



OFFICIAL REPORT
AITHISG OIFIGEIL

Culture, Tourism, Europe and External Affairs Committee

Thursday 28 January 2021

Session 5



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CULTURE, TOURISM, EUROPE AND EXTERNAL AFFAIRS COMMITTEE
3rd Meeting 2021, Session 5

CONVENER

*Joan McAlpine (South Scotland) (SNP)

DEPUTY CONVENER

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

COMMITTEE MEMBERS

*Kenneth Gibson (Cunninghame North) (SNP)

*Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP)

Ross Greer (West Scotland) (Green)

*Jamie Halcro Johnston (Highlands and Islands) (Con)

Dean Lockhart (Mid Scotland and Fife) (Con)

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

Beatrice Wishart (Shetland Islands) (LD)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Bill Armstrong (Writers Guild of Great Britain)

Barry Dallman (Musicians Union)

Lynda Graham (Scottish Artists Union)

Moirra Jeffrey (Scottish Contemporary Arts Network)

Lucy Mason (Federation of Scottish Theatre)

Paul McManus (Broadcasting, Entertainment, Communications and Theatre Union)

CLERK TO THE COMMITTEE

Stephen Herbert

LOCATION

Virtual Meeting

Scottish Parliament

Culture, Tourism, Europe and External Affairs Committee

Thursday 28 January 2021

[The Convener opened the meeting at 08:45]

Cultural Sector (Impact of Covid-19)

The Convener (Joan McAlpine): Good morning, and welcome to the third meeting of the Culture, Tourism, Europe and External Affairs Committee in 2021. We have received apologies from Beatrice Wishart and Dean Lockhart.

Our first agenda item is evidence on the impact of Covid-19 on Scotland's cultural sector. I welcome to the meeting our first panel: Lucy Mason, interim chief executive officer at the Federation of Scottish Theatre; Moira Jeffrey, director of the Scottish Contemporary Arts Network; and Bill Armstrong, Scotland chair of the Writers Guild of Great Britain. Thank you all for coming to give evidence to us this morning.

I will start with a general opening question for each of you. I ask you, in turn, to describe the effect of the pandemic on your sector to date, perhaps particularly taking into account the second wave over the winter. We took quite a lot of evidence from the sector around August last year, so perhaps you could give us some idea of whether things are now better or worse for the sector and a brief evaluation of the help that has been made available by the Government.

Lucy Mason (Federation of Scottish Theatre): Thank you very much for having me here today. It is great to have the opportunity to reflect on how the coronavirus has affected our sector.

One of the fundamental changes has been the realisation that this is an on-going crisis. I think that there was an expectation, back in May, when presentations were given, that things would move more quickly and that we would be looking at a way out of the crisis by now. Obviously, we are very much in it, and I think that we will be in it for quite a long time to come. An amount of hope came when the levels were announced and there was an opportunity for some venues in level 1 to open, but that was a very small number of venues within the FST's membership. There was no work programme, because the opportunity to rehearse and for people to feel safely able to come together to do that was very small. That window was very short lived and there was a cap on the audience

numbers that could come together—100 people is a very small number for a large venue.

There is a realisation that the pandemic is having an on-going impact, and the bleakness is starting to emerge—that sense of hope becoming a harder thing to anticipate. Obviously, the longer this has gone on, the less opportunity there has been for people to work, and a lot of people have not had the opportunity to work in the jobs for which they are trained. Theatres closed in March, and the majority have never reopened. With that goes an extraordinarily large workforce of individuals who are freelance. Although there have been some commissions for work online, that does not include a lot of people who work in very practical, technical roles.

The lack of opportunity then creates an on-going gap in our relationship with audiences and communities. A lot of those in our industry have very close relationships with their local communities—across schools, working with vulnerable people, and making very important links with their local environment—and those have become incredibly hard to sustain.

There is a growing awareness of the lack of digital equality. While some people have engaged with work online, a lot of people have not. As we know, that cannot replace the live experience. Our industry is predicated on bringing people together to share something, and we have not been able to do that, so the lifeblood, the purpose of our industry, has started to be completely questioned. A lot of people have lost their jobs, and the prospect of their coming back into employment within the sector is hard to anticipate.

All those things have accumulated. The support from the Scottish Government that has come through Creative Scotland has been greatly welcomed, and we absolutely recognise the amount of work that has gone into that via the team at Creative Scotland, who have worked extremely hard to get repeated tranches of emergency funding out the door. What is really starting to become apparent is—perhaps understandably—a real lack of strategy of what comes next. Even now, it is not clear what is really going to happen after the end of this financial year. That is very soon, and for a lot of companies—and, therefore, a lot of individuals, given that individuals make up all the workforce, whether they work on their own or within an organisation—that lack of certainty is alarming. It is very alarming now.

It is hard to know what is better. A lot of things have accumulated, and it is starting to feel as though, in the next phase, it will be critical that we have some sense of a plan that both stabilises and invests in the secure future of the industry or the theatre and dance sector.

The Convener: When we took evidence in August, a lot of the conversation was about how we could make theatre and performance work in an era of social distancing, whether we could make theatres safe and what solution would allow that to happen—because, obviously, it did not wash its face. Do you think that we have moved on from that now, and is it perhaps something that was never practical?

Lucy Mason: There are big challenges around social distancing. It is really important to say that we completely respect the caution around the public health agenda. We are absolutely an industry that is based on safe practice, so we would never want our audiences or our staff, our employees or our contractors to be in any way unsafe. However, there is a practical reality about how you make work in a socially distanced way, how you create the energy on stage, and how you communicate that to an audience that is very socially distanced.

There are creative challenges, but we rise to a creative challenge—that is what we do, and we have always done that. It is a very resilient sector, usually working with very limited resources. People have found creative ways to respond to that, but the audience impact is very different. If there is only a very small number of people in an auditorium, it is a very different experience. Also, financially, it is almost impossible to make that work.

We still need to look at that, because the fact that we have to remain socially distant is an on-going concern, and I think that the solutions are still the same. It needs investment at one level, but I do not know how able we are to overcome the creative challenges around that. That is something we need to keep practising. If social distancing is going to stay, we will need to look at other ways in which we can do that and create the best work that still communicates to an audience.

The Convener: Thank you very much for that. I will bring in Moira Jeffrey and Bill Armstrong. Welcome to your new position, Moira. Congratulations.

Moira Jeffrey (Scottish Contemporary Arts Network): Thank you very much. Good morning.

Our position is similar to Lucy Mason's in the overall context. We have deep concerns not only about the strategic context for the recovery funding that has been received, but, moving forward, what it is that we are trying to achieve with that funding and how best we can do that. We have concerns about investment, and we have concerns about individual artists and freelancers. We have provided some information that we have gleaned from a survey with our colleagues at the

Scottish Artists Union, which reveals some real concerns about people exiting our workforce.

Our practical situation is different. Many of our venue-based organisations have been able to open when the guidance has allowed that, and those organisations that are not venue based have been providing public value and services throughout the pandemic. Many organisations simply have not paused.

What we are looking at is a difficult January. Those venues that had been open when guidance allowed it are obviously not open at the moment. Our studio and workshop facilities continue to provide appropriate, safe workspaces for artists and creatives wherever guidance allows, in order that they are able to earn a living. That was critical in the run-up to Christmas, for example.

We are seeing issues around strain and stamina as well as real concerns about planning, timelines and the wear and tear on a workforce that is doing its best, both digitally and in person, when the guidance allows, to provide services to communities across the country. The picture is widely variable—we have members from Dumfries and Galloway right up to Shetland. These are small charities with small workforces, and there is a real concern about how we can keep them going under the strain of these circumstances and about how we can maintain our workforce without significant exit and loss.

Bill Armstrong (Writers Guild of Great Britain): Thanks very much for the chance to communicate to you.

For writers, the crisis has exposed more than anything else the precariousness of their livelihoods. That already existed, but the crisis has highlighted and extended it. The new lockdown and the pushing back of the time when things might open up and get back to normal has pushed an awful lot of people who were hanging on by their fingernails to a point of quite desperate uncertainty. Obviously, for anybody whose work involves live performance, the loss of income has been absolutely devastating.

It is a common misconception about film and television that, because it appears on our screens, it is now taking place again and films are being produced. The Covid restrictions are such that it slows down production to about a third of its normal speed, which has an impact on commissions. Most of our film and television writers report a loss of half to two thirds of their income, and that is from a very low base to begin with, because it is a very precarious livelihood.

On top of that, much of a writer's income depends on a future income stream from things that are in development now and that will pay off in a few years' time. Because there is such

uncertainty about what will happen in the future, financial planning for writers has now become all but impossible.

There is another misconception that the crisis has allowed writers a lot of time to write, and that is completely not the case. For a variety of reasons—a lack of access to space where they can write, crowded accommodation, looking after children and parents, the inability to turn the news off, the stress and anxiety that virtually every writer that we have spoken to has reported—it is all but impossible for them to find the deep creativity that is needed to initiate a project.

One of the things that we are most worried about is that, prior to the crisis, and going back 30 years, there has been an increasing pressure on writers to do more and more of their work for nothing as margins get squeezed and production companies push their cost pressures further and further down towards the bottom, which is where the writers are. Those pressures are increasing, and we can see that they are only going to increase as the economic recovery comes. The pressure on writers to do even more for nothing when they are at the point of collapse is already likely to increase.

All of that was bad before we went back into lockdown, but, as everybody has said, it has now got quite a lot worse. The main thing that this has exposed—certainly for film and television writers, but right across the cultural sector—is the need for a quite severe rethink of strategic vision going forward, particularly for the film and television sector in Scotland.

The Convener: Thank you very much. That is very interesting. You mentioned the pressure on writers to work for nothing. Where is that coming from? Do you have any examples to illustrate that?

09:00

Bill Armstrong: Yes. This goes back an awfully long way. In any project, there is an initial stage of writing that happens before you get to writing a script. You start with a pitch and then you do a treatment. Sometimes, treatments can go through multiple versions. That used to be paid for. It used to be that about 20 to 30 per cent of your fee would be paid up front against your script fee. However, over the past 30 years, as small independent production companies became successful, they would be bought out by big media conglomerates in which, with the vertical integration, the profits migrate upwards and the pressure on costs migrates downwards, ending up on the writers.

Over a period of 30 years, the pay that has been devoted to that initial phase of development has

got less and less. It used to be that you would get an option for your idea and you would be paid to develop it. Then the idea of free options came in, whereby somebody would take an option on your idea and say, "If you do the treatment on this, we will try to get it placed with a broadcaster," but they would not pay anything. Then, when they were not paying for it, the amount of time that you would spend on the treatment would expand, because they would obviously not want to invest in it until they were absolutely sure that the idea was going to go. That increasingly meant a writer doing weeks, months and, in some cases, years of work for nothing. If the idea did not get taken up, there was no pay.

It has got to the point where that is now so normalised that a lot of production companies and producers do not realise that that is something they should pay for. Because writers work from home—they do not work in the building—people do not see what they do or the pressures that we work under. They do not see us work and, therefore, they do not realise. A number of agents have said, "Just do one page," as though writing out all the plot twists and turns as well as the characters, the tone and the unique selling point of an eight-part series with a potential to return is as simple as typing up 500 random words. It takes weeks, but nobody sees it, so they do not appreciate the work that is involved.

The Convener: That is very interesting and concerning. Thank you for explaining that to us. We will now move on to questions from Claire Baker, the deputy convener.

Claire Baker (Mid Scotland and Fife) (Lab): Good morning. It is good to see the witnesses again.

I want, first, to ask Lucy Mason about support for the theatre sector. It is linked to a question about how the Government has approached the funding. Back in the summer, the consequential came, which was the big sum of money—£107 million, I think—[*Inaudible.*]—spent. The Government seems to have gone for a salami-slicing approach. There has been debate about whether there should be a more strategic vision; the Government's approach has been to give a pot of money to the theatres and a pot of money to the music sector, for example. Was that the right way to go?

You mentioned the pressures that you are facing towards the end of the financial year. What are they? I understand that all the pots of money will come to an end in March. Maybe there was an expectation that we would be back to a more normal situation in March, but it looks as though that will not be the case at all. How significant are the pressures?

The Convener: Claire, could I interrupt you for a second? We are getting messages in that suggest that the broadcast has stopped. I am hoping to clarify that, because, obviously, if the broadcast has stopped, we are not on the record. I will pause briefly to clarify that.

I am being told in the chat function that we are still broadcasting, even though we got a message through the system telling us that broadcasting had stopped. I am sorry about that, Claire. Finish your question.

Claire Baker: If Lucy Mason heard the question, would she like to respond?

Is Lucy still there?

Lucy Mason: I am. Can you hear me?

Claire Baker: Did you hear the question?

Lucy Mason: The question about salami slicing was a little bit interrupted—it got a bit funny there. Could you repeat the question about the initial tranche of Government money?

