



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# **Culture, Tourism, Europe and External Affairs Committee**

**Thursday 11 February 2021**

**Session 5**



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**CULTURE, TOURISM, EUROPE AND EXTERNAL AFFAIRS COMMITTEE**  
**5<sup>th</sup> 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:**

Jimmy Buchan (Scottish Seafood Association)

Fiona Hyslop (Cabinet Secretary for Economy, Fair Work and Culture)

Elsbeth Macdonald (Scottish Fishermen's Federation)

David Seers (Scottish Government)

Linda Sinclair (National Records of Scotland)

Jennifer Watson (Scottish Government)

**CLERK TO THE COMMITTEE**

Stephen Herbert

**LOCATION**

Virtual Meeting



# Scottish Parliament

## Culture, Tourism, Europe and External Affairs Committee

Thursday 11 February 2021

[The Convener opened the meeting at 08:45]

### Budget 2021-22

**The Convener (Joan McAlpine):** Good morning, and welcome to the fifth meeting in 2021 of the Culture, Tourism, Europe and External Affairs Committee.

Our first agenda item is evidence on the Scottish Government's budget for 2021-22. I welcome our witnesses. Fiona Hyslop is the Cabinet Secretary for Economy, Fair Work and Culture. From the Scottish Government, we have David Seers, who is the head of sponsorship and funding at the culture and historic environment division, and Jennifer Watson, who is the team leader for resource and capital investment. Linda Sinclair is the director of corporate services and accountable officer at National Records of Scotland.

Before we move to questions, the cabinet secretary will make an opening statement.

**The Cabinet Secretary for Economy, Fair Work and Culture (Fiona Hyslop):** I welcome the opportunity to discuss the budget for culture and major events with the committee, and to outline the Scottish Government's response to the impact of Covid-19 on the culture—[Inaudible.]

**The Convener:** We seem to be having some difficulties with the cabinet secretary's sound. I apologise. We will suspend until we can get her back.

08:46

*Meeting suspended.*

08:53

*On resuming—*

**The Convener:** Welcome back. I apologise for the suspension. We lost our connection to the cabinet secretary, who is to give evidence on the Scottish Government's budget for 2021-22.

Cabinet secretary, I invite you again to make a brief statement.

**Fiona Hyslop:** I apologise convener. I do not know how much of my statement you heard. Did you get most of it?

**The Convener:** We did not get any of it.

**Fiona Hyslop:** I will start again.

Members will understand that our work on the budget is taking place in challenging times. I express my sympathy and support for the culture sector, and I welcome the opportunity to discuss the culture and major events budget with the committee. Culture and creativity make extensive contributions to Scotland, so we must recognise the challenges that the sector has faced. That is what our budget seeks to do.

Covid-19 has had a devastating impact on people and organisations across the culture sector. This has been a difficult time for the sector and for those who work in it. Over the past 11 months, they have worked to refocus their resources and to operate digitally to produce online content that reaches audiences virtually. That has been of huge benefit.

We have been doing everything that we can to help the culture sector to recover, including allocating more than £125 million of additional funding since the start of the pandemic. In recognition of the continuing impact of Covid-19 restrictions on individuals who work in the sector, I am pleased to announce that we will provide an additional £9 million to support freelancers through the creative freelancers hardship fund. I am also allocating a further £8.5 million to support events businesses. Further details will be published later today.

We continue to look at all possible options to protect the sector, its workforce and its volunteers as it navigates the crisis. In the light of Covid-19, it is entirely appropriate that next year's budget is focused on maintaining our existing support for culture, including our commitment to screen funding and youth arts. Provision of additional emergency funding support in response to the pandemic in the next financial year will depend on what resources are at our disposal from any additional Covid consequentials. We are waiting for clarity on that from the United Kingdom Government before we consider it further.

The pandemic is happening in the wider context of our having left the European Union. The full impacts of that on our culture and creative sectors are still being determined. EU funding programmes, such as creative Europe funding, provided vital funding and facilitated cross-border cultural collaboration. The UK Government has so far failed to fully replace the lost funding, and it has not compensated for the loss of cross-border collaboration. It failed to negotiate a deal that benefits Scotland and its culture and creative sectors. As the committee knows, international touring is vital to many creative professionals. The end of free movement of people to and from the

EU makes touring more difficult and can limit the international reach of Scotland's creative sector.

I hope that these introductory comments have been helpful. My officials and I are working hard to support the culture sector where we can in order to ensure that it is ready to recover. It is vital that it comes through the pandemic ready to flourish and to bring some much-needed joy to us all.

**The Convener:** Thank you, cabinet secretary. As you say, we are 11 months into the pandemic. What lessons have been learned from the response to the support that has been offered to the heritage, creative and culture sectors over that time? How might you use what has been learned to shape your approach to support from now on? To what degree has the emergency funding been reactive? Is it possible to use emergency funding for strategic purposes?

**Fiona Hyslop:** Many individuals and organisations were in crisis management from early doors in the pandemic. For example, theatres voluntarily agreed to close even before the legal lockdown, and were among the first businesses to close in the early part of last year. Sources of income for individual artists can be perilous in such situations—work can stop completely. In its previous inquiry, the committee indicated that support for individual artists was something that we needed to improve on.

If I say this, people who have not received much funding will raise concerns, but Creative Scotland moved right at the start to put together bridging bursaries. There was a lot of rapid reaction and response in the sector; it moved very swiftly in a lot of areas. It was interesting to see, from the beginning, the generosity of spirit, with people asking for only what they needed. We did not know how long they would have to survive for, but they needed some kind of support and income. There was a period during which we were very concerned about the anchor institutions, both as employers and in terms of producing creative content. Some of our major theatres, for example, faced having to make many of their staff redundant.

We moved swiftly. Even before we had the Barnett consequential for culture, I set up the £10 million performing arts venues fund. Bearing in mind the need for support for individual artists, we tied funding for institutions to their continued support for artists, either to create new work or in other ways. The support for venues was tied, for example, to support for freelancers.

09:00

Similarly, we moved swiftly at the beginning of the year to tell all the national companies, festivals and others that had funding from us that they

could keep their funding if they continued to pay contracts, even for work that was not done. The aim of that was to keep resilience in the system, because resilience is key.

I will focus on three aspects of what has been learned. The first is to do with theatres, which have taken a more collaborative and co-operative approach with their communities, with freelancers and with one another. That will be important in the future—we should have that resilience. I have always wanted more work to be seen by more people across more theatres. That approach is likely to continue, which is a good thing.

The second aspect relates to the creative communities programme, which we had already established with the justice directorate. That relates to a theme that the committee is interested in, of working with justice, health and other portfolios to bring people together to use the power of culture in those areas. We have enhanced funding for that programme during the year, because we realised its importance. There are a few pilot programmes, but we are looking to support that approach a bit more.

The culture collective programme came out of a recommendation from the advisory group on economic recovery. With my economy responsibilities, I moved swiftly to set up that group in April, and it reported in June. One of the recommendations was that we provide an opportunity for individuals to work with communities using the power of art and the capacity for creativity in communities. The recommendation was to support that work with artists and thereby to provide work for artists and help with resilience in the community. In finalising the allocations, I have been looking to support that culture collective even further. I hope that those things will last beyond the pandemic, because the connection between communities, individuals and the creative sector is important.

I praise Creative Scotland. It has been criticised in years gone by, but it has moved very rapidly, got the funds out quickly and engaged with lots of sectors. The response from the sector to Creative Scotland's efforts has been good. Individuals have worked extremely hard to support the sector. That is as we would expect, but they have done really well.

I am sorry that my answer is so long, convener. I will finish with another lesson that affects the budget. We have been encouraging people to grow their income from elsewhere and to diversify their income streams, but the organisations that have been hit the hardest are those that generate funding not from the public sector but from commercial activities.

One such organisation that is within my responsibility is Historic Environment Scotland. Like many others, it suffered complete collapse of its income. Part of the budget will support Historic Environment Scotland. We have previously supported the National Trust for Scotland because supporting jobs has been at the centre of what we have been doing and we did not want the NTS to make many people redundant when it did not need to. I challenged NTS on that and, as a condition of emergency funding, it ensured that the jobs of as many individuals as possible were saved.

Lots of lessons have been learned. The situation has been tough, and people have been stressed and frustrated. It has been difficult for people to move from the period of survival to considering what things matter and what they will do in the future. I hope that the budget for next year will provide stability and a bit of assurance, so that the year can be used as a bridge to whatever comes next. There will be no going back to where we were, but we can plan for what comes next.

**The Convener:** That is useful. I understand from your letter that the focus on the money going to artists and cultural freelancers is probably not replicated in the rest of the United Kingdom. There has been more emphasis on that in Scotland. Do you have figures to back that up? If so, it would be interesting to see them.

I totally acknowledge what you said about your instructions to Creative Scotland to ensure that the money goes out to freelancers. We have received feedback that that is generally working well. However, what happens when a regularly funded organisation does not pass the money on? What recourse is there if people are concerned about that? How does Creative Scotland check that that is happening?

**Fiona Hyslop:** Obviously, that is a question for Creative Scotland. RFO funding is about stability, which is why we are providing for an additional year. Last year would have been when people would have put in applications for the regular funding streams from Creative Scotland, but that has simply not been realistic or possible. The budget extends that provision for a further year in order to provide security—

**The Convener:** I fully understand why that funding has been rolled over; obviously, there have not been opportunities for many live events and so on. How do we ensure that organisations pass on their budgets to artists, as they have been told to do?

**Fiona Hyslop:** That is an operational matter for Creative Scotland. As the cabinet secretary with responsibility for the economy, I would not interfere with the operational management of

regularly funded organisations. If committee members, for example, bring any concerns to my attention, I will certainly want to look into them.

I appreciate that a lot of the funding for many organisations is for fixed costs, such as for staff. I am not saying that organisations have not had to make redundancies—some have—but had we not done what we did, some organisations would have closed. We have supported individual theatres, regularly funded organisations—which you have mentioned—and lots of institutions that are employers.

