across the UK, the more we can tackle the issue of bringing into the industry people who could not normally afford six months of being a runner on no wages, or the minimum wage, in London.

Neil Webster: I totally agree. Thinking about the issue that we have now, I came through a mentoring scheme—I come from a working-class background, and if it was not for a mentoring scheme, I would not have made it into television.

I am really keen that mentoring should be a huge part of every production. We are a tiny production company and our resources are very limited, so we cannot take on a huge number of

people, but we have to—[Inaudible.]—with production. With the first series of “Guilt”, we had a big ground-level mentoring scheme in production that worked really well.

It is much harder now, with Covid. As Alan Clements said, without the offices and the face-to-face contact, things are much more separated. It is doubly difficult to incorporate someone into the working process of production when we are trying to work out our new working processes.

In our experience, Screen Scotland was a real help to us in bringing people in during the first series of “Guilt”. In the first series, we focused on production; in the current series, we are trying to increase mentoring on the editorial side. That has been slightly stymied by circumstance, but we are working hard to try to bring people through, because that is the only way to do it. As Alan Clements said, if you do not have access to the bank of mum and dad, television is a really difficult industry to get into. In addition, if you are not based in Glasgow or London, that makes it really hard. We are keen to keep the mentoring going, because ultimately it works.

I have just been working on a project with a script editor who is new and came through a mentoring scheme. She is brilliant. I know that, if I am still working in the industry in 10 years’ time, I will be pitching to her, because I can see that she is a star of the future. However, at the moment, it is very hard to find the resource to enable us to bring those people through.

Claire Mundell: I agree with everything that the other witnesses have said. I would also add that training is crucial. In Scotland, we have a different ecosystem in terms of the talent pool that is available to us. We either have to identify people who have existing experience that we can build on, or we have to build people’s talents and abilities from within the base here. That is unlike the situation in London, where people move around production companies regularly and build their experience through being exposed to different types of production.

The addition of the National Film and Television School Scotland, TRC Media and screen NETS—the new entrants training programme—which are all great entities in their own right, is important. There was a recent announcement about a training alliance bringing together all those different training providers, which is a good development, because often it can feel like we have lots of training on the ground in Scotland. As an employer and a production company, we need to navigate that strategically and work together with everyone to identify where the gaps are. Those training providers truly are working together now, so that is a good development.

The BBC is crucial to that—a strong BBC in Scotland is essential. I came from a working-class background and I had no friends or relatives in the television industry, so I did not anticipate that I would be able to get a job, but I managed to get a job at the BBC. That was the start of my career and it exposed me to a range of networking opportunities. The BBC is crucial and we need to maintain its strength. Equally, maintaining a strong independent base, with strong terms of trade, so that we can all benefit from a strong rights position makes us all sustainable, and those principles have to be maintained.

We have lots of diversity challenges to meet in Scotland, and we need to consider what diversity here looks like compared to diversity in the rest of the UK. We have to change that in the same way as everyone else has to change it. The commissioning landscape, in terms of the people who are in positions of power, has to be reflective of the Scottish population and the ethnic mix, as is the case in the rest of the UK. We have a way to go on that, and there are some challenges.

On the socioeconomic character of entrants, I am really worried by the level of unemployment that is about to hit young people. I am desperately sad about that, because it means that there could be a real disservice to the audience in terms of the stories that we can tell. It is the same with diversity. It comes from the point of view that, if those people are not represented in positions of power, we will not find those stories, and that has to be tackled.

Beatrice Wishart: Thank you for that. That is a really important point, as is the point about new young talent going away to London and how we ensure that people come back to Scotland with the skills that they have learned, especially in the current climate and with the possibility of considerable youth unemployment. There is a lot to think about there.

Annabelle Ewing (Cowdenbeath) (SNP): We have had an interesting discussion. Turning briefly to the issue of commissioning, for the record, because we will have the BBC in in due course, I note that the head of content said a couple of years ago that more commissioning editors would be located in Scotland. In your experience in the past couple of years, has there been a marked change in that regard?