Claire Baker: The question was about how the Government decided to spend the money. There was debate about whether there should be a more strategic approach, because what it went for was a more salami-sliced approach. Theatres got so much money and the music sector got a certain amount of money. There were individual pots set up for specific sectors. Was that the right way to go? The other question was about the financial pressures towards the end of the financial year.

Lucy Mason: All of this happened very quickly, so it is understandable that the salami-slicing approach was taken. Creative Scotland has a very broad remit and works extremely hard to disburse its funding as equitably as possible. It was right to highlight certain areas in which investment was required. Obviously, there is pressure to spend that money by the end of this financial year.

I know that the theatres were very quick off the mark in making their case, through the Federation of Scottish Theatre, to the Scottish Government and Creative Scotland, and they were among the first to receive emergency funding, which was extremely welcome. That was a very efficient way, I suppose, of very quickly plugging an enormous financial gap that was opening up for venues that, immediately on closure, lost their earned income and were paying back significant amounts of ticket income that they had received in advance for shows that were having to be pulled repeatedly. That was an extremely valuable intervention.

The wider culture organisations and venues recovery fund that came in, which was for applications from across the arts, was an important next step. I know that not everybody was able to benefit from it, but it was an

opportunity for people to apply for money that would safeguard their staff as much as possible and to create opportunities to commission work and stabilise their operations.

We all work on very minimal reserves, if there are any at all. The problem goes back to there having been years of underinvestment, during which people have been required to meet increasing costs on, at best, standstill funding. That has accrued over the years, so it is absolutely true to say that those who could bring reserves into the crisis were better off for longer than those who operate without real sustained investment that secures their future. It was great for people to have the opportunity to plug that gap—at the very least, in order to stop all the reserves bleeding out of organisations.

It was right that Creative Scotland put money into youth, music and grass-roots activities. I do not know how else that could have happened. It is impossible to please everybody across all of our cultural sector all of the time, but it is important that the message is put out that we are all part of this together. One of the things that we have to navigate carefully through at this time is that we do not want further disparities to emerge between us. We all have to club together to put across the important message that we bring value to the nation, and we have to make sure that we do not divide.

We have to look across the piece to see the impact of that £107 million. We do not yet know what that is. On the whole, it has provided stability in the short term, but we do not know what the long-term impact will be. I suspect that that money has put off what will come next. That money, in combination with the coronavirus job retention scheme, has been received extremely well. As things start to shift, if the furlough scheme ends, we know that what has been enabled to keep going through the Creative Scotland money might well fall away. The emergency is not over; the gaps are just being plugged in different ways. There is pressure on a lot of people who received money back in May or June if that money is to be spent in this financial year.

The bridging bursary fund was absolutely critical for freelancers who had seen their work just fall away. The opportunity to apply for bridging bursary money was a godsend, but by now—nearly February—it is long gone. There has been an opportunity to go back to the hardship fund, but those little bits of money go very quickly, particularly for individuals who were not able to access the self-employment income support scheme because they had worked more in an employed context than in a self-employed context, which is the pattern of our industry: people go on to employment contracts for six or seven weeks,

then they are self-employed again. That has definitely worked against people who have grafted away for years and years but have not been able to get any money from the Government. The self-employment income support scheme has been greatly welcomed, but it is limited and has not reached a large proportion of people within the industry.

On the question about salami slicing, I absolutely think that that was probably the only way to go, although each pot was limited.

In terms of pressures for 31 March, again I completely understand the position that Creative Scotland is in. In normal life, with a funding review and looking at what would have been coming by this time, we would have been in a very different place from where we are now. All that work was totally thrown off course by the pandemic a year ago, so we do not know what it would have proposed. We completely understand that the context in which that work is happening has changed, but it is very hard to plan in the absence of a sense of what is coming next. Without tangible support, it is also very hard to make commitments.

For the regularly funded organisations, there has now been an agreement to pay a first quarter of that money into the next financial year, which is great. My understanding is that a fourth year of RFO has been proposed as an indicative commitment. That depends on agreement once the budget, which I think will be announced today, is processed and there has been a Creative Scotland board meeting to agree how that funding will be allocated to the sector. The fourth year of RFO is welcome, but, as I understand it, it cannot yet be confirmed.

There is an expectation of some security through that funding for some organisations, but they are by no means all of our sector. It is important that those organisations exist and are regularly funded, but many organisations are not regularly funded, so they do not have a carrot in the form of hope that they will get an average of the money that they were given over the past three years.

Many organisations do not know what will come next. A lot of organisations apply annually for funding for a programme of work, and many individuals apply for funding for projects. We do not know what the lottery funding will look like. I know that it has held up better than we might have hoped; people perhaps play the lottery more in a crisis. That money comes to us, which is great for the open fund, but we do not know whether it will hold up. Because of the commitment to RFOs that sits at Creative Scotland, there is not much leverage. It would be a real catastrophe if the money in the open fund—which is to support

individuals and annually programmed festivals and venues—was decreased. We would really be in a crisis.

There is just a lack of forward thinking. A trick has been missed somewhat, and I do not have the answers, but the opportunity to work together to find solutions is critical. We cannot expect Creative Scotland to know what they are. Why would it? Nobody knows, at the moment. We are all sensible people who could work this through together. There is scope for co-design of how we go forward. My instinct is that we need a period of stability in which we do creative and positive thinking together.

If Creative Scotland was to ask us next week to plan for the next three years, that would be impossible, because the landscape that we will be programming in is unknown. Many people have spent the past nine months planning, re-planning, unpicking and re-budgeting. They are absolutely exhausted by that, so continuing to revise plans seems to be a waste of our energy. For now, maybe it is better to agree and accept that we will have at least a year in which things will be in transition—a holding phase. This is an opportunity for us to be well resourced to find solutions together that will enable us—say, after 18 months—to look towards the next three years and some kind of confident, renewed and well-resourced sector.

09:15

Claire Baker: I have a question for Moira Jeffrey and Bill Armstrong. I have worked with SCAN and I have spoken to Bill Armstrong during the pandemic. I think that the situation for their sectors is different from the situation for theatres. The theatre sector was perhaps more visible and more immediately in need of support, but did other sectors feel that they were listened to and that the support was provided in enough time? How did you feel about pots of money being created for specific sectors? Did that help your sector or not?

Moira Jeffrey: I first have to say that support works, which is why we want it. We know how hard Scottish Government officials and our colleagues at Creative Scotland, as well as elected members, have worked on behalf of the cultural sector at this very difficult time. That is really clear, and some channels of communication have become very effective during the pandemic.

However, the situation has played out very differently across different sectors. Some bits of the cultural sector have had clear dedicated funding, but that is not the case for my sector. We have 92 organisational members, and they have all had opportunities, or a lack of opportunity, to access different kinds of support, but there has not

been a dedicated fund for visual arts organisations. My concern is that, by the time support reached my sector—it was November by the time that funds were announced and started coming down the line—the scope of the discussion and the nature of the funding was dramatically different from the nature of other funding.

With performing arts, at the early stage of the crisis, there was the possibility for support around a range of needs, including adaptation and the opportunity to commission artists. By the time that funding trickled down to my sector, the scope of what you could do with the money and of eligibility for it were limited. For example, the criteria were almost entirely focused on the risk of insolvency and redundancy. Of course, those are important issues. We are fervently trying to avoid insolvency, but we do not want to militate against small charities that are prudent and that are trying their best to manage their budgets and reserves.

That was a real concern for us, because we had hoped for a sense of specificity and a recognition of our particular employment patterns, and, for example, that many of our organisations were open or providing services. At the same time, we wanted that to be placed within a clear strategic framework.

I am interested in moving the conversation on to the future. We hope for that level of responsiveness and swiftness from Government. Certainly, with the bridging bursaries for individual artists, the Government was quickly off the mark and effective in dealing with the cataclysm of the lack of work for individual artists and freelancers. We hope for some level of specificity to deal with our very different needs and structures within an overall strategic framework.

We want to look to recovery, and our organisations want to work with their communities as part of that recovery. We would like to be placed within that strategic framework, both at a governmental level and in relation to Creative Scotland's future strategy. We feel that we can be at the heart of a wellbeing agenda. We know about the space that the visual art sector creates in creating employment in both the visitor economy and the wellbeing economy. There is also the space that we create for ideas, innovation for the future and for thinking on equalities and climate change. We want to know that there is a strategic context for what we do.

The culture organisations and venues recovery fund is very welcome. However, relative to the overall funding package, the amounts are very small, with average awards around £55,000. We need to compare that to the scope of some of the performing arts funds. This is not about sectors competing; it is about those who are dealing with recovery understanding the very different nature of

help that has been available and the different nature of those sectors. We share with our colleagues across the cultural sector real concerns about individual artists and freelancers and the views on the need for strategic context, but there are clearly issues about how the funding was arriving.

I repeat that the funding has been incredibly welcome. It is taking forward our organisations, but we are hitting a new financial year and a new set of concerns about future planning and a lack of clarity about future strategic context. We are hitting uncertainty around budgets. This Monday, Creative Scotland issued a bit of information about potential timelines for regular funding, but many organisations just do not know where they will be. They have plans. Many of them have exhibition slates that are ready to go. We have workshops that are ready to serve their members, but they need additional support to ensure that shared workshop facilities can be tooled for adaptation. We have made many steps towards adaptation, but we need a little more to get over the line. Specificity for our needs within an overall strategic context seems vital.

Claire Baker: Convener, is there time to invite Bill Armstrong to respond to the general question?

The Convener: Yes.

Claire Baker: Over the summer, Bill and I had discussions about support for writers. Did the support come soon enough? Is there a need for more specific support, or has the more general support for freelancers been sufficient?

Bill Armstrong: All our writers have suffered from the problems that Lucy Mason highlighted, but, in addition, there was a specific problem for screenwriters. With the creation of Screen Scotland, screenwriters were no longer eligible to apply to Creative Scotland's open funds. The equivalent funds that Screen Scotland runs were open to writers, but there was a heavy preference for writers who had a producer on board with their idea—so much so that, in practice, it was extremely difficult, if not impossible, for a screenwriter to access funding from Screen Scotland without having a producer on board.

That leaves aside the amount of time that a writer has to work to get a producer on board before they can access funding. It takes, on average, two months, and sometimes quite a lot longer, for a production company to read an idea. During the first lockdown, most of the production executives who normally do that were on furlough, so, when the first lockdown hit, there was virtually nothing that screenwriters could apply for.

Over the summer, Screen Scotland brought in a first features fund, which writers can theoretically access without a producer. However, the

guidelines for those funds still give those who have a producer on board an advantage. It remains to be seen how many writers will be able to access that fund on their own. Screen Ireland, for example, has two funds that can be accessed only by writers, and you cannot access it if you already have a producer on board. One is for new writers and one is for established writers. Those funds were topped up during Covid to support writers who were struggling. There is nothing here like that. Had there been something like that, it would have made an enormous difference to screenwriters.

Claire Baker: Convener, I have another question, but I am happy if you want to move on to other members. There might be time for me to come back in at the end.

The Convener: Okay. I hope that there will be time at the end. We now have apologies from three members, as we have also received apologies from Ross Greer. As usual, if there is time at the end, I will bring in members to ask supplementary questions.

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): I want to start with a tech question for Bill Armstrong, to clarify something that he said and to make sure that I understand it. He said that production is down to a third of its normal speed. I want to be clear what that means. Does it mean that the timetable is three times as long or that the effort is three times as great? Clearly, those are different things.

Bill Armstrong: There is an increase in the time that it takes to film and an increase in the effort. Filming is very much, at best, a seat-of-the-pants affair, and endless unexpected variables come up. If everybody has to stay 2m apart, if things have to be cleaned every time somebody touches them and if everybody has to be masked and separate, that slows down the speed at which something can be filmed. Time is very much money when it comes to filming. The longer it takes, the more it costs. Obviously, the longer it takes to film, the less you can do in a week and the fewer scripts you will need. The show that I write for would do about 22 minutes a day, which is incredibly fast for film. Most film will work at about seven to eight minutes a day of finished film time. As that is slowed down, that increases costs and the effort that has to be put in.

There is a great danger of burnout of people. If a lighting engineer or cameraman is working all day with a mask on and with very hot film lights, that takes a physical toll and it takes a toll on their mental capacity to be creative. There is a whole host of issues, not the least of which is that, when actors are doing a scene together, they cannot meet unmasked until the first time that they do that scene, which creates problems. That will probably

involve more takes than normal and, the more takes there are, the more the time taken expands.

Sorry—that is very technical, but I hope that it was clear.

Stewart Stevenson: To be blunt, that was exactly the answer that I wanted. I am happy to fess up to relative ignorance. I have been filmed for a film, but I do not recall very much about it and it is meaningless in today's context, anyway. Bill Armstrong has given a vivid description of the difficulties that the sector that he works in is experiencing.

I will turn to Lucy Mason, although I might come back to Bill later. Inevitably, I want to talk about money, but I want to do so in a slightly different way from the way that we have done so far. With the shift away from live performance with an audience in front of those who are on stage or wherever, how is monetising online content working? Is it working or not? What role can Government have in helping?