It is clear that the relationship with freelancers depends on what contracts were already in place. That was one of the instructions that I made clear to the organisations—the national companies, in particular—for which I have responsibility. Obviously, there were a lot of bookings in the spring and summer that we wanted to be honoured, so putting cash in the system was vital for individuals.

I am more than happy to ask Creative Scotland to look at any concerns that members have if they have examples of contracted freelancers who not been paid. Obviously, I do not know about individual contracts and situations, but that was the principle of what we tried to do. As far as I am aware, that has happened, by and large.

On the comparison with the rest of the UK, we understand our sector, we are closer to it and we can be more targeted within it. That reflects what devolution is meant to be about. There is a much bigger scheme and a much bigger funding pot. Things are done in different ways in other parts of the United Kingdom. The close relationship and understanding of the needs of different sectors in distributing funding have helped Scotland over this period. This is not just about Creative Scotland; it is also about Museums Galleries Scotland and Historic Environment Scotland, for example.

The approach has allowed us to be far more targeted. I think that we have done more for individual artists than other parts of the United Kingdom have because we have the Scottish Parliament and the committee. I hope that I, as cabinet secretary, have a good close relationship with the sector through which to understand what its needs are. We think that we cannot possibly have a future for the arts unless there is a pipeline and resilience, with artists still being able to create work and not have a year in which they have no funding to support that great work.

**The Convener:** Okay. Thank you very much. We need to move on now, because we lost a little time. I ask for succinct questions and answers.

**Claire Baker (Mid Scotland and Fife) (Lab):** I will move on to consequentials and funding in the next financial year. As the cabinet secretary said,

the budget for 2021-22, as set out, is largely similar to the 2020-21 budget, but we are obviously living in very different and challenging times. As you recognise, the cultural sector was among the first to close and it is expected to be among the last to open. To be honest, it is optimistic to think that it might open at any time before the autumn, so it faces a very difficult period.

I think that £147 million in your budget has been identified as consequentials. How certain is that figure? What consideration has been given to where that money should be invested? The figure covers your whole portfolio. Given that there was £125 million for culture last year, what proportion of the £147 million is culture expected to receive?

**Fiona Hyslop:** We understand that there will be enough provision to support the consequentials as set out in the budget, not just for my portfolio but right across the different parts of the Government. In my portfolio, the bulk will be for dealing with employability issues. We had anticipated that we would be hit with the consequences of unemployment in the third quarter of 2020. You will remember that furlough was going to drop off—there were so many different cut-off dates—but it has been extended until the end of April, as it probably should have been from the start. Therefore, we do not anticipate high levels of unemployment until the second to third quarter of this year, which is why we need to ensure that there is funding to provide support in that regard. The young persons guarantee, the national transition training fund and employability will therefore account for the bulk of that funding.

In discussions with the finance secretary, I have managed to secure £22 million for culture, £2 million of which is for our culture collections, which are facing known pressures because of a lack of income. The bulk of that support—£20 million—will be for Historic Environment Scotland. I talked about the dramatic loss of income; we wanted to support Historic Environment Scotland, which has extensive staffing responsibilities—it has employees throughout Scotland. In the budget, you will see a line that shows an anticipated £41 million for Historic Environment Scotland; actually it is only £21 million, and the additional income will come from the consequentials that we have earmarked. That is so that we can try to keep the agency on as even a keel as possible. It has managed to reduce its expenditure by £8 million and we are trying to bridge the gap. I have also had to use £13 million from elsewhere in my portfolio to bridge the gap for next year, to try to keep Historic Environment Scotland on an even keel.

You asked what will happen next. I have tried to put as much into events as I can. We are working

with the advisory group on what opening up might look like, but obviously people cannot plan yet and a lot of events will come further down the line. Indeed, even if events could operate legally, the question is whether they would survive financially—their viability is questionable. If we lose the supply chain for events companies, the capacity even to put on events will become a challenge. The most recent funding will try to bridge into the start of next year, to help people, certainly in the early part of the year.

We have not heard anything more about what the UK Government will do about consequentials in a variety of areas, including culture and events. If you are asking about the autumn and beyond, the answer is that we will have to wait and see. As I said in my opening remarks, we need clarity from the UK Government about the consequentials. Remember that we are all looking at the Scottish Government budget without knowing what will be in the UK Government budget. However, we have enough certainty to be able to do some planning.

**Claire Baker:** I welcome the support for events and for Historic Environment Scotland; they have lost significant income. I think that you recognised that the support that was put in for this year will end at the end of the financial year, which is the end of March. When we reach April, the additional support packages that were in place to get the sector through the crisis will come to an end.

I accept your point about the need to wait for UK Government announcements on consequentials, but in the meantime, how are you identifying pressure points? The Scottish Contemporary Arts Network gave evidence to the committee a couple of weeks ago and our witness told us that many SCAN members have managed to get through this year for various reasons, but the pinch point for the sector will come in March or April. There is a feeling that things will get difficult and people will become more vulnerable when we get into April, and there is huge uncertainty about the financial support that will be available in the next financial year. I accept that it is difficult for you to plan, but are you mapping out where support is needed and what kind of support you will need to provide?

**Fiona Hyslop:** If you look at the freelancers and obviously many of the—*[Interruption.]*

I do not know whether you can still hear me, convener, but I am having difficulties hearing Claire. Claire, can you still hear me okay?

**Claire Baker:** I can, cabinet secretary, yes.

**The Convener:** I can hear you fine, cabinet secretary.



09:15

**Fiona Hyslop:** That is good. Sorry—I am just getting a bit anxious after the connectivity issues. Many of the SCAN members, for example, will be freelance artists, who will be able to apply to the next round of the fund that I have just announced, because, in effect, this is probably the third round of our freelancers fund.

The timing of it is deliberately as I have set out because the last round of the freelancers fund has just finished—it closed on 1 February. I am therefore hoping that this funding will be able to be distributed in March, which would again provide that bridge that you are talking about. Similarly, with the second round of the—

**Claire Baker:** Sorry to interrupt, it is just that the SCAN members raised the position of the galleries of the contemporary art sector, particularly—*[Inaudible.]*

**Fiona Hyslop:** I will take that point away and speak to Creative Scotland. It will no doubt have been liaising with them—some of them will be RFOs; some of them might not be. As part of its funding, Creative Scotland also has an open fund to help different projects.

I started to give an example of the second round of the grassroots music venues stabilisation fund. Again, that was set up to help. It set some alarm bells ringing because we had agreed with the grass-roots venues fund and the Music Venue Trust that the fund would help venues through to June and people were making assumptions about the route map. It was just recognising that we are unlikely to get back until that period. I have tried, where possible, to use the consequentials to help to provide a bridge into next year.

I will certainly be happy to look at the studio situation that you raise in particular. I have seen correspondence from them on that but, as the convener said, a lot of our focus has been on the artists. However, there are fixed costs and if you are retail and you are closed, that is another issue. Studios have been allowed to open for work because we know the importance of being able to work to the wellbeing of artists. That is one of the reasons why studios were able to work, even in the higher levels. However, from a commercial point of view, if you are closed because you are retail, you can then apply to the regular business funds because you are legally required, as a retail outlet, to be closed. However, I am happy to look at the SCAN issues a bit further.

**Jamie Halcro Johnston (Highlands and Islands) (Con):** Claire Baker has covered some of the areas that I intended to cover. On the back of that, where are there still funding gaps, either in the sector or for individuals in the sector? What areas of concern have you identified or have been

identified to you? Also, how much of the funding that has come into your budget streams and your areas of responsibility has already gone out and been allocated to those individuals and organisations that need it?

**Fiona Hyslop:** The vast majority of the funding has been paid out. Obviously, what I have just announced today has not, for the reasons that we have just set out, because we have just closed our freelancers fund. We are actually in the middle of events funding. I hope that I will be able to top that up, because I expect that there will be more demand. That relates to your first point, about where I see the pressures. I think that they will be around events and festivals, because the numbers that they need to be able to reopen are obviously challenging during a pandemic; that is my concern.

One thing that is really important—I have raised it with Oliver Dowden and I am supporting the Department for Digital, Culture, Media and Sport in its calls to the UK Treasury on this—is to have some kind of underwriting system, because some events will be able to take place, potentially behind closed doors. They might get some support—for example, they could get filming income from television and some of them could hold events with a little bit of subsidy in the early part of the summer, if we can do that legally with a revision of the strategic framework. I have asked for some kind of underwriting to support that and we are trying to work with DCMS to get the UK Government to agree. It has done a similar kind of underwriting for film and television, and that has helped to ensure that activity can take place.

I was recently in correspondence with the chief executive officer of STV, who said that that has been very helpful to them in their planning. There is a big initial outlay for events and for film and television. We want to have sufficient confidence that events can go ahead. Germany has developed insurance for events for the second half of this year, and that is the sort of scheme that we have brought to the UK Government's attention. We would not be able to do that within our competency—that would be required from the UK Government.

You asked me where the stresses are and where the support might need to be. There could be monetisation of festivals through digital technology, but the issue is the extent to which that could cover what they need—it is a challenge. Frankly, that is the challenge for events, and that matters, because such events are disproportionately important to Scotland. We are looking at travel between different areas of Scotland as well as from England, as a market, and from Ireland, because of the common travel area, and that will depend on discussions about

whether there will be hard quarantines across different areas because of virus variants. We are looking at what that means for the summer market for events. I do not have all the answers, but we are considering that.

I apologise if you are hearing beeps—that might have been my son getting his breakfast. I am sorry. We are home schooling, and you cannot do your school work on an empty stomach.

**Jamie Halcro Johnston:** I will certainly not comment on that.

There are some extremely important festivals and events in cities, but festivals and events are also vital for rural areas. If that support is reliant on the UK Government, it would be useful to be kept updated on those developments.