Alan Clements: Bluntly, no. There used to be Jo Street in daytime and shoulder peak, Craig Hunter in specialist factual and Gaynor Holmes as a commissioning executive in drama; now, Neil McCallum has replaced Jo Street, who has gone to Channel 4, Craig Hunter has been replaced by two commissioners in London and Gaynor is still there in drama. The issue is not only the people being there; it is that they need to be empowered,

because all the broadcasters work on what is called the two-tick approach. One tick is the commissioning editor saying that they want the production and the other tick is the channel controller saying that it works for their schedule. We need people in Scotland who can get that crucial first tick, which is critical to moving a production forward. So, no—if anything, it has gone backwards. As I said, I am a huge supporter of the BBC, but I cannot say that it has done that as well as it could have.

Annabelle Ewing: Thank you for that clear answer. I appreciate that it is difficult for you guys, because the BBC is an organisation from which you hope to get work. I therefore understand that, although you will answer as best you can, you obviously have to think about future commissioning.

Claire Mundell made a point about the need for there to be a strong BBC in Scotland. I am sorry to be controversial, but I want to raise an important issue that relates to extending the pot. I refer, of course, to the licence fee spend. I think that around 85 per cent of the licence fee income that is raised in Scotland is spent here. Would it not be better if it was 100 per cent, in which case there would be a bit more money to go around? Perhaps Claire Mundell could respond to that first.

Claire Mundell: Yes. I am a producer, so I will always accept more money. I agree that 100 per cent of what we raise in Scotland should be spent here. That is absolutely right.

Ultimately, though, a balance has to be struck. Putting the idea of quotas aside, we are selling a product to a buyer, so we need to provide products that that buyer wants. We are always having to balance those two things in careful and delicate ways.

In scripted productions, the commissioning editor for drama in Scotland is on the ground here, passionately supports Scotland, is Scottish, lives here and knows the crew and talent bases, and so is inevitably in a stronger position to bat for Scotland.

Regardless of who the individuals concerned might be, though, the structural issue is about power and whether any portion of the budget could be fully devolved—not just for Scotland but for all the nations and regions. That is a radical suggestion, so I imagine that it is unlikely to be taken up. However, we know that one of the things that we have to do in the nations and regions is portray Scotland; in fact, there is a portrayal fund for Scotland. We should ask about the possibility of a portion of the overall budget being fully devolved to Scotland for network production; obviously, we already have that for opt-out production. Where we are making stories that

reflect our culture, should we argue for a portion of that overall budget to be fully actionable in Scotland, so that all the ticks happen here? That would make a difference, and it could make things move faster. I do not know whether it will happen, but I would support it.

However, we must also remember that we are here to provide projects that a buyer will want to buy. The quotas are brilliant, and they absolutely support the industry, but we should not forget that no one wants to be commissioned because of a quota. To be honest, we almost want the quota factor to disappear. The industry here and the product that we make are world class, so commissioners do not see the quota; all that they see are the production companies that they want to work with and the shows that they want to commission. As producers, it is our job to balance those factors.

However, I often feel that an additional fully devolved power would make an amazing difference—and probably not just for us but for the other nations, too. I do not know whether it will ever happen in the BBC's commissioning system, but I make that suggestion.

Annabelle Ewing: That sounds good to me—it is a positive suggestion.

If I may, convener, I would like to embark on another line of questioning.

The Convener: Neil Webster has indicated in the chat function that he wishes to answer the previous question.

Annabelle Ewing: I intend to ask my second question and have Neil Webster pick up on that, and then go back to Alan Clements and Claire Mundell, if it would be okay to do so in order to round that off as speedily as possible.

I put that issue to Neil Webster, but I also raise a wider one. Reference has been made to international work and perspectives. It would be interesting to hear what all our panellists feel about the opportunities there, what more could be done and who would need to do it. Is there a role for the Government in that regard? Everybody wants the Scottish sector to thrive and be successful, including in international opportunities. Perhaps Neil Webster could speak on that and the earlier issues as well.

10:30

Neil Webster: On the earlier question of commissioning and how that has changed, I note that we have a narrow brief, because we focus on scripted productions. I echo that Gaynor Holmes is incredible at drama. Through Steve Carson, we also work a lot with Gavin Smith and Gregor Sharp. They have all been incredible and they

know their markets. Everybody has a tough job, particularly at the moment; resources were already stretched and they have been further stretched by the shutdown of production.

As with any organisation that we work with, there can be thorny issues with the BBC, but it is still our first port of call. It provides the best breadth of opportunity and, among the PSBs, it has the biggest commitment to nurturing new talent and making that part of its business front and centre. It is important to make that point.

Sorry—what was your second question, Annabelle?