Of course, that is in the context of our having public service broadcasters. BBC Three's move from terrestrial and satellite broadcasting to being an online channel has not stopped its creativity. I believe that it has won awards for "Fleabag", which is a drama that has just been on BBC Three. How do we monetise the very different world that we are in and might remain in for a considerable time? How does that work and what are the problems with it?

Lucy Mason: We have yet to discover how that will work. It is fair to say that it is new territory. Initially, during the pandemic, a lot of theatre companies worked hard to put a lot of work online and they made that available for free. There was no question but that that was urgent, in the absence of people being able to congregate with an audience in a live experience. The obstacles were already considerable to some people engaging with work online, so theatre companies understood that they could not propose creating a further obstacle of a financial requirement to do that.

09:30

However, as the situation has continued, people are starting to look at income generation. It is hard to know how to pitch that. I would need to take more soundings from members and perhaps get back to you about people's experiences, because that approach is fairly new for us. Charging has been introduced on a much lower basis than it would be were people being asked to pay for tickets to come to a theatre. Some organisations have pitched it as a pay-what-you-can approach or have asked for donations; others have invited people to contribute once they have seen

something. Organisations are experimenting with how to make that financial ask of an audience when it is already asking quite a lot of people to ask them to sit and watch something online in a very different context from the one in which they would otherwise want to enjoy it.

I anticipate that the income from charging for work online will never make up for the income that could be generated by having a full programme, and nor can the experience ever be the same. We have to be careful. You are absolutely right that we are going to be in this territory for some time, but we have to keep in mind that our sector is here to create a live connection with an audience. That is fantastically well enhanced by online work, but online work cannot be seen as a viable permanent replacement. None of us wants that.

The online platform is limiting but, in the meantime, we need to find creative ways to use it as well as we can to help people to understand that they can have some other intervention in their life that takes them away from the horror that we are living through.

I cannot give any particular hard-and-fast figures in relation to how to monetise that effectively and what support is required. If it continues to be something that we all have to embrace, we will need to look at the gap between the cost and the income that might be generated—and there will be a gap. It is a work in progress. I am sorry that I cannot be more specific about it.

It is important to say that relatively few organisations have been able to afford to make work available online. A lot of people have put up a lot of stuff from their sitting room or study, but a smaller number of people have been able to get into a studio or theatre to present work in a more staged and collective way. As Bill Armstrong said, that has to be done in a socially distanced way, which takes time, so the costs are different and we have not all worked out the best way to do that yet. Investment is definitely required but, at the moment, I would be hard pushed to say exactly what the level should be.

Stewart Stevenson: That is useful. I will make the partisan comment that, as someone who lives in a rural location where it is a three-hour round trip to contemplate visiting a professional theatrical event, having more options online is not necessarily a bad thing, but that really does not help the sector very much, given the comparatively small number of people like myself.

I would like to pitch the same question to Moira Jeffrey. Subject to what the convener allows, we will not be finished with this issue immediately, I think.

Moira Jeffrey: First, you need to understand that the ethos of the visual arts sector is that

provision to the audience should be free at the point of access, though our funding model is complicated and depends on earned income. For a venue-based operation, earned income might be based around a café bar or venue rental. In other bits of the sector, earned income might involve, for example, an artist studio or workshop facility earning money from fabrication and certain kinds of workshop fees. However, in terms of audience provision, we are free, and that is our fundamental ethos. We continue to work on that basis digitally.

Film festivals have gone online. For example, the Alchemy film festival in Hawick went online within days of lockdown—the entire film festival was run from people's homes. It was successful in terms of audience reach, but it did not provide that energy and income generation in the town, which had always been vital. At that moment in the year, Hawick really benefited from the visitors to the festival and the footfall.

It is important to understand that the income generation model is complex. We can pivot to digital, and our organisations are saying to us that they would like some investment to enable them to think that through.

We have a range of members that work with very vulnerable people, and that is where digital has been really effective. They provide one-to-one or small-group support, for example, to people with health issues, mental health issues, disability, the older population and segments of the population who might be isolated. Those organisations—which include, for example, a case study that we have submitted from Dundee Contemporary Arts and small organisations such as Gaada in Shetland—continue to provide that kind of community support via digital.

What people need is a little bit of time and financial support—a rescue package that allows them to develop that offer. They have certainly moved a bit, but digital for the visual arts sector is not about bringing money in; it is about the offering of services, the sharing of artists' voices and the sharing of artistic programming. People imagine that digital will continue and that hybrid models will continue, but we are in a different situation from some of our fellow members of the cultural sector.

Stewart Stevenson: I want Bill Armstrong to develop the monetising issue. In particular, I ask him whether, from the point of view of people who are involved in writing, the current copyright laws are sufficient to protect the assets that come from the writer's pen—or fingers, these days. In general, how difficult is the situation and what options are there? Does anyone have any ideas for how Government can take away barriers or create frameworks that might help?

Bill Armstrong: Before I start, I would like to echo something that you said a moment ago. One of the few silver linings to this crisis has been that writers have not had to spend hours and hours on a train going down to London for meetings, often unreimbursed. I hope that that is kept up, although there are no guarantees.

There are on-going problems with copyright, particularly to do with the streaming services. The question of copyright is becoming extremely grey. It is something that our union works constantly on because it is constantly changing. The huge streaming organisations—we are in conversation with Netflix, which is hugely important—are a massive problem for writers because our income stream is what keeps us alive. Mostly what we earn is not sufficient. In order to have a decent living, we need that incoming income stream.

Part of the problem that we have with free options is that the situation has become so loose and people's rights have become so watered down that that important principle of intellectual property ownership is becoming a problem. I think that I am right in saying that there was a European copyright directive that the United Kingdom Government did not sign up to, which was mystifying because it would have benefited pretty much everybody in the UK. The people who would not benefit are Google, Amazon, Facebook and Apple—the GAFAs. As I understand it—I might be wrong about this—the UK did not sign up to it primarily because it had the word “European” in it, which is an enormous shame, as that has done enormous damage to all UK writers. If you could get in touch with your colleagues at Westminster and get them to see some sense on that, that would be very helpful.

Stewart Stevenson: I am sure that we would all be prepared to contribute to that, but I would not hold your breath for success.

Convener, I am going to hand back to you and think about my further questions, because a lot of interesting stuff has come out of that. Others may also want to follow up.

The Convener: Thank you, Mr Stevenson. Jamie Halcro Johnston is next.

Jamie Halcro Johnston (Highlands and Islands) (Con): Good morning. I want to touch on a couple of issues. I was particularly interested in Moira Jeffrey's comments around digital.

First, I want to look at an area that is of particular interest to me. I am a Highlands and Islands MSP and, obviously, I largely cover remote and rural communities and so on. Lucy Mason, have there been particular issues facing some of your members in rural areas or island communities? Have there been particular impacts or difficulties?

One of the issues that has come up in the wider tourism sector is the tier system. An area may be in tier 3, so legally able to open, but the business is not there because tourists are not there. Obviously, in some cases, tourists may be quite important.

Lucy Mason: I am sorry—I missed the second part of the question. It was a little bit blurry.

Jamie Halcro Johnston: The second part of the question was about an area being in, say, tier 3, which means that a lot of places are not required to close by law, but, essentially, they are not able to open because the business is not there, and in some cases the support has not been there. Has that been a particular issue?

Lucy Mason: That is a really important question. A small number of our members are based in the Highlands and Islands region, and they were among a small number of organisations that were able to open in that autumn period. There was a range of different responses to that. Members on the islands—on Skye, for example—felt that they did not really want to bring people in. There was a real anxiety around the public health agenda. At that point, Skye felt relatively virus-free, and the prospect of people travelling there to go to the theatre was not one that was welcome. There was a fear, in a way, and, although it was permissible to open, we needed to reinforce to people that that did not mean that they had to open. We need to constantly strike a balance between what is possible and what is desirable and in the public interest. We have been reassured by the responsible approach that our members are taking with regard to safeguarding the health of everybody who is involved in the process of making and presenting theatre.

In the conversations that I have had with venues in the Highlands, I know that the sense of community and the feeling about the place that their venue or their activity has in the community is really strong. Although people have not been able to operate as a theatre, they have functioned and served their communities in different ways and have had very personal contact with people who would previously have come as audience members. That social interaction, which provides a means of offsetting loneliness, and the provision of a service of some sort—be that in food delivery or being a host for certain other community activities—has been really important. What we have seen is the flexibility of our members in being able to respond to the position that they have found themselves in.

I totally take the point that Stewart Stevenson made about audiences being able to overcome the remote distance from where theatre may otherwise have been happening and having found work coming into their own homes in a way that

they maybe otherwise would not have done. That has been a real benefit. We have all appreciated the fact that, for those who have access online, that brings us all a bit closer together. However, we are also acutely aware of the fact that, where that is not in place, that distance is reinforced, and it is important to find ways to overcome that.

09:45

Further, there are a lot of artists—individual members of FST and across the sector—who, in order to limit their costs and save money, had previously moved out of the central belt and moved into more geographically remote areas but now find themselves even more isolated than before because, where work has been able to happen, accessing it will have required travel and lot of people will not have wanted to travel, or travel has not been allowed within the levels system.

There are pros and cons for people living in the Highlands and Islands. It has not been a straightforward, one-size-fits-all impact, as ever. Our members are extremely varied in the ways in which they contribute to the theatre and dance sector, and everybody has experienced the pandemic differently.

The possibility of holding test events—we talked about that in Inverness, because venues could open in level 1—might have given us an opportunity to prove how we could present work to an audience in a socially distanced way that would keep our audience and our workers safe, but we were never able to get that off the ground because it was too hard. You cannot just press a button and present theatre on stage; it takes time for it to happen. However, those more underpopulated areas might become the starting point of theatre reopening and act as the places where those opportunities are explored for the first time.

Jamie Halcro Johnston: I hope that you can hear me a bit better now. I have moved a bit closer, which is a technical solution to not being able to be heard.

Local theatres, in particular, are always an important part of the community in areas such as Orkney, where I am from. A number of people I know are very much a part—*[Inaudible.]* Local theatres are vital and are loved and treasured, but they often require a lot of support to keep going. We have had almost a year of shutdown, on the whole, in which they have been prevented from doing the day job of providing shows and other events, and it will be some time before we open up again. In addition, there is the confidence issue, which I know will be a big issue for some people.

We have already touched on this, but do you feel that the support is there? Is it clear enough

how to access it? Is it sustained enough so that theatres can come back after the pandemic? It is not just a question of shutting the doors and closing up for a short period. There are still bills that have to be paid—heat has to be provided, and so on. Is there more that can be done by both Governments, and by local government, to support theatres now? What will be needed over the next period?

Lucy Mason: For a lot of small venues in rural areas—some venues can seat only 50 people—the economics are extremely fragile. There is a baseline requirement. It needs to be acknowledged that success does not equate to quantity; what is important is the value of the experience. As you said, a lot of that is to do with connecting with the community, not necessarily in the venue but in the outreach work. Often, the connection will be on an individual basis or in small groups, and it is often with people who are vulnerable, as Moira Jeffrey said. There are ways in which we connect and bring our work to people who would not otherwise be able to come into a venue, however small.

By its very nature, subsidy is there to plug the gap—to cover the difference between what something might generate in income and what it costs to produce. In many smaller venues in rural areas such as the Highlands, promoters will work on a voluntary basis, whether that is out of desire or need. That is sustainable up to a point, but we need to make sure that those people who are in positions in which they take responsibility for the programming and the safe delivery of work are properly remunerated for their work.

A lot of support is piecemeal. We have an opportunity to acknowledge that it takes time to do programming work and to build and sustain an audience, be it online or in person. By far the best way to do that is by giving people the knowledge that they have a secure period of programming that is properly resourced and that they will not have to operate from project to project, which is often the problem that many smaller venues face. Because they do not have longer-term security of funding, they cannot make commitments to artists or audiences, so everything happens at a very late stage. It takes time to do long-term planning with artists and to invite people to come and make work locally, and that needs a long-term commitment of funds. We need to work towards more sustained funding that is made available on a wider geographical basis and that is more widely accessible to more people.

Jamie Halcro Johnston: Thank you. I have one more question for you, which I will also put to Moira Jeffrey. It is about the role of digital. Gone are the days when there would be a shaky camcorder at the back of the room. More work is

being done online. In some cases, performances are being recorded and put online, and, as was pointed out—[*Inaudible.*—communications and promotion. How important is it, especially in some of our more remote and island communities, that we get the digital infrastructure—the broadband—that will allow some of that work to be better promoted than it is at the moment? Do you think that digital will be increasingly important for your members in the future?

The Convener: Before you answer, I make an appeal for concise questions and answers, as two more members have questions to ask. If members could direct their questions to particular members of the panel, that would also be helpful. Thank you very much. I am sorry to interrupt.

Moira Jeffrey: Thank you. I think that that question was directed at me. Is that correct?

Jamie Halcro Johnston: I was asking Lucy Mason, but I was going to come to you as well, Moira. Perhaps we could have a very quick answer from Lucy first, if that is okay.