Looking to the future, the lack of clarity about funding and regulation—when businesses can open and what is required of them—is one of the issues that the tourism sector has faced. How can the cabinet secretary ensure that organisations in the cultural sector that come under her portfolio are supported in future, including with the additional costs of reopening, and kept informed about when they will be able to open and what they need to do in order to open? There is a great deal of frustration in the tourism sector, and in business in general, about the fact that businesses have made huge investments in making themselves, as they see it, Covid safe, and then restrictions come in—which we all recognise are needed in many cases—and all that money is completely gone because they have been forced to close, when they feel that they have done the groundwork to make themselves safe. How can you address those points?

**Fiona Hyslop:** Those are important points. The underwriting issue relates to major events, not smaller events. EventScotland is running a scheme with small grants for small festivals to give them some resilience. I will ensure that EventScotland shares that with you. Looking forward and trying to provide insight into what might be possible in future, we have been working closely with public health. Public health officials have been working with the events industry advisory group, which I helped to establish in October, to work out what will be possible. Major events in particular are heavily regulated with regard to security and what they do. Obviously, the issue for events in a pandemic is that people would be coming together. We are not at the point of being able to have the volume of people that you need to make events function, but we need to anticipate what will be required. We are working closely with them to share information and to think about what events are coming up and what we can anticipate.

There will be windows of time during which people need to decide whether they go ahead, precisely for the reasons that you gave. On the local level, for example, the Linlithgow marches, which is the most important festival in our town, takes place in June, and the organisers have taken the decision this week that it will not be able to go ahead, because they had to make an early decision. That is extremely disappointing for everybody. I know that people in the town understand that, but, for those events that can operate in a regulated way, which many major events do, we need to ensure that we can work with them and find a route forward. However, as of today, I cannot say when that might be, which is difficult, because we are coming close to D days for decisions on whether to plan and go ahead.

That is probably one of the most frustrating things, because we need a bit of hope as well, and festivals, whether big or small, can bring that. I do not know whether committee members managed to catch any of “Celtic Connections”, which sold 27,000 tickets online, reached audiences in 60 different countries and brought a bit of joy and brightness in January. There is nothing quite like “live”, however, which is what we have to try to get back to.

**Jamie Halcro Johnston:** Events are one thing, and they tend to be one-off or annual events, but museums, galleries and theatres in the sector do not know yet when they will be able to open. Obviously, you cannot say that—none of us knows exactly when things will get back to being relatively normal—but what clarity can they get from you about funding and support? Obviously, that is vital; as you highlighted, they have bills to pay, maintenance to do and so on.

**Fiona Hyslop:** Some funding that perhaps has not had the highest profile has been done through Museum Galleries Scotland to help independent museums and galleries. Again, as we have seen with the outlay of other funds, Museum Galleries Scotland has been able to top that up at different points. Some of it is for additional aspects and some of it is to ensure that, when they reopen, they can do so in a way that is as Covid secure as it can be. We should remember that a lot of museums and galleries were able to open for a period last summer.

Museum Galleries Scotland was also helpful in sharing advice with the sector and I pay tribute to it for playing a good role as an advice conduit for different areas. Obviously, though, the issue is about how places reopen. It is not just about the economy—although the creative sector is part of our economy—it is also about wellbeing. The question is, what will we do differently in opening up after lockdown this time? We have a good consciousness of the need for people to enjoy

culture and recreation and to go to places where there might be a bit of solitude—if we can make sure that it is done in a safe way—and also solace in the beauty of art. We have to get back to that somehow.

**Jamie Halcro Johnston:** Thank you.

**Ross Greer (West Scotland) (Green):** Good morning, cabinet secretary. I have a couple of questions about support for the screen sector, starting with the independent cinema fund from last year. That was a rapidly deployed fund in that it was announced in September, decisions were made by the end of October and, I believe, the funding was issued shortly after that.

The production sector appears to need less Covid-specific support now than it did a couple of months ago, because a lot of productions are back up and running. We do not know when cinemas will be able to reopen but, even if they are allowed to reopen, there is a question about the financial viability of doing so, given that a lot of the major releases that make them financially viable are being delayed until the autumn and even into the winter. I have a couple of questions to wrap into one. Can you, in the first instance, confirm what the uptake of the cinema resilience fund was like? Did demand outstrip what was budgeted for? In addition, what are the long-term intentions for support for cinema? That was a one-off intervention in October, but it might not be financially viable for many independent cinemas in Scotland to reopen until as far ahead as October.

**Fiona Hyslop:** The vast majority of the independent cinema recovery resilience fund was paid out in awards of over £150,000 and it was paid in instalments to spread it out. It was particularly to help what has been a good development in Scotland. For example, you will have seen the revitalisation of the independent cinemas in Campbeltown and Aberfeldy and so on. The awards were not for the big city centre cinemas.

As I recall, the independent cinemas were able to reopen—I will correct this if I am wrong—in level 2 areas. Given their fixed costs, I suppose that the question is whether they will be able to continue. We think that the support that we have provided has been pretty generous, so it can help them through the next period. However, a lot of what happens will depend on cinemas opening up, and I cannot sit here and say what that will look like. As Ross Greer said, the production sector has been a bit more resilient, and we have managed to have it opened up and carefully controlled in accordance with the regulations.

09:30

I have been involved in establishing the principle of workplace guidance for every single sector across the country. That includes events and culture, and—importantly—film and TV; I have been working with the Broadcasting, Entertainment, Communications and Theatre Union and looking at the UK guidance to ensure that those activities can take place. However, the issue is how we can get, and work with, audiences. I would love to be able to say what will happen and when, and when businesses will be able to be profitable again. I know that we are keeping a close eye on that.

I do not have a figure to hand for the number of cinemas that have been supported, unless one of my colleagues online can supply it. By and large, those were community and independent cinemas in towns.

I am not sure that I have covered everything. If I have not, I will try to follow up any remaining points with Ross Greer.

**Ross Greer:** That is useful. I appreciate that I asked for specific numbers that might not immediately be to hand. If any of the officials happens to have those figures, they can indicate that in the chat box, and I am sure that the convener will bring them in. Otherwise, it would be great if you could follow that up in writing, cabinet secretary.

**Fiona Hyslop:** Yes.

**Ross Greer:** My second question is on the skills agenda. The submission from Creative Scotland mentions that Screen Scotland will be launching a new skills strategy in April. Skills Development Scotland's budget has gone up marginally in the draft budget, from £225 million to £230 million, and Screen Scotland's funding is stable, which is very positive.

You will be aware that the committee has a long-standing interest in the memorandum of understanding regarding Screen Scotland and its relationship with the other agencies that are involved in supporting the sector. As we have heard, a lot of progress has been made on studio capacity. With the shift to a focus on skills, there will be intense demand for Skills Development Scotland's funding as we rebuild every sector of our economy. What role will you play in ensuring that there is adequate funding, through SDS, for what sounds like a very ambitious skills agenda from Screen Scotland?

**Fiona Hyslop:** I have always had an interest in how we ensure that there is a pipeline of activity and a focus on skills in the creative industries.

To go back to the convener's first remarks, the pandemic has helped people to have closer

relationships and partnerships, and there is evidence of that in this area. One of the bright spots in the very gloomy outlook has been the increased activity in screen and TV. A lot of people are watching more on screen, and there is a high demand for that output. There has been an expansion of studio space—we now have the Bath Street studio and the investment in the Kelvin hall, and there is more regular activity in the Pyramids, which is in my constituency. There is an increasing demand for skills, and that has to be met. We need a pipeline there, because the creative industries are one of the three sectors that might be able to resist the joint impacts of Brexit and Covid.

The other benefit has been that, as I am also economy secretary, I have some influence in that respect as well. The creative industries have always faced a challenge in ensuring that they get a seat at the table in terms of the wider economic recovery. I assure the committee that, in my joint role as cabinet secretary for both the economy and culture, I have been pursuing that issue. There is typically a lot of active interest in Edinburgh, for example in developing skills—at Edinburgh College, for instance—but it should not be only about the cities. We always did quite a lot in that regard in the creative industries, but we need to do more within that.

As Ross Greer is probably aware, the “Climate Emergency Skills Action Plan 2020-2025” was recently developed. The creative industries will be part of our series of publications on how we plan jobs for the future, but a lot of things are already happening now. That is one of the positive aspects of what has happened. That work will not be published until April, as there is a bit more to do in that regard. Nevertheless, that is a good area on which to focus. If the committee is planning for what its successor committee might want to look at, skills in the creative sector would be a strong area to consider. There are more jobs and opportunities there, but we need to ensure that people can transfer to the creative sector, and that young people in particular see that there are genuine career opportunities there.

**The Convener:** David Seers has indicated that he wants to comment.

**David Seers (Scottish Government):** Good morning. In response to Mr Greer’s request for figures on the cinema funding, I note that a total of 30 independent cinemas and two touring cinema operators were awarded funding. Between them, they have 103 cinema screens across Scotland, which represents about 28 per cent of the total number of screens.

**Ross Greer:** Do you have to hand the total amount that was awarded? I think that £3.5 million

was allocated in the budget. Did the awards use up the full budget?

**David Seers:** Yes—they used up the full allocation.

**Kenneth Gibson (Cunninghame North) (SNP):** Good morning. Alex McGowan of the Citizens Theatre has said that it will take quite some time for audiences to have the confidence to return to venues, galleries and museums. I have no doubt that it will be the same for music venues, and I note that Ross Greer has just asked about cinemas. One of the reasons for that will be the impact of social distancing on our theatres, cinemas and so on.

What kind of long-term support will the Scottish Government consider providing for venues? I have a concern that if, as Nick Stewart has said, social distancing means that a venue whose usual capacity is 100 can take only 12 people, there will be a tendency for prices to be increased significantly. If a venue can get only 12 people through the door instead of 100, it will not be able to charge eight times more in order to get the usual revenue, but it will try to increase its prices somewhat. There is an issue about people being priced out of attending venues that they may have attended before the pandemic. What is the Scottish Government’s thinking about addressing that issue in the long term?