Annabelle Ewing: I asked whether 100 per cent of the money that is raised in Scotland from licence fees should be spent here, which might give us a bigger pot, and I asked about international opportunities.

Neil Webster: Developing international opportunities comes back to telling stories that work internationally, so we need to tell stories from Scotland that resonate around the world. That is as much as we can do to attract international buyers. Now, increasingly, budgets are all about having a distribution advance that goes into selling productions internationally. Often, the distribution advance tops up the licence fee from the broadcaster, so it is very important that we are outward facing.

Everybody talks about the boom time in drama, but comedy is much harder for us to sell internationally because, by its nature, it speaks to a domestic audience. The things that we find colloquially funny do not necessarily translate to international audiences. However, increasingly, we have to think more internationally, because that is where a lot more of the funding comes from. How that plays out will come down to the stories that we tell.

Alan Clements: Those are important questions, Annabelle. On the first question, none of this is a criticism of the people who are involved, as I echo what Claire Mundell and Neil Webster said about Gaynor Holmes. She has been so supportive of Marcus Wilson and our drama team in getting product away. I want to give the commissioning editors more power, not take their power away. They should have more autonomy, being based in Scotland.

This year and next year, people will ask you, as a committee and Parliament, for money. The two things that I suggest do not cost a single penny. Decentralising power and setting and enforcing quotas do not cost any money to the broadcasters that are involved or to the public purse, but they would make a material difference to the industry in Scotland. The more autonomy BBC Scotland, for example, has, the more it can work like Canadian

and Australian broadcasters do, whereby they have an anchor tenant of a programme that works for their audience but also has an international reach.

I have examples for how PSBs can be encouraged to do that. I mentioned the cinema doc that we are doing, which is about a Scottish mercenary who was sent to kill Pablo Escobar. That is a brilliant Scottish story, but it has a big international resonance, so we were able to raise most of the money internationally, as well as through BBC Scotland. Another production that we are working on, which is being supported by Screen Scotland, is based on a book by a Scottish author. It is about a major American icon, and we are raising most of the money in America. I encourage the PSBs to have that spirit of entrepreneurship. The more autonomy they have in their decision making, the easier it will be to do that in a Scottish context, rather than always having to defer to London for decisions.

Claire Mundell: On a related matter, although we are here to take Scottish stories to the world, to the rest of the UK and to ourselves, we also try to think of ourselves as a great production company based in Scotland, rather than a Scottish production company. A sea change has to happen, so that Scottish production companies can just as easily make a story that is set in London, but we make it here instead of in London. Scotland doubles for lots of different countries, towns and cities.

I come back to the point about wealth generation and where the IP sits and is owned. It is perhaps a controversial suggestion, because it turns left and shifts on its head, but I do not want us to be in a position where Scottish production companies are commissioned only to make Scottish stories. That does not help anybody, and it is not inclusive. We are production companies and we are based in Scotland, and it does not matter, internationally, that we are based here versus anywhere else. It does not matter when we speak to Americans or to European partners.

We recently opened an office in Australia. We have a development producer down there, so we are expanding into another English-speaking market that has synergies with Scotland. Sometimes we need to be careful that we do not put ourselves into a one-way ghetto of making only one type of content.

Annabelle Ewing: That is a fair point. Thank you—that was very interesting.

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): Let me pick up on something that Claire Mundell said: that buyers want to buy, and that they want something that is worth buying. We are looking into the role of commissioning and

sustaining an industry in Scotland, but I want to shift a bit to the issue of creativity. I cannot imagine that we would have a successful industry without it, and—[Inaudible.]—legislators and hold Governments to account. I want to hear from the panel about what barriers there are to our being genuinely creative. Are we too often just picking up ideas that come from elsewhere, developing them into something saleable and producing the product?

Given what Claire Mundell has said—to which I have just referred—and given her job title of “creative director”, perhaps we might hear from her first.

Claire Mundell: I think that we have a great creative base in Scotland, but it is often significantly untapped. The barriers are money, access, opportunity, distribution, influence and power. The things that we are discussing in relation to enhanced devolved power would help with the pipeline. Screen Scotland is doing a really good job in trying to shift and continually move along Scotland’s creativity in all genres. At one time, its work was very much focused on film, but it has now expanded its remit to television and to factual areas, rather than just drama. It is doing what it can with limited resources. There is never enough money to go around for any of these things.