Lucy Mason: I did not hear all of your question, but it is true that broadband needs to be accessible. We all need to benefit from it—there needs to be equality of access. That is a given. There also needs to be investment in the equipment to enable proper filming so that the quality of the work that is streamed or otherwise made available is of the highest possible quality. We do not want to undermine our own work as we go.

Through the pandemic period, we have learned that digital is not an add-on. It is an integral part of the way that we make and communicate work, but we need to be running it in parallel with live performance—it cannot replace live performance. In the short term, it is a fantastic alternative, but not everybody is able to make it, because they do not have all the equipment to do it. The quality will not be as good, and we do not want poor quality to put people off. It is a constant balance. Our members want all their work to be of the very best quality, and, in some cases, that work is compromised at the moment, because not everybody is able to broadcast in the highest possible quality from their bedrooms.

Jamie Halcro Johnston: Thank you, Lucy. Could I have your thoughts on that, too, Moira? You are muted at the moment.

Moira Jeffrey: I am afraid that that is not in my control, but I think you should be able to hear me now. I am completely hands-free in this situation and at the mercy of the broadcast team.

Digital is here to stay, but we are trying to learn, and SCAN is very engaged with those of our members who live in rural communities. We are

trying to learn from other institutions—for example, from the University of the Highlands and Islands—that have expertise, but digital is not a substitute for art making. For example, the permanent collection and the temporary exhibition programme of the Pier Arts Centre in Orkney involve people making work that presents itself in the analogue world. That continues to be the core of what many artists wish to do and what many audiences wish to see participants making. Digital is not a substitute; it is something else.

Jamie Halcro Johnston: Thank you very much, Moira. Apparently my technology is breaking up. At the heart of Edinburgh and the Government, we apparently cannot get good broadband, either, so I will leave it at that.

Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP): [*Inaudible.*—he can blame the Government for the break-up of his sound.

I am thinking about other things. In the context of digital, a comment was made about making everything more available and accessible, but I am going to talk about terrestrial. We have programmes such as “Portrait Artist of the Year”, “Landscape Artist of the Year” and “The Great Pottery Throw Down”. Whatever we might think of their artistic merit, they have a popular following, as, indeed, does Netflix.

I have two questions. As we try to think of a different world as we come out of the pandemic—we might occasionally go back into pandemics; who knows?—is there not an opportunity for the media, the TV channels and the film industry to commission our writers, film producers and other artists to do work that will appear on terrestrial media? I am thinking back to the 30-minute dramas, on which Dennis Potter cut his teeth, which allowed writers to cut their teeth. Such broadcasts have a bigger public reach. At the moment, everything is about rescue packages, but we want there to be investment in the arts and engagement with people.

My second question is about whether there have been any discussions with Education Scotland about bringing the arts and theatre into schools. Many moons ago, I was a secondary teacher, and I could think of ways in which that could link into the syllabus. I know that the syllabus is crowded, but I would like to see the arts more in the schools from primary right the way through secondary. If children could see a theatrical performance in their school and get an idea of what live theatre is like, that would let them cut their teeth on getting engaged with the arts as they get older.

My two questions are about commissioning work for terrestrial programmes and the role of

Education Scotland. Those are wide questions for anyone who wants to answer. I also have a supplementary about whether there is a liaison role for the Government to play that would assist.

Bill Armstrong: “Yes, there is” is the short answer to that. From our point of view, what we need for the economic recovery—Scotland desperately needs this more than anything else—is a long-term, strategic vision for a Scottish film and television industry.

We have been having discussions with the Danish Film Institute and the Norwegian Film Institute. It took them 25 years, but the Danes have now built a television industry that cannot produce enough television to meet world demand. Their television reflects Danish stories by Danish writers. They have done that by supporting their writers. We have submitted proposals to Screen Scotland for funds that are just for writers. There are various ways in which you can build a film and television industry. At the moment, our concentration is on attracting big offshore film productions, such as “Game of Thrones” and “Outlander”. That can bring a lot of employment, but it is extremely vulnerable to factors such as exchange rate fluctuations and fluctuations in film fashions.

The other thing that we are doing is investing in small artisanal films that we hope will win some kudos at international film festivals and highlight Scottish talent. However, those things on their own will not build a sustainable film and television industry. To do that, it is necessary to have multi-episodic television series that have the potential to return—I am thinking of the likes of “Derry Girls”, which has done wonders for Northern Ireland. We need something like that here. In order to do that, it is necessary to invest in the content and the people who produce the content. There is no other way of doing it. There are ways in which the Government could support that. We need to look at how to build the infrastructure and how to build a real national broadcaster.

10:00

Apropos your second question, earlier in the year we proposed a national arts force that would pay creatives—including writers—to work in communities, schools and care homes. I will give an example of the spin-off effects, beyond those that you mentioned. I mentor a young person in one of our local high schools. I was paired with that individual because he wants to be a writer. I go in and give him the benefit of my experience but, beyond helping him and exposing him to the arts, the people on that mentoring programme are emotionally vulnerable. They suffer from a lot of vulnerabilities and, in some cases, quite considerable mental health issues. Over the

course of the pandemic, when those mental health issues have been exacerbated, the connection that he has with me has been a critical lifeline for that mentee. If we multiply that by what a national arts force could do, we can see that the spin-offs are enormous. I would suggest that a national arts force would be worth the Government considering.

Christine Grahame: Is there some kind of document—a briefing, say—on the proposed national arts force?

Bill Armstrong: I think that it was mentioned in the “Putting Artists in the Picture” report. I can forward some things to you—I will get your email address and do that.

Christine Grahame: I was an English teacher a long time ago; I have done other things since. Therefore, I know that performers coming into schools—even just to liven up plays or books that kids are studying—makes a huge difference. I am disappointed that that does not happen more. I know that it is quite tough, logistically, but it would provide work.

What is your response to my suggestion about what used to be the 30-minute dramas? The BBC could make those now by commissioning short plays from new writers. Dennis Potter and other wonderful writers came out of that. Is that not something that could be happening now?

Bill Armstrong: Yes, I think that it could be happening now. We have recently had discussions with BBC writers from Scotland about a programme that they are running, which is—I do not know any other way to say it—fairly shambolic. It suffers from unclear and conflicting objectives. There is a great deal that the BBC could do, but it suffers from a lack of holistic thinking and a lack of vision apropos Scotland. That is a very large problem, which goes beyond the scope of this short session.

Christine Grahame: You have made your point.

Does anyone else want to comment? That was about writers and the performing arts. What about the visual arts? Whatever you think of the approach of “Portrait Artist of the Year” or “Landscape Artist of the Year”, at least people watch it, and it gets them engaged in the process of putting paint on paper or drawing and sketching and so on. Can you see anything there that could be developed in schools?

Moirra Jeffrey: I am not sure whether I am muted at the moment. Can you hear me?

Christine Grahame: Yes.

Moirra Jeffrey: Our sector engages thoroughly with schools. We have a national organisation, Engage Scotland, that deals with that. We are

concerned about where visual art sits within the national curriculum and within the expressive arts context. It is one of our manifesto asks in the current period. We have shared with MSPs a document in which we call for a greater role for the visual arts within schools. The imbalance between the national level of engagement with the visual arts and the opportunity for that voice to be heard in the media is notable. As a former journalist, I am very concerned about that. We need only compare sports coverage with cultural coverage. However, if we look at the number of people who engage with the cultural sector—if, for example, we compare the number of museum visitors with football gates—we think that there is huge scope for that national interest conversation to take place as widely as possible in the print and broadcast media.

Christine Grahame: I do not know whether anybody else has a comment, but that is fine—those were my two questions. I see that somebody wants to ask a supplementary on a national arts force, so I will back off. Thank you very much.

The Convener: Thank you, Christine. We move to questions from Kenneth Gibson.

Kenneth Gibson (Cunninghame North) (SNP): Good morning, panel. I take on board Mr Armstrong's comments about Denmark. Last night, I watched an excellent film on Film4: "The Guilty". This week, I have been watching "The Investigation", and I can thoroughly recommend "DNA" as well. Danish TV and cinema have dramatically improved in recent years.

I note that Mr Armstrong's submission talks about the Danish model and says:

"It costs as much to train Danish screenwriters, directors and producers, as it does to train Denmark's airline pilots."

I checked the figures and I found that it costs £86,000 to train an airline pilot. Given the figures that are bandied about in the report, how realistic is it that we will have enough money to train enough screenwriters to make a significant difference and have a Scottish model that is equivalent to the Danish one?

Bill Armstrong: Denmark's funding is far in excess of ours. It would be wonderful if we could afford that, but the more important thing is that we develop a holistic view of how to train. At the moment, screenwriters are almost entirely taught how to write by script editors and producers. There are almost no courses in which writers teach people how to write. It has always struck me as being like getting a plumber to teach somebody how to do carpentry. There is no overall vision for how we integrate writers, producers and others into the system. It is a very British, ad hoc, sink-or-swim approach. We need to go right back to the film schools and work out what needs to be taught,

how it needs to be taught and how to feed those writers.

In Denmark, there is a system whereby, at the end of someone's training as any kind of film maker, in their graduation year, there is an event at which the people from the Danish Film Institute get together with all the production companies in the country and the graduates. They meet up and everybody is introduced to one another so that the writers, directors and producers get to know the people they will be dealing with over the years after that. The producers get to know the new people who are coming through. One of the significant effects of that is that it prevents a brain drain of Danish producers, directors and writers from flowing to London, Berlin or Los Angeles. Brain drain is an enormous problem in Scotland.

It would be wonderful if we could afford the kind of money that they have in Denmark, but I think that it is more a question of the Danish attitude to the value of writers and importance of their content and, therefore, paying attention to that. That approach does not exist in Scotland at the moment, and I think that we suffer for it.

Kenneth Gibson: Who should provide the leadership? You talked about film schools. Should it be Creative Scotland or the Scottish ministers? We can all agree about this, but there has to be someone who drives it forward.

Bill Armstrong: There should be consultation between Screen Scotland, the Government, the film schools and the union. That would be a good place to start. At the moment, we are working with Scottish Union Learning and taking a programme to writers. One of the problems when writers get into the business is that, because they have never been taught by writers, they have no idea what to expect or what they are coming into, which means that a lot of them fall at the first hurdle.

Christine Grahame talked about the BBC. One of the problems with the BBC writers in Scotland is that there is no holistic approach. People are brought into a programme and thrown in at the deep end, and when they fail they are chucked out. There is no long-term support. We need all stakeholders in the industry to get together and work out how to plan it better, instead of just leaving it to the ad hoc, sink-or-swim approach.

Kenneth Gibson: Moira, in your submission, you talk about medium to long-term funding, and you suggest that 1 per cent of the Scottish Government's budget should be devoted to cultural spend. As a committee, we have had an issue in trying to identify how much money is spent on supporting Scottish culture. There are a number of funds and, for example, local government contributes significantly more than we thought before we started looking at the subject.

How can we ensure that, should the Scottish Government find the resources that you require, local government does not, in effect, roll back as if to say, "It's being funded from Edinburgh, so we'll not bother"?

Moira Jeffrey: I will defer to the expertise of the committee, which spent a huge amount of time on the funding inquiry. We support the broad aim that you suggested. It seems to us to be a sensible figure. The pandemic has exposed fragility in many sectors and it has revealed what we know to be a fragile and precarious situation for continuing arts funding.

Local authorities are essential to the picture, and not only because of their own services. It is not just about the arm's-length external organisations, cultural trusts and local authorities' own cultural provision; it is also about the support and strategic context that they need to provide for the cultural sector in their places. It is about the broad support and the cultural framework.

One of the essential things for us is to understand the 1 per cent aim in a big strategic context. We are really keen that local authorities, along with their economic and social recovery programmes and their aims for renewal in those areas, also aim for cultural recovery. There needs to be a helpful, open and robust conversation with local authorities, which are themselves suffering from loss of income. We have met members who sit within trusts and ALEOs that ultimately sit within or beside local authorities. We need to have a really strong conversation in a strategic context, and we need local authorities to understand the potential of their role and the potential of culture in their local renewal and recovery programmes.

Kenneth Gibson: In section 3 of your submission, you give us a lot of really interesting and important figures. For example, under the heading "Negative Impact on Life and Career", you say that

"Most negatively affected were income (worse for 72%)"

and

"new opportunities available in the visual arts (worse for 71%)."

You talk about 28 per cent of people falling through the cracks, the uneven impact of Covid on cultural workers and the reduced opportunities for self-employed workers, with 92 per cent of people in self-employed roles being worse off.

However, what numbers are we talking about? The committee is also responsible for tourism, and we get detailed figures on the impact there. How many people are being affected in your sector? You have provided those percentages, but I am keen to know how many people have lost their jobs, how many have had diminished incomes and

so on, so that we can get a better grasp of the real difficulties that your sector is facing relative to other sectors.