**Fiona Hyslop:** To give some context, I note that some people who usually run activities indoors will look to run them outdoors. Summer festivals are an example of that. It has been reported that the fringe and the Edinburgh international festival may do more things outside.

I think that Kenneth Gibson’s question is about the viability of venues. We moved swiftly on that in our response to Covid last year, but a lot of it comes down to the nature of spaces and the transmissibility of the virus. In recent weeks, we have had a variant of the virus that we know is much more transmissible, and we have to think about the future effects of that. We are getting more information about the virus and about whether the vaccines can reduce transmission, hospitalisation and so on.

You cannot ask me, as a non-clinician, to forecast what will happen. However, we have looked at what could be possible when things are opened up again. Previously, we looked at the levels and at four categories—outdoors seated, outdoors standing, indoors seated and indoors standing—recognising that there are different health risks in each case. You should remember that, when the Highlands were at level 1, the Ironworks venue had concerts with audiences of 100.

I cannot write a blank cheque and say that we will subsidise all venues during 2021-22 when we do not have any additional funding and we do not know what additional consequentials might come to the culture and events sector. However, you should bear in mind how I have behaved previously as culture secretary and the way in which I have prioritised venues. I get it. I cannot give you a complete answer, but what you have talked about is exactly what I am spending my time doing.

I am talking to different events and venues about how we can do things better. One approach is to consider the ratio of space, which is what Northern Ireland does for weddings, for example. That might be a possibility. The cap for a venue in level 1 was 100 but, as I said, the Ironworks had concerts with audiences of that size when the Highlands were at level 1.

**Kenneth Gibson:** My question is about how long-term planning is being done. You emphasised the fact that we have a more transmissible variant, so it is clear that we will not soon return to what happened previously. The situation will continue for some time and there could be more variants. I am not convinced that outdoor events would be particularly great in Scotland. I went to an outdoor performance of “La Bohème” and bits of me were dropping off after a few minutes, despite umpteen layers of clothing. I am not convinced that that will be much of an answer.

With all the funding caveats that you have mentioned, how can we secure the future of our venues and the people who work in them over a longer period of time? What is the Scottish Government’s strategic thinking on that? I realise that you will have to do a bit of bobbing and weaving, given that you do not know about consequentials, new variants and so on, but are any solid foundations going in that will enable you to say, “We want to make sure that by this time next year we will still have X number of venues operating in Scotland.” How can we ensure that, regardless of whether there are more variants or whatever else happens? Does the Scottish Government have a kind of bedrock position on venues? We do not want to end up with them closing permanently later in the year or early next year because of the lack of consequentials or whatever.

**Fiona Hyslop:** Judge us by what we have done and what we will be able to do. I am not saying that there is no risk to any venue. We have worked hard and managed not only to secure venues but to stop redundancies at venues to keep things moving. A reasonable way forward would be a recognition that furlough could usefully be extended further into 2021, as other countries

have done. Businesses and organisations do not want to be closed; they want to be open. Furlough is not a disincentive to reopening, so I would encourage the UK Government to extend it, particularly in the tourism, leisure and entertainment sectors, where there is, as Kenny Gibson identified, a longer tail—certainly back to profitability.

The budget before you proposes rates relief for retail, leisure and hospitality. That could be extended through the year. If we can support employees’ wages and the fixed costs, that takes away some of the pressure. Then the funding gap is about the difference in viability. A lot of venues are commercial organisations, but many are charities. One challenge, which is the same for both the charitable theatre in your constituency and a commercial music venue down the road from it, is whether they would be viable if there was the capability to subsidise them. Currently, I cannot point to somewhere in the budget that would provide the subsidy for those areas, but it is an area that I would like to prioritise.

There is a way of knitting together support to ensure that venues survive. However, given what we have gone through in the past year, it is quite remarkable that we have managed to save venues—not just large institutions but small grass-roots music venues. The Music Venue Trust says that the funding that we have provided, working with it, will be helpful until June, so that is some bridge into next year.

**Kenneth Gibson:** You have done a fantastic job—£104 million in 7,377 awards is not to be sniffed at. I congratulate you and your officials on the hard work that has been done on that. It is not all gloom and doom. For example, the supernatural thriller series “The Rig”, which will be filmed in Leith, is an investment of £11 million or £12 million, and the Kelvin hall is being redeveloped, too. We have to emphasise the positive developments. You will appreciate that the committee is trying to see how we can get more from the cultural sector.

One last area is the National Lottery Heritage Fund. It is talking about a gap of between £25 million and £29 million. I know that a lot of work has been done to bridge that gap, but what more can be done to support that sector in the year ahead?

**Fiona Hyslop:** I am not familiar with that. You have talked about a gap. I think that the lottery is doing okay when it comes to income. Were you talking about the collapse in income for heritage organisations?

09:45

**Kenneth Gibson:** Yes—the gap between their reduced income and what they need to spend money on, I suppose. The heritage fund has estimated that that is between £25 million and £29 million, at the moment. My question was about how we can ensure that the money that would come from the lottery can to a degree be supported by the Scottish Government.

**Fiona Hyslop:** We do not anticipate reductions in lottery income. In fact, if anything, we think that the trend might be one of improvement because, in the circumstances that people are facing, they may want more opportunity to win the lottery.

However, I think that the challenge that the lottery is addressing is what Kenneth Gibson is talking about. We understand that, and that is why some of the funding that I have provided in the past has helped in that context. We have had £3.8 million for protecting jobs and to reopen properties—for example, the world heritage site at New Lanark. Just in the past few weeks, in addition to working with the heritage fund, Historic Environment Scotland has announced funding to help different organisations in the heritage space. For example, the Queen's hall in Edinburgh is being supported substantially to improve circulation in the building, which is a challenge.

In many ways, it is a standstill budget; the biggest movement in it is to support Historic Environment Scotland, whose grant fund I want to be able to continue to support. That is a challenge. I have managed to keep £6 million of capital in the budget for Historic Environment Scotland. That is a fairly recent development. It will help to bridge the gap for investments in towns and villages in which work is carried out on buildings—that is also about jobs in different areas. By closing that income gap for Historic Environment Scotland, I have managed to keep our anchor body—as a non-departmental public body, it is in the lead—in funds and able to help other organisations to keep their funding. It funds not just itself but other organisations. That stability is part of things.

It is about lack of income. A lot of places get an income stream from people visiting palaces, castles and so on. Nobody, whether in business or in culture, is having that lost income replaced. That cannot happen. It is about survivability, and what is enough to keep people going. That area has probably not had as much attention during the pandemic as the heritage side of things, but Kenneth Gibson is right to raise it, as it is the life-blood of many communities and towns and of the tourism offer. I hope that a lot of places can be visited without going indoors.

I will look further at what the heritage fund says about shortfall, but I think that we are making that

up in Scotland in different ways, for example by maintaining and not reducing the budget of Historic Environment Scotland.

**Kenneth Gibson:** The collapse of international tourism has not helped. Thanks very much, cabinet secretary.

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** I have only one fairly brief question, and it is on support for community-based organisations. There has been a fair bit of questioning on the subject, but I want to stretch it just a little. I am interested in how the Scottish Government is working with local government, as many organisations are supported through local government or jointly with national Government institutions. How is that being managed to make sure that as many—[Inaudible.]—able to sustain themselves through to a point at which some sort of new normality is achieved?

**Fiona Hyslop:** The committee will be aware of the extensive support for local government to support a variety of areas. A lot of it is community based. Aberdeen Performing Arts—which is not local; I would say that it is a national institution in terms of its range and level of activity—got funding from the Scottish Government's culture support for the performing arts, and it got additional funding on account of its being a major institution. It also got community funding from the local government support fund, as did more local organisations.

A lot of the support for culture has come not just from me but from the third sector resilience fund, which lends to communities as well. I referred to the EventScotland fund. Its payments are smaller—some are £1,500—but, if you are a small festival or organisation, that is what you need to meet your fixed costs and get through to the next year. That additional funding is available from EventScotland.

You will know that the West Lothian Highland Games is an example of a local community organisation. I do not make funding decisions, as you will appreciate, but that is the sort of level at which we are encouraging people to get funding to continue.

The other thing to do with local government that the committee might be interested in is that there has been a lot of concern about arms'-length external organisations. Your predecessor committee looked at the pros and cons of ALEOs. They are meant to be private but, when they have a collapse in income, they go to the public sector for funding. That is a real issue that I raised with the committee several years ago. There are pros and cons with ALEOs: they might get rates relief and other types of relief, but the public sector will still end up being the first port of call for support.

In her statement, Kate Forbes announced even further funding for local government for ALEOs. They call it the lost income scheme, but I do not like that phrase, because it is about survival now. Across the sector, nobody is getting lost income replaced, but that is what the Convention of Scottish Local Authorities and the sector have been calling that ALEO support. It is support for things such as community galleries and other cultural bodies that are in ALEOs. Additional funding is being provided for that. It will end up being something like £249 million to help local government with their ALEOs, a lot of which are in culture and in local communities.

I hope that that answers some of those points.

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

Good morning, cabinet secretary, and thanks for joining us. I want to get your views on local newspapers. The committee has taken evidence on the impact of the pandemic on local newspapers, a number of which are clearly struggling to survive during this very difficult time. I want to get your views on whether the Scottish Government will reconsider its position on rates relief for local newspaper offices and extend it beyond 31 March, as has been done for other sectors, especially in the light of yesterday's vote on the matter in Parliament.

**Fiona Hyslop:** The newspaper sector is very important, and I have discussed its importance previously with the committee. I am particularly interested in public interest journalism generally—not just at the national level, but at the local level. You might have read the Cairncross report, which is an important contribution. I met Professor Frances Cairncross to discuss it some years ago. Some of the suggestions around public interest journalism support would require discussion with the United Kingdom Government. I have met a number of the UK Government's secretaries of state for culture—I have lost track of them, because some of those meetings were some time back—to encourage them to set up some of the institutions that have been talked about. Those would be independent institutions to support public interest journalism, which is not just in print media—the issue is about the future of the media generally.