The barriers to entry into the industry relate to some things that we were discussing earlier: social inclusion and diversity. In the past in Scotland, the barriers have also involved geography. Zoom has changed that for all of us, and the issue is about incentives that will drive production to places. As soon as we are driven to go to certain places, we look for talent in those areas. We look for talent all over Scotland as it is, but there is a way to balance that search with structural mechanisms that push us to look for people who can deliver projects.

Look at what happened with the growth in the Gaelic community after the establishment of Sabhal Mòr Ostaig and at the number of new entrants to the industry who were trained as a result of its initiatives. Such things make a difference, but they take a long time to play out.

We have no shortage of talent; talent is not the issue. It is about access to opportunity, and there are a myriad challenges there.

Stewart Stevenson: Surely, that is quite frustrating. I am not a creative at all in that sense, but I ended up at school with a range of people who showed no signs at that time. I was at school with Artie Trezise, Rab Noakes, John Bett, Nina Myskow and Lynda Myles, all of whom have made significant contributions to the creative industries. I

would like to ask Alan Clements what his response is to creatives.

I have just realised that I have a pitch I can make to Alan that is related to research that I have been doing on what happened to people who were sentenced to transportation. I happen to have some stuff about someone who employed the transported people, and I also have a lot of information about them. There are some wonderful Scottish stories in all that, but that is for another day.

Today, I would like to know about the more general issue of barriers to creative abilities or ways to leverage in the creative abilities that we have, and about how that interacts with our ability to get commissions. Commissioning is the focus of our inquiry.

Alan Clements: I look forward to receiving that pitch and information very much. Artie and Cilla’s “The Singing Kettle” blighted much of my life when my children were small, so I have heard their singing.

I echo Claire Mundell on the issue of creativity and go back to the fact that it is about cash and power. When we set up Two Rivers, we raised a lot of capital. We are the only company that has a lot of private capital. The investors do not have misty-eyed romantic ideas about Scotland; they saw a business opportunity to build a production company of scale in Scotland that serves Scotland as well as the UK network and the international market. That is what we fully intend to do.

On Claire’s other point, we brought a number of people from London. A couple of those were Scots who came home, but many had no connection to Scotland. They saw the opportunity here because of the quotas and because of the moves that PSBs were making to create quality shows. I hired those people because they had access and connections. Two of them had been commissioners at Channel 4 and the BBC, respectively. The problem that Scotland faces is that it does not have people at that level. It has a lot of creativity and talent, but often it does not have people at that senior level who have experience of making big shows and connections at the highest level.

In addition to Claire Mundell’s other point—and I have spoken about this before—there is a cultural and an industrial issue around television. My previous company, STV Productions, makes “Antiques Road Trip” in Scotland. The show is no more about Scotland than it is about flying in the air, but it is incredibly valuable to the Scottish industry.

As a benefit of being really old, I can say that the company that I had before that, IWC, did the same thing with “Location, Location, Location”.

That is also not a show about Scotland, but it is all made in Scotland. We need the cultural representation—people telling our stories, using our creativity—and we also need industrial shows that underpin so much of the industry here.

Stewart Stevenson: That is interesting. From my lofty age, I regard you, Alan, as a mere youngster. I first appeared in front of a BBC camera in 1962, so I have 58 years' worth of very bad broadcasting habits to undo.

Neil Webster, I want to come to you on the issue of creativity. As I look out of the window here in Banffshire, I make the passing observation that it is a beautiful blue-sky day, which—provided that the cameraman got it right and dealt with the contrast that comes with that—would be an excellent day for doing some camera work here. Actually, during this meeting, I have received an invitation from Al Jazeera to do some news stuff.

Again, in relation to what Alan Clements said about creativity, as a relatively small company, I suppose that creativity is very much at the heart of what you offer to the broadcasters.

10:45

Neil Webster: Yes; it is also a beautiful day here in Forres, so we could also shoot here.

The truth is that, with creative people, there are no barriers to creativity. [*Inaudible.*—some terrible ideas but millions of brilliant ideas come to me all the time. To reiterate what Alan Clements said, there are no barriers to ideas but there are barriers to execution, and idea and execution go hand in hand. That comes back to money, time, influence and power. That has been covered extensively and we will always face those barriers. Every day, I meet people who have great ideas; the execution is the big thing, so having more power and resources is the way forward. Feel free to send me your idea as well; I would like to look at it.

Stewart Stevenson: Thank you to all three witnesses. Convener, we have covered the area that I wanted to cover without the necessity for further questions.