Moira Jeffrey: [*Inaudible.*]*—*to this particular survey. To give you some kind of framework, I note that the papers that SCAN submitted to the Scottish Government in the summer said that, at that time, we were looking at 330 employed people and 3,500 freelance workers whose jobs were potentially at risk.

One reason why we are asking for specific responses and dedicated funding for the visual arts is that we are calling the job losses in our sector hidden and invisible losses. We cannot give you an organisational picture that says that we have X number of employees and a certain number of redundancies, because so many of our workers are freelance. We commissioned the research with the Scottish Artists Union, and, when it gives evidence in the next panel this morning, it will be able to help you with much more detail and talk through the findings.

We are really concerned about the picture for freelance workers. It is not always about top-line numbers; it is also about the proportion of the sector. I talk about some of the smaller numbers, but we were looking at, potentially, over 50 per cent of employment in our organisations being at risk. We need people to understand that this is about infrastructure and about jobs that will not come back. It is about impact.

10:15

If we lose an organisation in, say, Skye and Lochalsh or rural Dumfriesshire, there is a real risk that it will not come back. We need to consider the weakness of the infrastructure and the impact on the overall workforce, so it is less about hard numbers. One of the issues about recovery funding to date is that simple metrics about numbers of redundancies, for example, do not work for us. We are concerned about the impact on the freelance workforce and the proportion of the overall workforce. Our sector is formed from a network of rather small charitable organisations and freelance workers.

Kenneth Gibson: Thank you for that. As John Gordon Sinclair said in "Gregory's Girl", boys think in numbers, and I am one of them. I think that it is good to get not only the share of a sector but also the overall size and scale, because that gives us information on what it is facing and how the committee can try to assist. The committee is obviously extremely sympathetic and supportive. We do not have our own budget, but we try to lobby ministers and so on on behalf of the sector.

I will move on to a question for Lucy Mason, because we have another panel to come and

other members want to speak. Lucy, you say in your submission that your

“Covid Recovery Report ... provided a detailed case for an overall £12 million in recovery needs to prevent job losses”,

but we have moved on a lot since then. We are clearly deep into phase 2 and we do not know when it will end. Where are we now? What can we do for the sector, not just in terms of emergency resources but to put in place the long-term plan that you are looking for to take the theatre sector forward?

Lucy Mason: It is a difficult question. I echo what Moira Jeffrey said—there is something about the hidden numbers of people leaving. The freelance task force work that was undertaken last year identified that about 70 per cent of our workforce are freelancers, and a survey that was done at that time indicated that one in three people is likely to leave the sector because they cannot afford to stay and they have not had the opportunity to work. That is a hard thing to quantify. We will seek to identify where it is sitting at the moment, but it represents a significant drain of skills.

It also means that, as and when we are in a position to reopen—when people can make work safely and present it to an audience on whatever scale and in whatever location—there is a real danger that the expertise will not be there. We need people with a variety of skills to make our work happen. We must be mindful that sustaining those people who are not in a position to work requires subsidy.

There needs to be a raft of different levels of funding for individuals that is provided in a sustained way. It is not about hardship. We have to try to lose the rhetoric around that. People are in hardship and there is a lot of stress on people's wellbeing and mental health, but that is largely because they cannot do the work for which they have been trained. They put in a lot of years in order to qualify and be able to work on our stages—to create work, to write, to design and to perform. We need to secure the validity of the professions at a time when it is not possible to practise them. I know that that is a leap of faith, but that is what we are here for.

We need people to trust that everybody wants to do the work and do it well, and, for the time that that is not possible or is possible only in a diminished way, support and resources need to be secured so that, when we can come back, we have the capacity to make it possible.

There will undoubtedly be pressures. Let us hope that there will be an opportunity for theatres to open and festivals to happen. There will then be an expectation that there will be work to be seen, but at the moment it is hard to know how we will

achieve that. We need a level of support for individuals and a level of support for organisations that hold a workforce. The workforce is depleted. People have made redundancies because they are unable to justify the cost of staff who cannot do their jobs. It is as if the economics have just not worked.

Furlough has been an amazingly important part of the equation, but an organisation that is a charity needs to consider its governance, and its board will be looking at its prospects as a going concern. Outgoings and income are very different at the moment and, unfortunately, people have had to lay off staff, which depletes the means that those organisations have to restart with confidence.

We need to find a way to secure for the next 12 to 18 months organisations of whatever size that need to be in place in order for our sector to stand a chance of coming back and contributing to the nation's wellbeing and economic and creative recovery. That is not going to happen by itself; it needs to be sustained.

There needs to be a period of sustained funding, then a period of development funding and a period of funding beyond that that enables us to adapt to the environment in which we find ourselves, in which our artists and producers will have to work together to bring work to audiences. I do not know what that will be yet, but we have a lot of creative minds and those people need to be paid in order to be able to work together to think the solutions through.

Kenneth Gibson: I know that Bill Armstrong wants to comment, but I have one more question for Lucy Mason.

I sense your deep frustration. You will not be able to sell as many tickets because of social distancing. I have a couple of tickets for “The Book of Mormon” from June last year, and the performance has been put back to June this year, but one wonders whether sell-out shows will be possible. Also, will all the performers in touring companies still be able to participate?

There are two aspects to theatre. One is static theatre buildings and all the people who work in them; the other is touring companies. How have they been impacted? How should the Scottish Government support artists who might be based elsewhere in the UK to perform here, in Scotland? The Edinburgh festival gets considerable support, but I am thinking specifically about theatres.

Lucy Mason: Thank you for asking that important question. In the majority of companies, the producers and the artists who make work in Scotland will tour that work. They take their work on the road and meet audiences across the country, and they take a lot of their work out of

Scotland. That international work, which was previously held up as a real beacon of success—it was a way of presenting our culture overseas—was valued and rewarded. For all sorts of reasons, however, it has just gone, and although enormous opportunities come with international connections online, losing that work has drastically reduced the income of those touring companies.

There are environmental benefits to online work, and it is important to acknowledge that we need to look at different ways in which we can connect with overseas audiences and present our high-quality work as theatre and dance companies without necessarily having to get on an aeroplane and travel around the world. However, we have not yet worked out what the alternatives are. How do we sustain our work? The more work that our artists put on, the better it gets. Companies come together, and the long-term presentation of work in touring is critical to the industry's success.

At the moment, touring cannot happen. There is unpredictability about whether venues will be open or closed, and the situation is different across the four nations of the UK. Venues in England were able to open without 2m distancing—I think that they had 1m plus—but people were interpreting that in different ways. Why would a producer based in London who previously presented work on the big stages in Aberdeen, Inverness, Edinburgh and Glasgow take the risk of doing that when venues could be closed or they could be open but could seat only 100 people?

There is a need to consider the provision of insurance or some other way of mitigating the risk. Our audiences lose out if work cannot be brought here, and the creatives—the individuals who make up the workforce of touring shows—also lose out. It is important that Government-backed insurance be made available to enable people to take risks and work and present work in Scotland. We also need to find alternative ways of giving kudos to those companies whose work was lauded overseas but who have lost income and profile as a result of not being able to tour.

Kenneth Gibson: Last September, I saw “La Bohème” outdoors in Glasgow. There were fewer than 100 of us. It was absolutely Baltic even though I had umpteen layers of clothing on. Scottish Opera has tried to adapt, but it is extremely difficult in our climate.

I think that Bill Armstrong wants to comment.

The Convener: We will have to wrap up so that we can move on to our next panel. Bill, your contribution has been fantastic so far, but if you could wrap up as concisely as possible, that would be helpful.

Bill Armstrong: I will make a quick comment in response to something that Kenneth Gibson and

Moira Jeffrey said. One thing that we have found during the crisis is just how poorly understood the creative freelance sector is. One thing that came up in a meeting that the creative industries unions had with the Government recently was the idea of an open source national database of freelance workers in the cultural sector and the creative industries, of what they do and of how much they earn. That would be invaluable as it would help us to understand what the sector consists of and to quantify it. It would enable this hugely underutilised resource to benefit the country with knowledge transfer between different parts of the cultural sector and the rest of society, and it would also inform the construction and use of the national arts force. It would be Government led in conjunction with all the unions and organisations.

The Convener: Thank you. That is a great segue into our next session, which will be with the workers' representatives from the industry.

I thank our panel members—Ms Mason, Ms Jeffrey and Mr Armstrong—for attending and for their evidence. We will hear from our next panel of witnesses in a couple of minutes. I will suspend the meeting for a few moments to allow the next panel to join us.

10:27

Meeting suspended.

10:30

On resuming—

The Convener: Welcome back to the meeting. We continue with item 1, with further evidence on the impact of Covid-19 on the cultural sector in Scotland.

I welcome Lynda Graham, president of the Scottish Artists Union; Paul McManus, negotiations officer for the Broadcasting, Entertainment, Communications and Theatre Union; and Barry Dallman, acting regional organiser for the Musicians Union in Scotland and Northern Ireland.

I do not know whether you caught the tail end of our previous panel, when we were talking about the impact on creative freelancers in the culture sector and Bill Armstrong spoke about a meeting between the Government, trade unions and workers' representatives from the sector on finding a way forward. I do not know whether you were involved in those discussions and can shed any light on them, but perhaps you could go into detail about just how freelancers have been affected and whether the funding streams that have been put in place to support the sector have done enough to support individual artists and creative freelancers in the sector. Who wants to go first?

Lynda Graham (Scottish Artists Union): Thank you, convener. Can you hear me?

The Convener: Yes, we can hear you.

Lynda Graham: In common with the other speakers that we heard from this morning, I note that Covid has exposed the already precarious situation of self-employed artists who are working in our sector. Our members have had a catastrophic loss of income. As self-employed workers, they have multiple income streams, which have all been affected. I can give you some headline figures from our recent survey: 92 per cent of those who are self-employed told us that it has had an impact on their working conditions; 54 per cent had fewer hours; 51 per cent have had contracts cancelled, and 47 per cent have had work postponed. Worryingly, even with the Government's sector-specific support that has been allocated, 73 per cent of our members are now reliant on savings or family and friends. That is a very worrying figure. We also found that 10 per cent of our members have moved on to universal credit—so they are claiming benefits directly as a result of Covid—and 5 per cent have left the sector. We are concerned about the impact on equalities, because a large number of our members said they have been unable to carry on their practice because of caring responsibilities or that they have been impacted because of their disability.

There has therefore been a huge and on-going impact on our members. Their ability to carry on their work and take opportunities to exhibit have been affected by the closure of galleries, studios and shared spaces such as printmaking studios. We would like to see longer-term planning and artists and the unions being integrated into future discussions.

The Convener: We can perhaps discuss later how they should be integrated and what those plans should look like. Paul McManus, do you want to come in next?

Paul McManus (Broadcasting, Entertainment, Communications and Theatre Union): You are talking about creative freelancers, but, from our perspective, the make-up of creative freelancers varies widely across the different sectors of the industry. In live events, film and TV, the majority of our members are, indeed, freelance. In the theatre and arts sector, the majority of them are regularly employed zero-hours contract staff. Some of them might consider themselves to be freelance, but the majority are technically zero-hours contract staff and a proportion are permanently employed staff. When we look across the sector, it is important that we understand that the majority of people we are talking about are employed on a zero-hours contract.

As I said in my submission, widely disparate approaches have been taken to creative freelancers. Creative Scotland and Screen Scotland have been proactive in using the additional funds they have been given to support the freelancers. However, a percentage of freelancers have missed out on any form of UK Government support because of various technicalities around the rules. In the live events sector, it has been a hugely different story, and the majority of those freelancers have had no additional support from the Scottish Government because of the way in which EventScotland applied the funds.

We have made the point that the Scottish Government needs to give a clearer steer to the various agencies about consistency and the criteria that they should or should not be applying in order to provide support to people. That support will need to continue into the future. From the comments of the earlier witnesses and from MSPs, we understand that this will be the last industry to be opened up.

It is interesting to note that Ernst & Young produced a Europe-wide report yesterday, which said that, with the exception of aviation, the cultural industries have been the hardest-hit industries across Europe and that, for up to the next 10 years, governments will need to allocate 2 per cent of their total spend to support their recovery.

There will need to be careful discussion with local authorities about that 2 per cent of total spend, because there will be a trade-off with the funding situation that local authorities are in. We will find that local authority budgets for the arts will be cut as we move forward, so we need to ring-fence and protect funding. The Government needs to take a strategic approach and say, "This is the amount of money we want to go in to support the industries and the freelancers and other people working in the industry," but that needs to be done hand in hand to make sure that we are not giving money on one hand and taking it away with the other.

The Convener: Your submission makes a number of references to theatres that received funding from the Scottish Government but nevertheless went on to make people redundant. My understanding is that the Government made it clear that it expected the money that went to organisations to support jobs.