There must be a healthy relationship and distance between Government and journalism, particularly in a democracy. I feel strongly about that, which is why I established, some time ago, a public interest journalism working group to look at those issues. We have to face up to the reality that people consume their media in different ways. However, we need accountability.

One concern that Frances Cairncross had was about how to scrutinise not just decisions of national Government but local decision making

and the importance of local newspapers. Back in the summer, when the newspaper industry approached us with its concerns, the suggestion, which was taken up, was that we provide advertising in relation to Covid over and above what we were planning to do. Basically, that was a subsidy to support the sector because of its collapsed income from other areas. At the time, I had thought, not inappropriately, that the focus should be on supporting journalists and journalism, but there was greater interest in support for the companies and the organisations in other ways.

Rates relief would be a smaller amount than the advertising support that was provided. In the vote in Parliament yesterday, the Government supported the principle. However, I am not in control of the budget and how things are carried out—that is for the Cabinet Secretary for Finance. Obviously, I will ensure that she is aware of the member's interest in the issue. We absolutely want to support local newspapers, but there is a question about whether we do it just through rates relief or in other ways.

There is a wider debate about the future of journalism. The advertising support that we provided was substantial and helped to bridge that difficult period. The support from the Scottish Government kept many local newspapers going through that very difficult period. Obviously, the issue of rates relief is a live one. It is a budget issue, so it currently lies with the Cabinet Secretary for Finance.

**Dean Lockhart:** I would appreciate it if you could take that up with the Cabinet Secretary for Finance. My understanding is that the extension of rates relief might cost in the region of £1 million, but, as you know, every single measure helps at the moment.

I will move on to my next question, although you might not have an answer to it. What is the latest expectation on whether fans will be able to attend the Euro finals in the summer? How is the Scottish Government planning for that? Obviously, that is an important issue. The finals are some way off, and I appreciate that you might not have a direct answer, but what considerations are involved and what planning is the Scottish Government doing on that?

**Fiona Hyslop:** Clearly, the issue is also one for UEFA and our planning partners, of which the—*[Inaudible.]*—important, as are the police. Do we want to have the fans, or some fans, at the Euros? Yes. Do we know now whether that is possible? No. However, we will soon come to a point at which that has to be worked out, given the logistics involved. Because it is an international tournament, a lot of discussions have to take place. There is hope, but I will temper that with a

sense of reality. There is a general understanding that we might be a bit slower coming out of the current situation, despite the fantastic news about 1 million vaccinations being achieved yesterday.

**Christine Grahame (Midlothian South, Tweeddale and Lauderdale) (SNP):** On the good news side, the great tapestry building is almost complete, and I see that some small businesses will—I hope, once we get through the current situation—be opening to sell various crafts. We have an anchor business in the centre of Galashiels.

On that theme, I want to move on to the common ridings that happen across my constituency, including in Peebles, Galashiels and Penicuik, to name but three. Those are important not only for local history but for the local economy. People travel from abroad to return for the events. There is everything that goes on to do with the horses, such as stabling, blacksmiths and horse-riding lessons, and bed and breakfasts and hotels get business during the common ridings. Maybe I have missed it, but I do not know whether there has been any support to enable the voluntary organisations to continue to tick over and support all the other things that are connected to them, such as the stables, which still have the cost of keeping animals but have no revenue coming in, because we have lost all of that.

10:00

**Fiona Hyslop:** As I have said in answers to other members, EventScotland had a fund for small voluntary organisations, to keep them ticking over and to meet fixed costs, although it was not a huge amount of money. I am not sure whether that fund is still live or closed, so I will get EventScotland to provide that information. Depending on the size of the organisations, they might have been able to apply for the culture organisations and venues recovery fund, which was launched in the summer. I do not know though, as I am not familiar with that issue.

Going back to the question from Jamie Halcro Johnston about what I worry most about, it is events and the support that is needed to make them viable, because there is a point at which organisations have to make a decision. In my home town, as I have already mentioned, the Linlithgow marches had to make a decision. That event is similar to the ridings in that people come from all over the world for it. There are a couple of carriages, but people do not ride on horses, unlike in the Borders ridings, which probably take place over a longer period of time, as Christine Grahame said that people travel over a number of days from different places internationally. I encourage those organisations to talk to EventScotland if they have not already done so.

The possibility of those events taking place will depend on their management and how they operate. Although they take place outdoors and might be more spaced out, there are a lot of crowds involved, which is another issue, especially for a voluntary organisation, because the professional events management companies can manage risk in a way that is different from people being on the streets as part of a community response. I am happy to ask EventScotland to look into that area to see what is possible, because I am not familiar with the timing or the dates of those events. With regard to what will be possible and when, that will tie in with the roll-out of the strategic framework.

**Christine Grahame:** The first one is in Penicuik in May, and the events go through till about September. My concern is that, apart from that, it is very unpleasant not to have those events taking place. They are very important for the community, because all the little businesses round about depend on those events bringing them revenue during the year.

In particular, there is the issue of the horses. Hundreds of horses are used in the Gala riding. They have to be stabled over winter, but the stables will have no income coming in, because all the lessons and the bookings that were going to be taken across the south of Scotland will not be taking place. Is there some way of supporting those businesses? Their business is restricted because those events are not taking place.

**Fiona Hyslop:** There are a number of issues there. Is Covid cruel? Yes, on a very personal basis for many families. It has caused much hardship and distress, and people are grieving. However, there is also an impact on business.

It is hard to quantify what we can do to support business when we do not know about the roll-out. Christine Grahame makes a very important point: events are not just a one-off entertainment; they can be the lifeblood of local places and organisations, which is why we have provided an increase in the discretionary fund for local councils. The discretionary fund was intended to help those who do not have designated funding—for example, there is no national common ridings fund. The discretionary fund has now been increased to £120 million for councils, which will allow them to work out the key companies and organisations in the area that require to be supported.

Scottish Borders Council will be sitting with a substantial increase in its discretionary fund, and I would have thought that the common ridings would be considered discrete or special to the Borders; therefore, that might be a route forward for companies that are suppliers to, or that are otherwise involved in, them. However, I cannot



speak for local authorities. My point is that I do not decide such matters; the councils do, which is why the funding is discretionary. Nevertheless, that might be the best route forward if I am to help Ms Grahame with her constituency case.

It is great to hear about the new location for the great tapestry of Scotland. The member will know that I have been instrumental in helping to establish that and in securing the funding for it. Because of the pandemic, I have not yet been able to visit the building, but I am very much looking forward to seeing it when it is open. It will be an anchor site that will help to bring people into the area.

**Christine Grahame:** I will send you a photograph—it is right next to my office.

**Fiona Hyslop:** Please do.

**The Convener:** Before we move on to questions from Beatrice Wishart, since you have raised the issue of discretionary funding, cabinet secretary, I would like to make a point about that. What does one do if a council has not brought such funding forward? For example, I believe that discretionary funding through a council in my area will be going live next week, but we have been telling organisations since November that such funding is there for people who have fallen through the gaps. What can you do to force councils to distribute it? You have given them the money, but what have they been doing with it if they have not brought it forward?

**Fiona Hyslop:** I will try to respond as factually as I can. There was an issue when the funding was provided in that councils could not agree among themselves on its distribution. Councils in level 4 areas thought that they should get more discretionary funding than those in level 3 areas. You will understand where we were with the pandemic back in November. However, we are now all in level 4, so that is clearly a moot point.

Such funding previously involved much smaller amounts. As you will remember, one of the challenges that we have had—I raised it in a quad call with the UK Government earlier—is that, although additional funding through consequentials is welcome, when we keep receiving that funding incrementally and periodically it is difficult to plan ahead.

At that time, the fund was much smaller and was really intended to help companies that could not be dealt with through national funds or by the framework. As we moved forward, the big challenge that we had was in helping companies that were not legally required to close but whose income had collapsed because of such closures. Then, increased funding was provided and, as you might be aware, a whole load of schemes were established. The taxi drivers scheme could have

been funded out of the original funding, but it would have eaten it all up, so it was established when additional funding was provided through consequentials. A whole variety of schemes have been established and are now live. In January, almost £250 million went out of the door for businesses.

To be fair to councils, I think that they first wanted to understand what other schemes might be established so that they would not be duplicating those. Democracy also comes into it. Councils are independent of the Government, and some of them did not want to open up such schemes until they had had their regular full council meetings, but the cycle for those can be quite long.

I am just setting out the facts as to why that situation might have happened. The smart councils got ahead and got the money out as quickly as they could, because they know which are the key businesses in their areas. However, the whole point of their having discretionary funding is that the Government does not tell them what to do and that they should decide that for themselves. I am trying to be as fair as I can be in explaining why I think it has taken some councils so long to distribute the funding.

**The Convener:** Thank you very much. I apologise to Beatrice Wishart for butting in there.

**Beatrice Wishart (Shetland Islands) (LD):** Good morning—[*Inaudible.*—with Christine Grahame's earlier theme of community spirit, I observe that, this year, Shetland is very much missing its fire festival season and seeing the fiery galays in the middle of such a bleak winter.

I want to ask about wellbeing and mental health, particularly of children and young people, and about their access to music. You have indicated that we will have a standstill budget. Can you tell us what the thinking was behind the funding position of the youth music initiative?

**Fiona Hyslop:** I have championed the youth music initiative throughout my time as culture secretary. It has been successful and has helped to increase the demand for music—particularly instrumental music—in schools.