The Convener: Thank you.

Kenneth Gibson (Cunninghame North) (SNP): One of the things that has come out today is the importance of direct PSB funding. However, according to the Ofcom "Media Nations 2020" report, that funding declined by around a quarter between 2007 and 2019. Given its importance to independent production companies, what do the witnesses feel about the likelihood of a continuing decrease in PSB funding in the years ahead?

Alan Clements: This week, I have been dropping into and out of a major Ofcom

conference on the future of PSB. The PSBs will be a declining force over the next decade, as the subscription video-on-demand providers gain in power, but they will still be massively important for the industry in Scotland.

All the debates around the BBC moving to a subscription service—or the idea about privatising Channel 4, which John Whittingdale is floating very strongly—are not incredibly helpful right now. It is about managing it so that it is a nice, gentle, slow decline and maximising Scotland's position within that.

Kenneth Gibson: Okay. Do the other witnesses want to comment on that?

Neil Webster: I agree. We all know that there is a decrease in funding and that, increasingly, production budgets have to be multifunded. As a tiny company, we are probably unusual in that we are more about sustainability than growth. We work from production to production and exist on production fees. Across the board, that is becoming increasingly untenable because the pots are getting smaller, so that the traditional, old-fashioned idea that companies make a show and take a profit off the top is getting kicked further into the future for us. Suddenly, we are putting money in from our distribution advance and maybe taking a cut in production fees. That is certainly true in comedy; there is still a bit of give in drama for us. However, to reiterate what Alan Clements said, we cannot underestimate the fact that the BBC is the strongest and best place for us to go for work and it will still be a huge force in the years to come. We should do anything that we can to maintain and defend it.

Kenneth Gibson: Unless Claire Mundell wants to comment on that, I will move on and ask her the next question, if that is okay.

The Convener: Yes.

Kenneth Gibson: Sticking with PSB, the memorandum of understanding between Screen Scotland and the BBC that was agreed in 2019 set out shared ambitions, such as nurturing Scottish talent, stimulating production growth and extending the range of Scottish film and television. A number of commitments were made, including the BBC's commitment

"to open up 100% of television content to competition ... by 2027, other than where it is not value for money to do so."

How will that be determined? What impact will that have on Claire Mundell's company and others like it?

Claire Mundell: I understand that some of the qualification for that relates to areas in which it is perceived that the market in Scotland cannot provide relevant competition, such as in the arena of live broadcasting and events and, possibly, in

children's programmes, which need a certain centre of excellence. I do not think that there is any area in which we should not compete. The notion that we should be allowed to compete for only a certain section of the pie is very outdated thinking.

No drama can be made with funding from one commissioner. We are out in the market every day. We also make feature films, which is a completely entrepreneurial activity. We do all that from Glasgow, which is not an issue in any way, shape or form.

We have to push against any structural barriers to growth. We are all in a completely different world and, as I said at the beginning of the evidence session, the world of film and television is completely different now. London is no longer the centre of the universe for commissioning, as it was even in January this year. London creatives and production companies are beginning to recognise that they can do their business anywhere; they do not have to be in London. We have seen a major shift. Whenever we return to whatever normal looks like, I hope that we do not all revert to how we used to operate, because we are all proving every day that where we are based does not matter. That also applies to other parts of Scotland.

My understanding is that the value for money issue relates to the perception of what it would take for an independent company to be able to compete with certain in-house expertise within the sections of the BBC that are not in the commercial domain. I would open up all areas for competition. We should also talk about Channel 4, ITV and Channel 5 because, at the end of the day, they are all entities in which we can retain rights, which we must protect at all costs, because that builds value and sustainability.

The streamers are wonderful for relatively large production fees, but even those are under pressure, and they will be under greater pressure because of Covid. However, we do not own any rights in relation to streamers, and we need to be constantly building businesses that have value for the future and which have strong incoming rights positions.

Kenneth Gibson: It is interesting that you said that, up until January, it seemed as though London was the centre of the universe. That takes me back to my childhood, when it seemed that every "Doctor Who" alien invasion centred on London.

Our papers show that one of the agreements in the MOU was to

"Ensure commissioners with decision-making power in a range of relevant genres visit Scotland to communicate their ambition and programming needs".

We have already had a considerable discussion about commissioning, but a visit from a commissioner in the pre-Covid era almost seemed like a royal visit. Were such visits like that, or were they more significant for the industry?