Paul McManus: That was certainly our understanding of what the money was to be used for. I heard the Federation of Scottish Theatres talking about some of the redundancies. We saw the accounts of a number of theatres that were very quick to move to redundancies, and what was driving them to the point of insolvency was the

cost of the redundancies, not the cost of maintaining the staff. A number of those venues would not have been insolvent at the end of this financial year. Given that Creative Scotland moved quickly to reassure them that their funding was secure for the year, if they had not started with redundancies, they would have made it to the end of the year, albeit not in a very healthy state. The cost of the redundancies drove them to the point of insolvency. I have to say that, in some of those cases, Creative Scotland was less than supportive in driving forward the agenda of what the money was to be used for.

We are talking big numbers here. Pitlochry theatre immediately moved to initiate more than 50 redundancies, and the Government had barely mentioned any additional funding. Horsecross Arts made more than 100 people redundant or laid them off. The minute that the UK Government started talking about ending the furlough scheme and introducing costs to the employers, the Royal Lyceum moved to lay off three-quarters of its permanent workforce and all of its zero-hours contract people, which probably totalled about 100 staff. The Scottish Government made the commitment, but it was not enforced by some of the employers.

The Convener: What was wrong with the structure of EventScotland's funding offer that was detrimental to your members?

Paul McManus: Essentially, Creative Scotland's and Screen Scotland's position on the additional funds was, "If you can demonstrate that you are a professional person working in this industry, you qualify for support." For reasons best known to itself, EventScotland decided that it needed to identify what the industry was, so it effectively split the industry in two and said that it would consider someone who worked for the big music promoters, concert halls and event promoters as working in the industry. Those who spent more than 40 per cent of their time working for that type of organisation were eligible for funding.

However, EventScotland also said that it does not consider that a lighting designer, for example, who happens to spend 41 per cent of their time delivering lighting designs for discotheques for weddings and other small-scale events works in the professional industry, so they do not qualify for support. Those members say, "I work in live events. I spend my whole year earning my living in live events. Why is it relevant that I spend X number of days a year working for the Edinburgh International Conference Centre and X number of days designing lighting systems for discotheques?"

The Convener: Did that have a particular impact on people who work outside the big cities?

I represent a rural area, and I have certainly come across people in the sector that it happened to.

Paul McManus: Very much so. The more you move away from the big centres, the more the type of work that people do varies. You will get people who say that they spend most of their time working on live events such as small-scale music events and local festivals, but they also go into trade shows and exhibitions, or they do a bit of theatre work or a bit of film and TV work out of necessity, because there is not that scale of work all year round in rural economies. They were penalised for that.

The Convener: That is concerning. Other members will bring in Barry Dallman, but I am going to move on, because I have taken up quite a lot of the witnesses' time already and I am anxious to make sure that all members get their questions in. We will move to Claire Baker, the deputy convener.

Claire Baker: The previous witnesses mentioned the national arts force, the idea for which came out of the Benny Higgins report, which was published in the summer as the economic response to Covid. My understanding is that the Scottish Government responded and established a national partnership for culture in June. Have you had any engagement with the national partnership for culture? What is your understanding of the purpose of the organisation? We had a fleeting discussion with the previous witnesses about the restructuring or prioritisation of funding within the sector and about the need to take a more strategic approach. Is it your understanding that that is what the national partnership for culture is doing? Do you have any engagement with it?

Who would like to go first? Lynda Graham, you talked about the need for artists to be integrated in decision making. Do you know of the national partnership? Where else do you find that your voices are being listened to?

Lynda Graham: We sought involvement with the national partnership through the trade unions, but that has not happened yet. We elected Rab Noakes, from the Musicians Union, to represent the trade unions in the culture sector, but unfortunately the subgroups have not been set up yet.

My involvement has been to read the minutes of the meeting, and my understanding is that its role at the moment is to be an advisory group. However, its role needs to be clarified, and there certainly needs to be trade union involvement in the future. The trade unions are working together. We have worked a lot with Creative Scotland and the Scottish Government, which has been very helpful for the sector, so I think that that needs to happen.

10:45

Claire Baker: Paul McManus, would you like to respond? Obviously, the statement is this afternoon. The earlier witnesses talked about the regularly funded organisations and a level of certainty coming from Creative Scotland around continuing funding, depending on the budget, but that is working in an envelope that we have always been in. Is there a need for a continued emergency response for the sector? We are back in a very restrictive situation. You have already talked about redundancies in the sector, and I imagine that the current situation is creating more pressures, as people might be increasingly thinking about redundancy as an option.

Paul McManus: I have to say that I am at a bit of a loss to understand the strategy behind the national partnership for culture. As Lynda Graham said, the unions asked for engagement with and involvement in that body, and the cabinet secretary told them that it was a group of individual creative artists who were there to advise, not a representative body. The trade unions have engaged fortnightly with civil servants from the cabinet secretary's office, but we would be better served by having representative bodies together.

In my submission, I am critical of a number of organisations for not following fair work policies, and I see those organisations represented on the national partnership for culture. Our members say, "How can we possibly expect to see the cabinet secretary being given good advice on fair work policies when these are the people who are on it?" I do not see how the great and the good individuals of the industry will help to deliver a coherent strategy. It is unfortunate that a more collaborative approach has not been taken. The partnership does not have a lot of significance—certainly not positive significance—for our members.

We have been impressing our concerns about the budgetary process on civil servants since March, and I was delighted that our concerns were taken on board, with the recent announcement about funding for the three venues in Aberdeen, Inverness and Edinburgh. In October, we started telling the civil servants that, if there was no immediate urgent stabilisation funding for those organisations, I would start getting phone calls in December and early January about more redundancies. The initial £12.5 million that the Scottish Government announced last year came three months too late for many of our members. In the three months preceding the announcement, we made the point that theatres are naturally very cautious and will always work several months ahead. As I said, in December and January, they were talking to us about redundancies in April.

If no funding is announced in the next month or two, those theatres that have received the additional funding—Capital Theatres in Edinburgh and Inverness, and others—will probably come to talk to us in the next four to six weeks about further redundancies from June, because most of them are now thinking about whether they will open in September or October. Some are optimistic that they might open in June or July. One of the MSPs referred to buying tickets for something that had been put back until June this year, but I would be surprised if he gets to see the show in June this year, because the touring promoters were deciding in September or October whether to continue with their show next summer or to put it off until 2022. At this point, the theatres are saying that, because of the circumstances, people will be quite happy to defer their ticket until the summer of 2021 but that, if the performance is put back for another year, they will just want their money back and that will put the theatres in a desperate situation.

The committee needs to understand that, in terms of redundancies, we are working more than five or six months ahead of what people project will be happening. Without further funding, we will be getting phone calls in the next four to six weeks about further redundancies being made in the summer. Indeed, I understand that the announcements of the past few weeks, that the theatres will receive additional funding, came a week in advance of their phoning me to talk about a lot more redundancies.

Claire Baker: I ask Barry Dallman to comment on our discussion so far. Paul McManus talked about delays affecting performances, with theatres expecting that it will possibly be September before they are able to function again. The music sector has been significantly hit by venue closures. UK Music has been pushing for pilots and more trials, but, since December, the situation is more restrictive than we expected it be. Are you satisfied with the pace? This is a difficult time to talk about ambition and things returning, but there are calls for the testing system to be used and for more funding for pilots. Do you think that more planning could be done around when performances might return and what the situation might look like?

Barry Dallman (Musicians Union): Good morning. I have two things to say. First, I will comment on the discussion so far, and I will certainly address the questions that you are asking about reopening. It is important that we do not lose sight of the fact that much more needs to be done in terms of emergency funding. For example, anywhere between 38 and 50 per cent of our members still do not qualify for either of the Government's support schemes—the job retention scheme or the self-employed income support

scheme. That is because they are a mix of employed and self-employed and do not have the correct percentages in the balance of their work or because they started self-employment in the wrong period, after the deadline, or operate through their own limited company. We have thousands of members who have had no central Government support since March.

One of the encouraging things about Scotland is that some of the cultural recovery fund was redirected and made available for freelancers. Unfortunately, musicians in England did not get the same type of support. Most of the funding went to organisations and venues, which was great for them because they need support. However, the individual freelancers on the end of the system are still suffering massive difficulties. Our impact studies show that around 34 per cent of musicians are considering abandoning their career in music completely and a further 37 per cent are not sure what will happen.

As we start talking about what might happen in the future, I do not want to lose sight of the fact that there are many musicians out there who are effectively stuck—they are unable to work through no fault of their own, and they are not getting the financial support that they need. That is an important point.

We really need to try to get some parity in the support that is offered to people who work in different ways. I do not envisage that we will be able to flip a switch any time soon, with our members going back to working as they did. It will be a long road out of this in the months ahead. My concern is that, the longer that this goes on—the longer that restrictions are in place and the less support that freelancers and our members are given—the more likely it is that we will end up with more and more people starting to drop away from the profession. Those people will either become utterly reliant on the benefits system or they will have to work in other sectors—if they are able to. That will mean losing people who will not be replaced when the industry can reopen. That is also important.

You asked about the future. It is difficult. We always try to strike a balance. We do not want our members to work in unsafe situations—we totally agree that people should not be in situations where they risk transmitting the virus and all the rest of it. However, there are situations in which musicians can perhaps work at different levels at different points.

One of my frustrations with the way in which the guidance, including the performing arts guidance, has been administrated is that it tends to take a broad hammer approach to everything. It treats every musical performance as if it is a gig in a big venue or an indoors performance in front of a

huge audience, but that is just not the case. What about itinerant busking, for example, which is not focused on gathering a crowd, or performances of incidental music in hospitality venues such as beer gardens or restaurants, when they are allowed to open again? Sitting in the corner, playing a digital piano or a guitar to provide background music, is subject to the same blanket ban as is applied to a performance indoors in a seated music venue. That should not be the case.

I agree that more could be done with pilots and thinking about larger-scale performances as we come out of this. However, I also think that, as we gradually begin to ease restrictions, the performing arts guidance could take a more nuanced approach that allows work to take place where it is safe to do so. Before this third lockdown, there were situations in which musicians would have been able to work under the general guidance that existed at the time but the performing arts guidance specifically restricted them from doing that. Blanket bans on musical performances are not appropriate, because there are so many different types of performance.

Claire Baker: That is helpful. Thank you. We are in tier 4 lockdown at the moment, and the different tiers have different terms. There were some performances up in Inverness, where one of the venues was able to open on a very small scale. However, everything is closed again.

The Convener: I will now bring in Kenneth Gibson.

Kenneth Gibson: Thank you, convener. I was expecting to come in at the end, as usual, but I am ready nevertheless.

My first question is for Lynda Graham. It is interesting that 90 per cent of your members support the concept of a universal basic income. The matter is, of course, reserved, but can you tell us how a universal basic income would be able to help your sector at this time?

Lynda Graham: We ran a survey that showed that 90 per cent of our members support UBI. We believe that it would smooth out the peaks and troughs in artists' income streams. For many years, artists have really struggled with that balance. It is feast or famine sometimes: people have too many projects on the go at once, and, because work is quite hard to come by, they accept a multitude of different forms of income and have to balance the work out—and then, suddenly, they have no income. Covid has had a huge impact on that.

The research that we have done leads us to think that UBI could be a very good answer as a supplement that could steady the fluctuations in artists' income. The artists we spoke to in our surveys are interested in looking at sector-specific

pilots around UBI for artists. There have been trials of similar schemes, but our members were keen to point out that they were supportive of UBI happening across society—they did not feel that artists should be given preferential treatment. Given the type of income streams that our members have, they feel that any form of UBI would be a very welcome way of supporting their practice.

One interesting thing that we have found during the pandemic is that artists have been given the opportunity to stop—indeed, they have been forced to stop; jobs have not been able to happen. In some, although not all, cases, that has given them the opportunity to develop their practice. Some artists have been able to go back to their studios and use the time for reflection and development, which is something that most of our members would say they do not have enough time to do. It is very valuable for an artist to have that space and time to develop their work without pressure. UBI would not solve all the issues around income, but it would give people some way of surviving and a minimum income threshold that would support their practice.

Kenneth Gibson: Some geographic pilots are being undertaken—in my own area of North Ayrshire, for example. Should UBI be for the arts sector specifically, or should it be rolled out across all sectors? What level should it be set at? That is an issue with UBI. What level do you have in mind, given that the pay of artists is particularly low relative to pay in other sectors of the economy?

11:00

Lynda Graham: I do not have specific figures to hand, but I know that there have been various economic assessments of what UBI could cost. Some people have set it at £500 or £600 a month; others have suggested higher rates. It depends on the economic assessments that are made. Higher levels would be more acceptable than lower levels, but we could work towards that.

Kenneth Gibson: The matter is in Westminster's gift, of course. Do Mr McManus and Mr Dallman also support UBI? What level do they think it could be set at?

Paul McManus: BECTU certainly supports the concept of UBI, but we would suggest that it should work hand in hand with better implementation of the real living wage. The Scottish Government and local authorities committed to the real living wage, but the vast majority of our members working in the arts do not get paid it. Local authorities in Edinburgh, Dundee and Perth have repeatedly issued statements asking arts organisations to deliver plans on paying the real living wage, yet, due to funding

cuts, those local authorities cut the funding to organisations. UBI is certainly a desirable ambition, but it comes down to funding. We would suggest that, if the real living wage is deemed to be the poverty line, UBI would need to be based on a calculation that uses that as the starting point.