You may have heard me say this before, but, when I first became an MSP, the only pupils in school orchestras were those who were taking qualifications such as higher music. Shetland has always had a culture of taking up music. We now see people across Scotland playing in orchestras or bands without taking music qualifications—and the proportion who are taking those qualifications is far higher in Scotland than in the UK. However, that has been detrimentally impacted by the decision of some councils to charge for

instrumental tuition. That is a backward step, and I see its effects in my local area.

During the pandemic, there has been a change in how music teaching is delivered. It has been frustrating for people not to be able to play together, and there has been a move to online delivery. I have seen that with Sistema Scotland, and I recently spoke to the Royal Conservatoire of Scotland about its music education partnership group. It will stand us in good stead to have individual tuition that can take place virtually if that is required. I want that to continue.

There is scope to develop the successful YMI in other arts forums. Most of the Government help is for primary schools, but we have also managed to support outside organisations. Another good development has been the youth arts partnership, which has received funding this year from consequentials. That will enable work with schools to support the wellbeing aspect of the arts.

The pandemic has made us aware of the power of listening to and playing music, and we must support school music as pupils return to school. I appreciate the committee's support for the youth music initiative. I have tried to resist the pressure to reduce that budget.

I am not sure whether I have fully addressed your question. Let me know if I have not done so.

**Beatrice Wishart:** I was just looking for support. I believe that music should be open to everyone, but it can sometimes be an easy thing to knock out of a budget.

You mentioned the Royal Conservatoire. Hundreds of graduates from there and from other arts institutions have been trained to provide technical support for performances. Lockdown restrictions have hit them hard. What has the Government done to find out how many of them have been able to begin careers in the culture sector this year? Is there a risk that they will turn their backs on culture to begin careers elsewhere? The same question could be asked about Glasgow School of Art, where students missed out on their graduation exhibition. How many such graduates have had job offers? If we have lost people from that sector, how will that affect the culture budget in the long term?

**Fiona Hyslop:** I do not have that information. It might be easier to find that out from Richard Lochhead, who is the minister responsible for further and higher education. You could liaise with him about that.

The young person's guarantee, which is another part of my area of responsibility, is not only for 16 and 17-year-olds who are leaving school; it is also for those who are older. We know that recent graduates will face challenges, and that is also

why opportunities for tuition are important. Music graduates from the RCS may have a career in music or may want to play in a band. That links back to the subject of venues, performances and festivals. Graduates can also supplement their income by tutoring individuals.

The youth music initiative is important not just for young people; it provides a supply of jobs for music instructors, too. I have regular conversations with representatives of the Royal Conservatoire, and I will speak to them about it. At recent meetings, they have discussed wellbeing and how they have been supporting their students, but there is an issue around recent graduates, and not just in the year gone by—I suspect that there will be challenges for those who are graduating this year, too.

10:15

Scotland is very well placed. We are a country with a very strong music sector, and we cannot and must not allow the pandemic to send us off course. If anything, it girds our loins a bit more to protect and maintain what is there. I am more than happy to work with the committee on this area in the future—indeed, with the future committee, whatever it might decide to do in discussion with future ministers.

**Beatrice Wishart:** Thank you. That was a helpful answer.

I asked the Minister for Europe and International Development a question about access for musicians who want to work in Europe. There are complicated new arrangements, border checks and additional costs. I suggested that it might be helpful if the Government produced guidance for musicians and other performers who want to navigate the new processes at home and abroad. What is your view on that?

**Fiona Hyslop:** That is a huge issue, and it is one of the real tragedies of Brexit—of which there are many. We had anticipated that issue. Some time ago, I set up and hosted an event at the Dovecot Studios with the culture sector, involving representatives of festivals, musicians and artists, to discuss what might happen, and we provided evidence from that to the UK Government.

People from other Administrations were involved at that point, too. We were speaking with the Arts Council of Wales and Arts Council England, and we are currently helping to provide some limited funding, working with the Welsh, in particular, to help with guidance for people coming in. It is not just about us sending people to Europe; it is also about people coming in. That help has been established, and we will try to extend that into the area that you are talking about in a collaborative way.

More immediately, I have raised the matter with the relevant ministers. We can see Britain being bypassed for goods and other things because of the trade issues, but, on the idea that we will be bypassed when it comes to our music and musicians, who cannot reach out, learn, connect or collaborate, I would emphasise that much of music is about connecting with others and about artists working with others from other countries. That is part of the lifeblood of music and what makes it so great.

I have written to the UK Government and have secured a meeting with the Minister for Future Borders and Immigration on that precise issue to ensure that he readily understands the needs of our artists and musicians in relation to their being able to tour in Europe. I hope that I will be able to report back to the committee positively, if the minister takes my advice and works hard to ensure that the UK undoes what has been a detrimental act in not securing the best negotiation for the onward travel and touring of Scottish musicians.

**Beatrice Wishart:** Thank you for that helpful answer.

**The Convener:** I am sure that the committee would be very interested in hearing any updates on that issue, which we have raised ourselves on a number of occasions.

There is one matter that I wish to ask you about before we wind up this session, cabinet secretary. In your letter to the committee, you said that the delay to the census had resulted in an increase of 18 per cent or £21.6 million in its projected costs. Can you provide more information on how the deferral has added so significantly to the costs of the project? Also, has there been any underspend at National Records of Scotland due to the delay to the census?

**Fiona Hyslop:** There was an underspend due to the delay. The major expense for any census is in the year leading up to the actual census, and that is why there is an increase of £21.6 million for this year. I think that the underspend last year was about £13 million, but I will correct that figure if it is not accurate.

There is expenditure for a number of items—print logistics and paper capture, and an external delivery partner—and an increase in resource for staffing costs. Staffing costs have increased because it is the year that there would be additional funding; there are also other coding issues. The headcount will be maintained for an extra year, which accounts for £6.9 million, which is a substantial amount.

I think that we wrote to you in January, convener, explaining what the increases in costs would be. A colleague from NRS is available in

this meeting, if you want her to explain more about the increased costs, and we can also recirculate the funding proposals. We will save money this year, as we did last year, but it is costing more in the long run, and that will bring the lifetime costs of the programme up to £138.6 million.

**The Convener:** Thanks. Given the constraints on our time, I will not bring in your official. If you have anything further to share with the committee and could do so in writing, we would appreciate that.

**Fiona Hyslop:** The committee will, no doubt, have seen the letter that I sent to you about the increased costs in January, but we can provide an updated one, if there are any changes, or one that replicates what we sent previously.

**The Convener:** I do not expect you to replicate it. If there are any changes or more detail to add, I would appreciate that information.

I thank the cabinet secretary and her officials for attending and for their evidence today, which we will consider in private session later. I will suspend the meeting to allow the witnesses to leave and the panel members for the next agenda item to join us.

10:21

*Meeting suspended.*

10:23

*On resuming—*

## European Union-United Kingdom Trade and Co-operation Agreement

**The Convener:** Welcome back. Our next agenda item is evidence on the EU-UK trade and co-operation agreement. I welcome the panel to the meeting. Elspeth Macdonald is chief executive officer of the Scottish Fishermen's Federation, and Jimmy Buchan is chief executive officer of the Scottish Seafood Association. I thank our witnesses for their attendance, which is greatly appreciated by the committee.

We will move straight to questions. I will ask Elspeth Macdonald the first question. I understand from what you have told us in the past and from your written evidence that the Scottish Fishermen's Federation had three main priorities in the Brexit negotiations: to control access to the UK's exclusive economic zone; to secure a fairer share of quota allocations on the basis of zonal attachment; and to have the UK conduct annual negotiations with the EU on fishing opportunities as sovereign equals. How does the deal that was reached cover those areas, if at all?

**Elspeth Macdonald (Scottish Fishermen's Federation):** Good morning. As you will have seen in my written evidence, the SFF feels that the deal that was reached between the EU and the UK, in so far as it relates to fishing, falls far short of those priorities. It certainly falls short of what the industry had aspired to and what it was possible to achieve, and it also falls short of the UK Government's commitment to the industry, so it was extremely disappointing.

I will take the three priorities in turn, starting with control of access to our exclusive economic zone. The SFF had always been clear with Government ministers and officials that that was absolutely the key element. In my written evidence, I described that as

"the ace in the pack".

Controlling your sovereign resources in terms of the fish in your EEZ is a fundamental principle of every independent coastal state. Of course, the UK is now an independent coastal state but, because of the arrangements that have been reached in the deal, we do not have the same ability to control those resources. In fact, as many people will understand, for the first five and a half years—what is referred to as "the adjustment period" in the treaty—we have no ability, essentially, to control the EU's access to our waters. We can control the access of vessels from

other countries, such as Norway and the Faroes, but vessels from the EU have full access to our waters for that period. Should we wish to change that in the future—if the UK decided at the end of the adjustment period to reduce or limit the EU's access to our waters—there would be some potentially hefty sanctions and penalties for doing so. That is a fundamental failure, essentially, of the deal. It does not confer on the UK the full ability to control access to our waters without the penalties applying.

On quota shares, again the deal falls very far short of what industry and Government had been clear was a priority, which was securing better shares on the basis of something called zonal attachment, which is a science-based method that allocates quota shares based on where fish actually are and where they spend different stages of their lives. It is not just based on historical fishing opportunities. Zonal attachment is the basis of the agreement between the EU and Norway, for example, and we absolutely want it to be the basis of the new arrangement of shares between the UK and the EU. However, it is not, and the arrangement falls very badly short of what would have been achieved through zonal attachment. As I have set out in my evidence, for some of our white fish demersal species, in particular, we have a particularly bad outcome that will limit our fleet, certainly during the adjustment period, in a potentially significant and damaging way.

The third priority was to do with having annual negotiations on access and fishing opportunities. The deal delivers annual negotiations, which are happening as we speak—a bilateral negotiation on fisheries between the UK and the EU is currently going on. However, that bilateral negotiation cannot involve any element of access to waters for the period of adjustment, because that access is already given through the trade and co-operation agreement for the period of adjustment. The annual negotiations that are taking place are not the sort of negotiations that we had wanted to see, which would have been about agreeing access to each other's waters for the year ahead, looking at the quota shares and other technical arrangements. The element of access is not part of the negotiations, and that is a hugely disappointing element of the deal and a missed opportunity.