Claire Mundell: I started 20 years ago, and I remember the royal visits from the commissioner, and being on best behaviour and taking them out to dinner, but how different is that from any other business? We operate like that in any field of business; but, yes, I suppose that there is a certain patrician aspect to it.

In scripted, we are lucky in that our commissioner is plugged into the team. We have a direct relationship with the commissioner in the BBC and we build relationships with the other commissioners across the other channels.

Relationships are key. I bang on about that to new entrants all the time, but the relationships that you made 10 years ago might take exactly that length of time to pay out. That is why we have to get our young people into the industry, because, unless they can start building those relationships, they will not see them pay off.

I completely remember the visits to Scotland, but what can we do about it? It still happens, and I am sure that it happens in other genres, but face-to-face contact with any buyer is not a bad thing. We take quite a pragmatic view of that. It has always been the way. However, I think that Zoom has changed that a lot, because commissioners no longer need to travel, as we do not need to travel. We are having meaningful conversations with commissioners who are based all over the place.

If there is any upside to what we are all experiencing, it is that there has been a democratisation of access. However, we will only get that access if we have relationships, and that is where we need the power structures to support our young people in the industry to build those relationships themselves.

Kenneth Gibson: Alan Clements, Ofcom's regional production and regional programme definitions talk about

"a substantive business and production base ... outside the M25"

and say that

"There is no minimum number of individuals who need to be employed at the substantive base;"

it is

"dependent on what delivers a genuine operational production office in the locality in which it is based."

It almost seems to me that the London-centric dominance of the industry is having to be forced out. Do you agree with Claire Mundell that things

are now changing rapidly because of Covid? Do you feel that the greater use of things such as Zoom might put some of those structures into abeyance and that the way in which television is produced in the future might be much more open and democratic?

Alan Clements: I would hope so. I am an optimist. As Claire Mundell has said, if you do not like hearing the word “no”, you are in the wrong business. We have to be optimistic and drive on through. I, too, have both enjoyed and endured the patrician visits from the London controllers.

It is better—no question—and I think that they now take it very seriously in a way that they previously did not. There have been many waves of them arguing that they are democratising, and I think that they really mean it this time. I also think that Ofcom is on it. Personally, I think that the strictures should have been tougher; I argued that to Ofcom. I think that there has been a lot of—to be generous—bending of the rules, and Ofcom is now much stricter about enforcing them.

I agree with Claire Mundell that we want people to relocate to Scotland, to live and work. That is a brilliant thing. I have no issue with companies that come and do it and mean it. I have no problem with that at all.

Things are better, and I am an optimist. Although I think that Zoom has democratised things, power is still power and must be devolved—the committee members, of all people, will know that.

We have to have rules, because we might base it on the fact that somebody like Ben Frow at Channel 5 is nice and really cares about it now, but it might not be Ben Frow in three or four years. If regulations are in place, that holds people’s feet to the fire to make sure that they do it.

Kenneth Gibson: You are saying that a change at boardroom level in a company such as Channel 5 could mean a completely different approach if regulations were not put in tablets of stone. They are therefore still essential for the industry in Scotland. Is that what you are saying?

11:00

Alan Clements: ITV has an out-of-London quota of 50 per cent, which is mostly eaten up by the soaps created by Granada and Yorkshire. If you said that it also had a nations commitment, and if that were 8 or 9 per cent for Scotland, that would be a massive, cost-free, tax-free boost to the industry in Scotland. It would focus ITV on looking at Scotland in a way that it currently does not. I get on well with Jo Clinton Davis and I know Kevin Lygo well, but it is not about that. A nations

commitment would mean that we would have a structure to rely on if the people changed.

Kenneth Gibson: That moves me seamlessly on to the question I was going to ask Neil Webster about STV, which does not have a specific independent production quota under its licence. Would that make a significant difference to Scotland?

Neil Webster: It is probably time for me to come clean and say that I was not born in Scotland. I do not know if anyone has noticed.

Kenneth Gibson: No!

Neil Webster: I am a good example of someone who left London and came up here to start a substantive base and make a living.

To go back to what Alan Clements said, devolution of power up here is the key element. At the moment the knock-on effect of Covid and the democratisation that has forced us on to Zoom is a good thing, but we should be wary that that could revert back. We all hope that there will be a vaccine, whatever our new normal and our return are. We have been given a glimpse of what could happen in the future, but it is not necessarily what will happen when we revert to an earlier version of how commissioning structures worked. We should build on what is happening now, but with a recognition that this might not be the future version of commissioning.