Kenneth Gibson: Mr Dallman, I will ask you a further question on top of the one that I have just asked. We are not there yet because of Covid, but can you talk us through the issues that create barriers for musicians in terms of touring overseas at this time?

Barry Dallman: On your first question, UBI, in the broadest sense, could be useful. To give you an idea of the situation, 87 per cent of musicians will earn less than £20,000 this year as a result of what is going on. They generally do not earn much more than that in Scotland; certainly, they earn well below the UK average of £29,600.

I agree with my colleagues that UBI would help to smooth out some of the variability in work, and it would provide some stability to allow people to build a career. My only concern is that, if UBI were implemented, we would need to ensure that there was no knock-on effect, with fees being squeezed and individual payments coming down. At its heart, the MU has always campaigned for fair rates of pay and very much supports the emphasis on fair work in Scotland.

Broadly speaking, we support UBI in principle, but the devil will be in the detail. It is definitely something that I would like us to explore.

On the Europe issue, there is a double-whammy at the moment for the music industry, particularly the live sector, which has been absolutely destroyed by Covid. On top of all the problems that the pandemic has caused, we are now faced with the implications of Brexit, which means that touring in the European Union will be significantly more expensive and more complicated administratively in a way that will probably preclude a lot of lower-level work from being able to take place as we emerge from the pandemic.

It is not the top end of the industry that will be affected by the new requirements for visas, work permits, carnets and so on. People will figure out a way around that for international artists' arena tours—they will probably stick a few extra pounds on the ticket price to offset the cost. For musicians in the UK, Europe is effectively the domestic market for live work, because, geographically, the UK is just not big enough—you cannot sustain a career by touring up and down the country. Europe has really always been our domestic touring pool. Now we have huge changes to our ability to access EU countries. For example, we have looked at the costs of carnets for moving

equipment into another country to someone who is on tour. We are probably looking at anywhere from £250 to £400 as an initial fee for a carnet, plus a security deposit of up to 20 per cent of the value of the equipment that they take with them, which will not be refunded for a year.

I can give you a very recent example. I talked to a member recently about a possible booking for a wedding in France. That would have been logistically easy to organise before the coronavirus: you could just make your travel arrangements, go over to France, do your work, get paid and come home again. Now, we are looking at a potential cost that is far more than the economic value of the gig, making it not viable. That is just one example of the lower-level engagements that will not be feasible any more for UK musicians. The knock-on effect is going to be huge.

Kenneth Gibson: Let us go back to Mr McManus to talk about growth sectors. I was interested in the comment in BECTU's submission about how, when we bounced out of the financial crisis, which was just over a decade ago, growth was significantly higher in the arts sector than in the economy as a whole. The argument is that additional support for the sector would be very sensible in helping to boost the Scottish and UK economy. Can you talk us through that a wee bit? You mentioned the living wage. Although Scotland was supportive of that, it is another reserved matter and we cannot enforce it.

Paul McManus: I appreciate that the matter is reserved.

Research that BECTU conducted several months ago showed that, after the banking crisis, the creative industries outperformed every other industry in leading the recovery. On a general level, we are deeply concerned that, because the cultural industries will be the last to open again after the pandemic or as restrictions ease—if we ever get over the pandemic—they will not be in a position to lead the recovery. Broadly speaking, that could keep us in recession for that much longer, and the whole economy will take much longer to recover as a result. That is why we think that it is essential that the live events sector, the theatre sector and the arts sector are given the additional funding that the Ernst & Young report talks about, to give us a boost to start up again.

We have seen some encouraging signs. In Australia, theatres are operating at 70 per cent capacity, and they hope to be closer to 100 per cent capacity by March or April. There are some cautious signs of optimism that people will be willing to re-engage with the arts very quickly, but that is on the basis that we still have an arts sector, and, in particular, a live events sector that

is given the additional funding necessary to reopen quickly.

Kenneth Gibson: We have spent most of this morning talking about pounds, shillings and pence, but I think that there is a real morale issue for the general population. We really need live performance as a society and as human beings, simply to feel more alive. It is not just about money. An argument is being made about financial support for the sector, but we perhaps undersell the sector's impact on our morale, particularly given the number of people who have been feeling very low because of the pandemic. Do you have any figures on the bang for our buck, so to speak, that we get from the sector?

The Scottish Government is making a statement today on the budget, which it will consider over the next few weeks. What would a pound for the arts deliver to the Scottish economy in comparison with a pound spent on other parts of the Scottish economy? If we knew that, we could argue that putting an additional X million into the arts would give us a certain amount of growth and a certain number of jobs, and would tackle the morale issue that I mentioned.

Paul McManus: Our understanding is that every £1 spent across the UK on the arts generates in excess of £20 for the economy. In our submission, I talk about the five big regional theatres. Every £1 that they are given goes towards local employment, supporting local actors and local musicians, and brings people into the local economy to spend money.

To be honest, I do not have any comparisons with other industries. The cultural sector is ranked number 3 in the UK, I think, in terms of its economic benefit and the size of the industry. That includes everything—digital, music, live events and theatre. I think that the sector's track record speaks for itself, but I do not have more definitive figures to give you.

Kenneth Gibson: Your submission was interesting and your figures are very helpful. Thank you.

Jamie Halcro Johnston: Good morning. I hope that you can hear me better than the last panel could. I want to ask a couple of questions, the first of which I will direct to Barry Dallman. It is about issues in the tourism and hospitality sectors. There are concerns about having to respond to quite quick turnarounds on decisions such as the introduction of restrictions—obviously, that will happen with a pandemic. I would like to get an idea of how important it will be for your members to have clarity and to know what events are happening—particularly some of the regional events such as jazz, blues and folk festivals—so

that they can plan, given all the other issues out there at the moment.

Barry Dallman: You have hit the nail on the head. Clarity about how and when things will happen will be essential if we are going to emerge from this situation with an intact industry. Certainly, hospitality—pubs, restaurants and small venues—is the heart of the grass-roots music sector. Those venues are the beginnings and the grass roots of the music industry. If our members are not able to work there, there is a huge upward knock-on effect. That kind of grass-roots work for our members supplements some of their other work, which may not be sustainable if they do not have that income. It is not uncommon to find somebody on a high-profile tour one week coming back to play in a local venue with a different band the next. That is how musicians work their careers and portfolio; they undertake a variety of activities and work at a variety of levels—they jump up and down. It is essential that there is clarity about what will happen.

Certainly, festivals are totally in the dark at the moment as to whether they will be able to operate this year. Quite a lot of them managed to get through last year by moving dates back or refunding before too many financial commitments were made, but the uncertainty over when things will be able to happen makes it impossible to plan at the moment. There are also difficulties such as whether festivals will be insurable—will it be possible for people to insure their festival against further Covid restrictions? It seems unlikely at the moment, so I think that we will probably need some Government intervention or assistance on that.

11:15

As we emerge from this, it is very important to remember that, at all levels, we will not be able to flick a switch and go back to how we were. Musicians, orchestras and touring bands—pretty much every level of the industry—need to be planning about 18 months or two years ahead, but we cannot do that at the moment. Although it might not be clear at what point we will start to emerge from this and at what point restrictions can be lifted, we can have a framework in place to say, “Okay, at this point this is what could happen in the industry.” Somebody mentioned the idea of having performances when we cannot have a full audience in attendance but can have only a restricted audience. Some kind of support scheme for that is needed, with subsidies to help live performances to resume when, through no fault of their own, they are not able to fill the venue and sell the number of tickets that they would normally sell—a sort of “seat out to help out”. We need to be able to say to festivals, “Yes, we will be able to

insure your festival,” and to say to artists, “Yes, at this point you will be able to start planning again.” We might not be able to say whether that is March, April, May, June or whenever, but we can start to think about the stages as we emerge from this and put some plans into place to enable people to look forward a little.

Jamie Halcro Johnston: The public probably do not think about the need to insure events and the additional costs that are involved in that.

That requires planning. It requires discussions and consultation with the Government and Government agencies. Are you happy with how that is happening? Do you feel that you have the opportunity to talk to the Government about that and to liaise with it? Do you feel that it understands and that its agencies, such as VisitScotland and EventScotland, know what your needs will be and can provide clarity and promotion looking forward?

Barry Dallman: I do not think that we can ever talk to the Government as much as we would like to. I feel that we probably have a little more access in Scotland than we have in Westminster. We have a better dialogue and a bit more of a direct relationship, so that is useful. As Bill Armstrong alluded to in the first panel, the frustration is that there is a lack of understanding about the exact nature of what working in these industries looks like and the things that are required to sustain and help the industry. Sometimes, it very much feels as if decisions are taken without consultation or without proper discussion with people such as the unions, who are best placed to advise on what type of support might be most beneficial. We feel as though we are in the dark a lot of the time, and we would much prefer to be part of an on-going discussion when ideas are conceived to having to deal with something that is dictated as a result of a decision that we were not involved in.

Jamie Halcro Johnston: I think that you may join a number of sectors in exactly that position, but thanks very much for that. Lynda Graham, do you have any thoughts on that?

Lynda Graham: I feel that we could be more involved in setting the agenda. If anything positive has come out of the pandemic, it is that perhaps there is a little more understanding of the precarious nature of artists’ working lives. We need to do something about that, and we need to ensure that artists are not at the end of the line when funding is disbursed. Artists feel that there is no parity and that they are often forgotten. That is why they have started to listen to ideas such as UBI.

To go back to the earlier question about the rate of UBI, I have just looked up some information and can tell you that, in Ireland, the cultural recovery

task force is recommending €352 a week for a pilot scheme for the creative sector, to alleviate some of the difficulties. I think that there needs to be more engagement with artists and more understanding about their working life. Artists are often reluctant to talk about how they struggle.

We often see artists who are very well known and who have won prizes, such as the Turner prize, yet whose income levels are such—we know what they are because people sent us their bank statements at the beginning of Covid, so we got very raw feedback about people's experiences—that someone who is regarded as a successful artist and who is very well qualified, having got a master's degree or a PhD, might be earning around £10,000 a year from their practice. It is very dispiriting and quite hard for people to talk about. Absolutely, the unions want to be more involved with all the sector bodies. We have welcomed greater involvement through regular meetings with the Scottish Government. I think that that has made a huge difference but, absolutely, as Barry Dallman said, more needs to happen.

Jamie Halcro Johnston: I represent the Highlands and Islands, and I am from Orkney. I think that, particularly up in the northern isles, we value the cultural artistic community that we have. It is vital in itself but also as part of our tourism operation and of our society.

Barry Dallman: I would like to make a point about broader things in terms of the discussion around UBI. Something that dramatically affects our members' income is the streaming of music. I was reminded of that when Lynda Graham was talking about quite high-profile artists who are not able to sustain themselves. I am sure that you will be aware of the Department for Digital, Culture, Media and Sport's inquiry into music streaming at the moment, which arose largely as a result of the campaigning that we have been doing on the issue. Even very high-profile artists such as Nadine Shah who have won awards and are always in the media are struggling to pay their bills as a result of the disparity in the industry. There are regulatory and legislative things that can be done without financial investment from the Government.

For example, the relationship between the labels and the streaming platforms and the artists is completely out of whack. A label will typically receive 55p out of every £1 that comes from streaming. Of that 55p, the artists get only around 10 to 20 per cent, assuming that they have already earned enough to recoup their advances, so there are plenty of people earning nothing from Spotify as a result. If it was subject to the same type of broadcast regulation as radio, they would be receiving at least performance royalties from the

moment the track went live. There are things that can be done—and that is a great example—that do not always involve direct funding from the Government.

We need a broader discussion about the way in which the whole creative sector operates and, rather than just see it as a problem that can be solved only by throwing money at it—yes, investment is hugely important and I am a firm advocate of more investment to help our industries—we need to look at the way in which the industries are structured and the way in which people work in the industries and where the money goes. That type of stuff can be done without huge financial investment; there just needs to be the political willingness to make it happen.

Jamie Halcro Johnston: That is very interesting. My cousin is a musician in Brighton, and his gigs are in pubs, which have been closed. I was quite surprised at how well he does from streaming, but he may well be an exception or it may just be particular times. It is very interesting that you say that it is not just about Government or public funding but about how the industry is supported through all parts and sectors. Thank you very much.

Stewart Stevenson: Barry Dallman talked about the streaming of music, as did Jamie Halcro Johnston in response. I raised with the previous panel the issue of copyright, and I just wonder to what extent that is an issue for musicians. There is, of course, a lot of copyright material that I can access in a couple of clicks that will deliver absolutely nothing to anybody in the production stream. We were told that attempts to update copyright had not been progressed. Is that an issue?