10:30

**The Convener:** When Boris Johnson was in Scotland a couple of weeks ago, he said:

"Be in no doubt that over the medium term, and much more over the long term, the changes are very beneficial for Scottish fishing—a big increase in North Sea cod, in North Sea haddock, in just the next few years, a 25% increase in overall quota".

Will those increases in North Sea cod and haddock, as well as the overall quota, take place, as the Prime Minister said?

**Elsbeth Macdonald:** The 25 per cent figure is misleading. We have made that point on a number of occasions since the deal was agreed. The uplift in quota does not amount to 25 per cent. That figure refers to the fact that what has been transferred to the UK from the EU is 25 per cent of the value of what the EU could have taken from UK waters, based on prices in 2019. That does not equate to a 25 per cent uplift in quota. I think that calculations show that the figure is actually somewhere in the region of 10 per cent.

You mentioned North Sea cod specifically. At face value, the annex on fisheries in the trade and co-operation agreement appears to give an uplift in the UK's quota of North Sea cod. However, as I set out in my written evidence, the problem is that the baseline for that uplift did not take into account what the UK actually fished. Although the UK had a quota share for North Sea cod under the common fisheries policy, it was actually able to catch more fish than that share due to other mechanisms in the common fisheries policy. The baseline on which the uplifts in the Brexit agreement are based does not reflect the actual outturn; it reflects only what the starting point was. In effect, therefore, we will have fewer fishing opportunities for some of those species than we had previously. That is not the case for all species—for example, there is a significant uplift for mackerel, which is one of our very important commercial stocks—but, for some of the white fish stocks in the North Sea, the uplifts that the deal provides are poor and, in some cases, the deal will leave us worse off.

On the longer-term arrangement, I go back to my answer about access to waters. The deal makes provision for the UK to have a better settlement in future, because we could control access to our waters and limit or reduce the amount of access that the EU has to UK waters, or come to some other arrangement about that. That would allow us to leverage a better share. However, the deal also brings into play a suite of sanctions on the UK if we did that. Those sanctions could include sanctions on fishery products and compensatory measures that the EU could claim in relation to the economic and societal impact of a reduction in access to UK waters.

Technically, there could be a better settlement at the end of the adjustment period, should the Government of the day decide to take that path. However, we need to clearly understand what the consequences of taking that path would be. It is important that we spend time understanding the consequences of having a different arrangement

in future because, if we are not able to have a different arrangement in future—if the penalties and sanctions are such that they are disproportionate to the benefit that would be gained or would be so severe that the UK would decide not to do that—we are essentially trapped in another arrangement with the EU in perpetuity, in which we have a very disadvantaged deal on fisheries.

There is what I have described as a glimmer of light at the end of the tunnel of the adjustment period, and we now have to spend some considerable time and effort thinking about what could be done at that time and discussing with Government what its appetite and ambition are for the end of the adjustment period. There is much to do.

**The Convener:** How likely is it that the Government will prioritise the fishing industry in the future, given that it has let you down so badly in the deal that has just been reached?

**Elsbeth Macdonald:** We have to bear in mind that the adjustment period is five and a half years and that there will be a general election before that point. Therefore, none of us knows who will be in power or what their priorities will be. That is another element that we have to take into account. The political landscape might look very different in 2026.

**The Convener:** Do you feel betrayed by the Government?

**Elsbeth Macdonald:** We feel very badly let down. We feel that the Government made repeated commitments and promises to the industry and they were not met. There was a real opportunity to reset the dials on what had been an unfair settlement for the UK under the common fisheries policy and to right that wrong. Although there is a prospect of better days ahead at the end of the adjustment period, we have to understand the consequences of what has happened. Certainly, many at the quayside feel not optimistic and ambitious about the future but concerned about it.

**Claire Baker:** I want to follow up on the answers to the previous question. It seems that the price for taking control of our own waters at the end of the five-and-a-half year period, which is the pinch point, would be greater tariffs. What would you do in that case? Would you consider alternative markets?

There is a trading partnership with the EU, and you would have to sacrifice that trading partnership for changes to the arrangements around access to waters—that is the deal that has been done. Over the past year or so, many people predicted that that would be the outcome, regardless of the promises that the Government

made. Are alternative markets being explored, or do you see the EU continuing to be the key market?

**Elsbeth Macdonald:** The EU is certainly an important market for fish and shellfish from Scottish waters. During the period of negotiation before the deal was reached, we made the point many times that, obviously, the introduction of tariffs would apply in both directions—that is, if tariffs were to be applied by one party in relation to seafood exports, it is likely that the other party would look to do the same thing. There is actually a balance in trade in seafood between the EU and the UK—about £1 billion-worth of goods go in each direction.

There have been some difficulties since the beginning of the year with the export of products, which I think Jimmy Buchan will talk about later. However, it is important to remember that many businesses and jobs in the EU depend on these products coming from the UK and Scotland. We know that, although there are difficulties at the administration level and with the Commission and that there are many issues to resolve, there are many people in the business community—in Boulogne-sur-Mer, for example—who are as keen as we in the UK are to ensure that the supply of fish can continue to flow.

I also point to the example of Norway, which has a much more normalised coastal state arrangement with the EU than the UK now has. It has full control of access to its waters, and its annual negotiations with the EU are very much about what access the EU can have and the exchange of fishing opportunities. Norway pays tariffs for access to the EU market because it decided that that was worth doing to ensure that it had full control over its fishing waters. That model already exists.

**Claire Baker:** You mentioned the European Commission and issues that have still to be resolved. Will you comment on the cross-border task force that has been established? What do you hope that its work will consist of? What do you hope that it will be able to achieve? Will you also comment on the UK Government compensation scheme that has been announced and whether it is targeting financial support at the right areas?

**Elsbeth Macdonald:** The task force has not met yet—I think that it is due to meet tomorrow for the first time. There have been many meetings since the turn of the year between the industry and the UK and Scottish Governments to identify, highlight and address the problems that have arisen with the change in trading status. It was inevitable that there would be different trading arrangements with the EU when the UK was no longer part of the customs union or the single market. The arrangements are significant in terms

of the additional bureaucracy and systems that have been required.

As I said, there has been a lot of discussion between the industry and both Governments, which have both made good efforts to crack on and resolve, as far as they can, the issues that arise. The task force is a useful way to take some of the discussions into a focused arena in order to identify the key issues that need to be resolved, to work out what the priority should be and to work with the relevant Administrations to ensure that we can progress all that.

It is important that the task force is focused, does not get distracted by the wide range of things that might be happening and can crystallise the key issues that need to be addressed, and that, by having that focus with the Governments, it can identify where work needs to be done in order to make change.

On the compensation scheme, the UK Government announced, probably two weeks ago, that a compensation scheme would be available for the seafood sector. The detail of the £23 million scheme emerged only earlier this week. As I understand it, the guidance is essentially targeted at exporters. I therefore do not think that it will provide much support to the catching sector, part of which I represent. My members are unlikely to be able to claim anything through the scheme, despite the fact that many of them will have been affected by reduced prices at market and, indeed, by reduced fishing activity because the sector has had to try to manage landings of fish so that the market is not oversupplied when there are difficulties in moving the product out of the UK.

Although my membership and many others in the catching sector will have been indirectly affected, it does not look to me, from my reading of the guidance on the UK scheme, as though they will be eligible to apply for support. The Scottish Government has announced a scheme for seafood resilience, and around £6.5 million from that scheme is targeted at the shellfish sector—both wild catching of shellfish and shellfish aquaculture. The support will be welcome, because the shellfish industry has certainly been hit by the current problems. Of course, we are affected not only by the impact of the Brexit changes, but by the impact that Covid is still having on markets.

However, I want to make it clear that it is not only the shellfish sector that has been affected. Our white-fish fleet has also been significantly affected by a volatile marketplace and volatile prices in the market. As I said, the fleet is having to limit its fishing activity to ensure that the market is not oversupplied. Although the seafood resilience scheme is welcome, I make it clear that the Scottish Government might need to look

beyond the shellfish sector to the white-fish sector, too.

10:45

**Claire Baker:** Will Jimmy Buchan comment on the task force and the compensation scheme?

**Jimmy Buchan (Scottish Seafood Association):** [*Inaudible.*]—members. I thank the committee for allowing me to give evidence.

The task force has not met yet, but there are a number of key issues that I will need to raise with it. It must be completely focused on actions that are deliverable. Time will tell on how successful that will be.

The way in which the compensation scheme has been issued has been badly handled. There has been no direct dialogue with the industry. It is okay to launch such schemes; £23 million is a lot of money, but the industry has haemorrhaged a lot of money. There are key concerns about eligibility regarding who can apply and on what grounds they can apply. There are many unanswered questions, and many businesses will be angry and upset about the fact that, although they have made financial losses, they cannot apply for the scheme as it is written at the moment.

**Stewart Stevenson:** This question is directed at Jimmy Buchan. Four years ago, on 17 January 2017, I led a members' business debate on the Scottish Fishermen's Federation's sea of opportunity campaign. One of the things that I said in my speech in that debate seems to have been ruinously optimistic. I said:

"Even the worst-case scenario should leave us able to sell into the EU".—[*Official Report*, 17 January 2017; c 82.]

Of course, we now find that, in the shellfish sector, there is an absolute ban on certain of our valuable products, which are important for many small communities around the coasts of Scotland. In addition, in practice, although there are—[*Inaudible.*]

What steps would the seafood folk you represent like to be taken—that can be taken under the agreement that has been reached—that might offer relief from the substantial difficulties that the industry is facing in exporting to the EU?

**Jimmy Buchan:** There are probably a number of things that can be done. The Governments of Scotland and the UK need to sit down with their counterparts in the EU, because we must find a slicker, smoother and faster route to market. I know that people will be critical of that, but all things are possible. We need a willingness on both sides, from which better outcomes can flow.