I am not in the best position to answer your question about STV, as my experience up here has been predominantly with the BBC.

Kenneth Gibson: Would Claire Mundell or Alan Clements like to answer?

The Convener: Alan discussed that in his written submission.

Alan Clements: I am probably legally restricted in what I can say about STV. An independent production quota for STV would be a useful thing, but it is not a significant spender in the creative and cultural industries in Scotland. It would be a good thing to do but it would not make a material difference in the same way that a quota on ITV would, because it has somewhere between £900 million and £1 billion of spend. What STV spends is quite low cost, and most of what it wants to do is in-house. A quota would be useful because it would make STV think, but I do not think it would be material.

Kenneth Gibson: ITV would be better. Thank you. I appreciate that.

The Convener: STV does very little commissioning and, as Alan Clements says, it does not have a great deal of money. The committee took evidence from STV about a year ago, when the company was proposing to make a

significant number of redundancies. Its defence was that it was going to invest in more programming, but our research shows that the number of hours STV produces for Scottish audiences has fallen by 41 per cent. The majority of that is in the non-news and non-current affairs category.

Is it time to put more pressure on STV? Should Ofcom intervene? STV has traditionally been an important part of the Scottish cultural landscape but, despite what it told the committee last year, it is making less and investing less.

Alan, I do not know how much you can say.

Alan Clements: I am thinking about what I can say, given my legal agreement with STV.

That is a shame. The more that STV can contribute to the Scottish creative sector, the better. To reiterate what I said, I think that, if the quota sat with STV, it would be useful but not material.

It is also a shame that my successor is based in London. When we are asking people to devolve power to the nations, one of the biggest production companies in Scotland—if not the biggest—having a London-based managing director is not a great optic, but it is a commercial decision for STV and it is not for me to criticise.

The Convener: We knew that STV had a London-based managing director, but you say that your successor is also based—

Alan Clements: No—[*Inaudible.*—yes. The managing director of STV productions is London based. I think that the chief executive now lives in Scotland. I do not know—I do not follow it that closely; it is not really my issue.

The Convener: Okay, we will move on. Ross Greer has a supplementary question.

Ross Greer: The answer to my question was covered quite well by Claire Mundell when she spoke previously about Screen Scotland's role. If anyone has a burning final point to add about that role, feel free to do so.

Alan Clements: It is really important to say that the echoes of this are what Claire was saying. Because I have been a long time in the industry, I know that Screen Scotland and its predecessors were focused on theatrically distributed film and the film industry in Scotland. Because of the big report and this committee's work, it now has a proper, real focus on the television industry, which is welcome. From my experience of the past few years, I have to say that it is doing a great job.

Ross Greer: Great.

Claire Mundell: I will follow on from what Alan just said. I think that there has been a pendulum

swing within Screen Scotland. I have been involved with at least four iterations of the national funding body in Scotland, because we cut across film and scripted. Previously it was weighted too much in one way, and there has definitely been a rebalancing.

I would make a plea not to forget about film, because building a healthy, sustainable and ambitious film sector also builds talent. It takes new voices of writers and directors out to the international landscape.

Strangely, during this time, in the scripted arena we are now seeing a little window of opportunity for film—although it might not last—because it has a shorter period of production and presents a less risky scenario in terms of theatrical production aspects, as long as you are not making a series that requires shooting over six or eight months. Interestingly, international investors, who would typically be investing in significant American feature films, no longer have things to invest in. Surprisingly, they are looking around the world and at Scotland for what we have on our slate and what all our companies can offer as potential investment opportunities.

We have to make sure that we do not forget about film, because it has a huge role to play. We have to keep all these things in alignment.

Neil Webster: My relationship with Screen Scotland is much newer and more recent, as I have only been dealing with it for the past two or three years, but, from our perspective as a small production company, it has been invaluable. It has been helping us to make connections as a new company, and its decision-making process has been really quick. Without it, "Guilt" would not have happened for us. Screen Scotland backed it early and backed it fully. From our perspective, it has been doing a really good job.

The Convener: I think that we have covered all the bases. I thank our three witnesses for coming and giving us their views today. It has been very interesting and helpful to the committee's work.

11:10

Meeting continued in private until 11:49.

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