Barry Dallman: Yes—that is the simple answer, frankly. We were very keen for the European copyright directive to be adopted in the original form, but it was not, unfortunately, and it was watered down in the end. It is true that the streaming platform issue is a massive one. Jamie Halcro Johnston said that his friend does quite well out of streaming; that is possible if someone is the master rights owner for their recordings and they are an independent artist, because they are getting that 55p that comes back to the master rights owner. If someone is signed to a label, though, the label is taking the lion's share of it.

However, at least with those platforms there is money directly coming back from the platform to the rights owners and there are licences in place to allow them to use that music. One of the biggest issues is the larger platforms. YouTube is the obvious example, as the sheer volume of music on YouTube is enormous, yet artists see only a fraction of the revenue from that when their music is used. There are no proper agreements in place,

and there is no willingness on the part of the platforms to pay what they should be paying for the music that they are using; instead they hide behind the argument, “We just provide the platform and we are not responsible for the content that is on there.” The reality is that the audience for those platforms exists because of the content that is available.

When the content is copyright material and the platform is able to monetise that through advertising revenue, it should be paying proper licence fees and should be subject to the same licensing rules that apply to local restaurants, hairdressers, venues, pubs and football arenas—and everywhere else that uses recorded music. The platforms should be paying their fair share. They are not at the moment, and it is a huge potential source of revenue for our members and those working in the sector that is just not available. That is not fair.

Stewart Stevenson: That is pretty much what I thought you might say, but we now have it on the record. I note that Jamie Halcro Johnston has just said that his friend or relative—I have forgotten which—is the master rights owner, so that is one of the reasons he is doing well. I hope that I am not misquoting Jamie Halcro Johnston in saying that.

In the broadcast world, we have broadcasters that are designated as public service broadcasters and work under a set of rules that at least are visible and owned by Government and therefore can be enforced. Is it time for that sort of rule base to be more broadly extended to cover other platforms, including platforms that are digital only rather than broadcast?

Barry Dallman: Almost certainly. The problem that we have in the music industry is that, although the way in which digital material is delivered has changed over a period, we have not really adapted either the regulatory frameworks or how the finances work to reflect the new industry. We are still very much based on the old model of radio, TV and the sale of physical product. We almost got there with digital downloads, by treating those like CD and physical media sales, but very quickly that evolved into streaming. Streaming is not subject to the same practices, rules and regulations as other sectors in which music is used. We need to massively tighten up on those things. There is no reason why the digital economy and digital delivery system should not be subject to the same agreements, rules and regulations as other types of music users are.

11:30

That is an issue going forward, and it is one that we have to struggle with daily as a union when we

are negotiating with orchestras, for example, and talking about media rights. At one time, that meant physical recordings of the orchestra’s performances. We are having to adapt our collective agreements to deal with the increasing world of digital streaming. Should musicians be paid the same fee for a live stream of a concert performance as they should for recording a CD for sale? Probably not, so it requires a new approach and a new adjustment. It is an evolving area, but it comes back to what I said about political will and the desire to get hold of this properly and get some parity and fairness across all levels of music usage and not just use the old-school models.

Stewart Stevenson: Of course, the radio model—quite clearly, this was before you were born—was affected by the many radio stations that were at least three miles off the UK’s coast in the 1960s. Interestingly, a couple of the pirate stations paid for broadcasting music, but almost all of them did not. Ultimately, the Government shut them down, essentially, but that was because one of them started broadcasting political matters, not because it cared about musicians.

I will move to Lynda Graham next. Incidentally, I was delighted to hear mention of Rab Noakes, because I was at school with him long ago. We are of similar ages—Rab Noakes and I, obviously. How is the digital world affecting your members, and what can the Government do? We have just heard from Barry Dallman about measures that do not require large cheques to be written; therefore, one would think that the Government might be quite inclined to help out. Are there actions that the Government could take in your area to supplement the writing of cheques?

Lynda Graham: Thank you for that question. Yes, I think that a lot of artists have pivoted or adapted their work so that they can use digital platforms to promote themselves and sell work online. I know that there is quite a low rate of return. Selling work online takes a lot of input. The work must be photographed well, and the artist must have a platform to sell it on. Sometimes, people do not have access to the hardware or the expertise to do that.

Among everything else that is going on with Covid, it has been quite a challenge for people. Some of that is about the need for money to provide training to support people. However, some interesting ideas have come out of the pandemic, such as artists enabling virtual visits to their studios while people are not able to visit in person.

One of the witnesses talked about engagement with communities. A lot of artists are supporting adults with additional support needs to do interesting projects, within the restrictions that are in place. As Lucy Mason—I think—said, digital is no replacement. A little bit of digital fatigue is

perhaps coming into the picture. Artists are telling us about the importance to experiencing the work of having a physical connection and explaining their work in front of someone at a preview. Obviously, art is a sensory process and digital really does not replace that. However, I would not want to lose some of the positive aspects of the digital world that have emerged.

The union's learning programme has engaged with a lot more members digitally during this period. We would certainly want to have more support for artists to use digital as, I hope, we come out of the restrictions, but there definitely needs to be more investment. There are creative ways of using digital.

Stewart Stevenson: I picked up from your response that there is a skills gap. Would it be helpful if colleges or other education providers were to step up to the mark and help those artists who need that lifting of certain skills? Is that worth thinking about?

Lynda Graham: Yes, that is certainly something that the art schools could do. Our union has graduate membership, which is fairly new. We have been hearing stories about graduates' experiences of having their degree shows online last year. I do not know whether any of you had the chance to look at the different formats in which the work was presented. Some were more successful than others. I looked at a couple of art college shows, and I did not at all enjoy the experience of seeing the graduates' work. A lot of graduates were very unhappy about not being able to show their work in a physical space—sculpture and installations, in particular, do not lend themselves well to an online format.

There is certainly a role for art colleges and universities in focusing on that aspect. In addition, they should support people when they graduate, because finishing their degree and moving out into the real world is a difficult process anyway. There is definitely not enough support for graduates as they make the transition to how they will make a living. We try to support them in the union, but there absolutely needs to be more funding for that process.

Stewart Stevenson: Finally, I will move to Paul McManus—I have my eye on the clock, convener. In your previous contributions, you mentioned digital, which is the issue that I am focusing on. I want you to paint in broad-brush terms—but perhaps with one or two examples—how the digital world is affecting your members in the industries that your union engages with.

Paul McManus: I will start with the broadcasting issues that a number of people have mentioned. By and large, copyright issues are not a huge issue for our members. When those come up for

producers and directors, we tend to find that the problems are with some of the bigger broadcasters.

The biggest issue that we have had in recent years in the digital sector relating to the broadcast sector has been the introduction of the new BBC Scotland channel, which was instigated with unrealistically low commissioning tariffs. Copyright and residual fees do not mean a lot if you get little money in the first instance for the piece of work that you have provided. BBC Scotland's commissioning tariffs for the new channel have met with universal condemnation across the industry. We regularly get complaints from production companies, producers and artists that they are completely unrealistic and that they are driving the industry in Scotland into a race to the bottom.

The other issue with digital—and online, which I include within that sector—is the number of film productions that would have gone to cinematic release that are now going straight online or out to digital sales. That said, the industry is much more buoyant at the minute, so that has been a positive, although we are seeing a lot of people moving across from the arts and theatres into the film, TV and online sectors, which is creating more problems for the live arts side of it.

The biggest benefit, which Lynda Graham has touched on from a digital point of view, has been the skills and training programme that we have been delivering online. There has been a huge demand for that while people have been out of work and looking to retrain or get back into it. It is important to us that people understand that, although the money is important, it is more about the strategy.

Our engagement with Creative Scotland, Scottish Government civil servants and Screen Scotland has been hugely helpful over the past 12 months. The issue is more about getting people to understand the strategy. In the screen, online and digital sectors, the organisations involved include ScreenSkills, Skills Development Scotland, Scottish Enterprise, Scottish universities and colleges, employers and broadcasters, and Screen Scotland. There is a unique lack of clarity and strategy about the whole process.

Creative Scotland and Screen Scotland are now developing strategies—particularly in terms of digital and online—which is very welcome. BECTU has run a training initiative in skills development over the past 12 years: BECTU vision has been supported by Scottish Union Learning, Screen Scotland, the BBC and others. It is very much driven on the basis of giving people, particularly producers, the skills that they need to get jobs. If we can get Scottish-based producers to a level

that the commissioners are happy with, they will hire Scotland-based crews.

The initiative has been tremendously successful over the years. As I said, now that Screen Scotland is putting in place its skills strategy, I hope that a lot of the contradictions and the confusion can begin to get cleared up. That side of it will be hugely important.

I am sure that everyone has, over the past 12 months, become aware of the advantages of using Zoom or Microsoft Teams. That has been a huge advantage to us, particularly in delivering training, skills and knowledge, and it has enabled the inclusion of communities in more rural areas. Our traditional approach to delivering training—perhaps through a first aid course or one of our finance for freelancers courses—was to invite 20 people into a training room in Glasgow. When we did that, people in the Highlands and Islands and in the Borders would say, “I cannot afford the time or the money to get there.” During the past 12 months, we have all learned how to do training online, and that has been a huge boost. That is giving a lot of our members in more rural areas the skills and the confidence that they need to find work or to progress in the industry.

Stewart Stevenson: Thank you very much. That was very interesting. It is back to you, convener.

The Convener: We are coming to the end of our time. I want to go back to the Musicians Union about the streaming issue. When I spoke in the parliamentary debate on live music venues that was led by Claire Baker, I raised the issue of the number of musicians who are getting a pittance from streaming services. My understanding is that the regulation of big tech would have to be done at a UK level. Is that correct? Given that those are global industries, what are the barriers to regulating big tech in that way, or do you think there are no barriers?

Barry Dallman: Much of it comes down to will. I would have to get back to you on the question of whether something could be done in Scotland directly or whether the UK Government would be required to implement any measures, but it is clear that action can be taken. For example, Spain now has a completely different approach to streaming. The Spanish Government has introduced legislation that requires certain money to be distributed in different ways through streaming platforms. It can be done—it just requires the will to do it and the understanding of how it works. Most people do not understand how streaming income works. Most musicians do not understand it, so trying to get politicians and the broader public, who obviously would have to support any legislation, to understand it is difficult.

It is a big challenge, because it is a complicated issue. However, the basic principle must be that, if music is being used on a streaming platform, it should be subject to the same fees, royalties and regulations as music on comparable platforms. Spotify, for example, which is probably the most commonly used platform, recommends songs and picks tunes. It is not so much that the user selects those tunes as that the platform acts like a radio station in a lot of respects. It broadcasts music—that is the term that it uses—rather than making it available, so it should be regulated in the same way as radio.

11:45

I will give an obvious, glaring example. If someone has played as a session musician on a record and the record gets played on a radio station, they will be entitled to performance royalties. There are no performance royalties whatsoever coming to people in that position from streaming platforms, because the label—

The Convener: [*Inaudible.*]

Barry Dallman: Yes, exactly, so that—[*Inaudible.*—goes to the label holder.

The Convener: I am sorry to interrupt, but PRS for Music has been offering and providing grants to musicians who are affected by the lockdown, has it not? I have seen a number of opportunities for different musicians to apply for hardship grants or creative grants, yet the streaming platforms are not paying into PRS for Music at all.

Barry Dallman: I will just correct you on that. About 15 per cent of streaming revenue goes back to the publishing rights holders, so it goes either to the publishers or the songwriters directly, depending on whether they are signed to a publisher. Those revenues will be distributed through PRS for Music, so they get some money from streaming. Fifty-five per cent goes to the master rights holder, which is the copyright in the audio recording, and only 15 per cent goes to the copyright in the song, which is the publishing right. Whether the split is sufficient or fair is questionable.

Some revenue comes back through PRS for Music. It is true that PRS for Music, through the PRS Foundation, offers funding opportunities for musicians not just as a result of the pandemic. It has done that for some time now, often through uncollected royalties or through royalties that it has collected but that it does not have the details to distribute because the people are not members, for example.

I agree with you. In relation to the musicians who provide the artistic performances and the songwriters, the copyright is skewed too much in

favour of the master rights holders, which, too often, are big labels. Of course, those percentages may have been justified when labels were having to invest massively in recordings and were dealing with physical distribution, product manufacture, warehousing, transportation and all the others costs, but digital products cost a fraction to create. Despite that, the contracts that musicians are working under are still based on the old model. That really needs to be addressed.

Another issue is that a lot of music users would be quite happy to accept a small price increase in their monthly subscription to a streaming service if they knew that that money was going to musicians. Therefore, even without changing anything, £1 could be added to the monthly subscription on the proviso that it would go straight to the performers on the recordings.

We are talking about stuff that is relatively easy to do—it just requires a collective will. Of course, the people who have too big a piece of the pie and are quite happy with the way it is set up at the moment will not change, so change will have to be imposed on them, which is why we need legislation.

The Convener: That is very interesting. Thank you very much. You have certainly given us lots to think about.

I thank all our contributors on the second panel—Ms Graham, Mr McManus and Mr Dallman—for attending and giving their evidence. It will be very helpful in our deliberations.

11:48

Meeting continued in private until 12:06.

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

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