The deal that we have falls far short of any aspiration of anyone in the seafood trade, whether

catcher, processor or logistics operator—I will not hide from that. It is the worst-case scenario, in which businesses are struggling to get seafood to market. However, we are where we are, and we must work through the issue case by case and item by item. We must look at what needs to be put in place to improve the situation and get things back to some sort of normality, bearing in mind that we have a new normal—that is, consideration needs to be given to whether the Government can give assistance with the cost of the export health certificates and the paperwork trail. All those things cost money. If we are talking about an extra £200 per consignment, even a small company that has five consignments a day will be looking at an extra cost of £1,000, which will have to come out of the bottom line of the business.

Small businesses have been hit really badly in that regard. We must look at having a system that compensates for that loss or we will lose those businesses. That might encourage more small traders to start trading again, because part of the reason why we are where we are is that cost is part of the blockage. That applies not only to the cost of the paperwork, but to the profitability of a deal.

There are many things that we can do. I have suggested a number of times that we should be looking at having a Scottish customs clearing house. That would mean that the products would be cleared in Scotland, so that seafood, which is a perishable good, could flow far faster into Europe, because it would not be subject to border controls.

In relation to political will, that is far beyond where I am allowed to negotiate. All that I can do is make suggestions in trying to solve our issues.

**Stewart Stevenson:** That is interesting—particularly your point about a Scottish customs clearing house. The Irish had American immigration officers based at Dublin airport to support free passage into the United States, so there is a model for that. If we had, in particular, French customs officials or people authorised by the French customs service in Peterhead and other important centres—[*Inaudible.*]—in the distribution centres—[*Inaudible.*]—that would be helpful.

You mentioned that both Governments should sit down with the EU, but, given that the UK Government has been extremely resistant to allowing the Scottish Government into the process and, indeed, is barring the Scottish ministers from the task force that will meet tomorrow, do you think that the Scottish Government should take steps on an unofficial basis because that is the only way that it can directly approach the EU and have appropriate discussions?

**Jimmy Buchan:** It is not for me to say what we should do officially or unofficially. I represent the industry only. That is a decision that you, the politicians, must make, so I am afraid that I decline to answer that directly. However, it is my understanding that the chair of the new task force has spoken to one of your colleagues, the fisheries minister for Scotland. I would encourage him to be very much part of the task force, because we have to solve the issue together—I cannot emphasise that enough.

I would not want to go to that meeting with one side and then find that it is working against the other Government. Both Governments have to sit around the table with stakeholders. That is my focus at the moment; it has to be a joint approach. We need to strip the politics out of this. I know that the issue is highly politicised but, at the end of the day, we must remember that this is about people's livelihoods and their jobs, and about our rural economies. I cannot emphasise enough that the issues can be solved but there must be a willingness on all sides, including among the suppliers.

**Stewart Stevenson:** I know that Fergus Ewing has always had a good personal and practical working relationship with his UK opposite number, so I have never thought that there were barriers of that kind. Indeed, Jimmy Buchan and I have historically represented different political traditions, but that has never stopped us talking and working together, so we know that it can be done and we will both nod to that.

In my final question, I will pick up that issue with Elspeth Macdonald. Jimmy Buchan has made it clear that the Scottish Government should be represented by ministers at tomorrow's task force meeting. It appears that that will not be the case, although I know that the Scottish ministers have been consulted, to some degree. Do you, too, feel that it would be helpful for the maximum number of people who have influence over outcomes to be sitting in the room, discussing the difficulties that we all acknowledge exist?

**Elspeth Macdonald:** You will forgive me if I am not fully up to date—I have been on leave for a few days this week and have not entirely caught up with all my emails. My understanding is that the Scottish Government is, indeed, being invited to join the task force. That is my expectation with regard to the meeting that I believe is scheduled for tomorrow. That is the current situation as I understand it. If that is not the most up-to-date position, it is possibly because I am not up to date with—*[Inaudible.]*—my email trails.

**Stewart Stevenson:** It is quite possible that I am behind the curve as well, but my understanding is that only Scottish Government officials have been invited and that ministers are

not invited. I—*[Inaudible.]*—particularly given the good working relationships that exist between the responsible ministers north and south of the border. It is not as though one would be introducing two bulls who were going to charge at each other in the room; there would be common cause among the ministers.

I will leave it there and let the next person in.

**Beatrice Wishart:** My first question is for Elspeth Macdonald. You indicated the reduced fishing activity and the volatile markets for white fish. We know that fish prices in Peterhead, for example, have fallen by up to 80 per cent. Can you indicate the number of boats that are landing catches in Denmark? That was referred to last month; I would like to know whether there are still high levels of landings in Denmark and what those levels might be.

**Elspeth Macdonald:** I do not have the detailed numbers at my fingertips, but I understand that some Scottish boats are still landing in Denmark. It is important that we recognise that, given the fishing patterns at this time of year, it would not be unusual for some vessels to land there. Some vessels did so during part of January, and I believe that that is continuing to some extent.

That option is not open to everybody—it would tend to be the larger vessels that do it, and it would be vessels fishing in the North Sea rather than on the west of Scotland. It would be a very long and expensive trip from there. That obviously has an impact. There is a cost to the vessel, including additional fuel costs in making the journey there and back. However, some vessels will have taken the decision that that is a price worth paying for a more stable market at Hanstholm in comparison with the situation at home. There will be an impact on our home ports, of course. If the fish is being landed in Denmark instead of in Lerwick or Peterhead, that will have an impact on businesses in those places. That is the current situation.

**Beatrice Wishart:** Thank you for that. I was also going to mention factors such as the weather at this time of year. Landing in Denmark is not unusual, but I wanted to get an idea of the difference between previous years and this year.

I will turn to Jimmy Buchan. You referred to the cost to small producers in particular, and the process of getting products from Scotland to the EU market. Where, exactly, do you see the flashpoints?

**Jimmy Buchan:** It seems to be an ever-changing picture. Originally, the problems were at the hubs. We have sorted out quite a lot of those problems, and we are moving fish much more smoothly now, in week 5 or 6, than we were on day 5 or 6. The industry has progressed quite



significantly. The larger operators, which stay away from groupage, are managing to send whole lorry-loads. There is a difference between the bigger companies that have the resources and the wherewithal to send full loads, and the smaller operators, which depend on groupage and hubs.

The issues seem to flare up at different points. There are still some reports coming back about issues at the border control posts, including their being slow and whether the stamp ink on the paperwork is the correct colour. I have called for there to be an industry standard across Scotland, the UK and the EU, so that we are all singing off the same hymn sheet. One border control post can accept the paperwork, but, at another post, the signature flashes up as being in the wrong colour of ink. That needs to be ironed out. Such anomalies are causing problems. There is a lack of confidence in putting more fish into the system because people do not know whether the product that they have bought will reach the market.

The obstructions are at the border. Therefore, we must ensure that the control posts can cope with any increase in volume and that the fish do not get stuck. I suggest that we should look at having a Scottish customs clearing house, so that seafood, which is a perishable and time-limited product, can be approved, signed off and sealed in Scotland and go right through to Boulogne-sur-Mer and into the rest of Europe. That would help to protect the thousands of jobs that depend on the seafood industry and help businesses to operate fairly. There are lots of things that we can do, but they are not a quick fix.

**Jamie Halcro Johnston:** I will pick up and expand on a couple of points that have just been made. Last night, the Rural, Economy and Connectivity Committee took evidence from representatives of the seafood sector and a number of other key areas, including hauliers. Jimmy Buchan mentioned some of the blockages, including that caused by different coloured inks. Perhaps that is to do with some of the border staff in other countries being inexperienced—I think that France and Holland were highlighted as examples in that regard.

There is also the issue of regulations not being followed in Europe. The requirements of some regulations are simple, but they are not being followed in part. That has been a real issue, although some of the witnesses at yesterday's meeting seemed to express some positivity that it was being addressed.

There are still concerns about the level of paperwork that requires to be completed, and there is a call for e-certificates and the like. Andrew Charles flagged up in that meeting that, for some of the smaller producers, the paperwork and the certificates are expensive. Do you support

there being a cap on the cost of the required paperwork and e-certificates to make things more viable for some of the smaller producers? Would that be a positive approach to take? Perhaps Jimmy Buchan could respond to that first.

**Jimmy Buchan:** I have been calling for that. We need to get everybody back to their normal practice of exporting, regardless of size or scale. As I said in response to an earlier question, one of the prohibitions is the sheer cost for small operators. We have to find a solution that allows the small operators to trade but that is, at the same time, fair and equal across the trading spectrum. You cannot have one side of the industry getting financial aid to help them compete in the same market. Whatever the solution might be, the system must be fair and allow everyone to trade.

Given where we are right now, if we do not do something, we will lose small traders. As we all know, everyone in the economy counts. We should not let market forces take their toll. The Government needs to act fast. I have been calling for that, and I still take that view.

**Jamie Halcro Johnston:** What is Elspeth Macdonald's opinion?

**Elspeth Macdonald:** I do not really have anything to add to Jimmy Buchan's points—he set matters out well.

**Jamie Halcro Johnston:** My understanding is that the Scottish ministers and officials have been invited to be part of the task force, although the Scottish Government has expressed concern that they have not been asked to co-chair it. Is it your hope that Fergus Ewing and other Scottish ministers will be involved in the task force and attend its meetings?

**Elspeth Macdonald:** It would be hugely beneficial for them to be involved. As Jimmy Buchan said, we want to take the politics out of this. This is not about politics; it is about trying to resolve issues, make it easier for our businesses to continue to operate and make the systems work better. That is in everybody's interest. Fergus Ewing has been very vocal in raising the issues with the UK Government through the EU exit operations—XO—committee and he has been actively involved in talking to the industry directly. He has a good understanding of the issues that the industry faces and it would be very beneficial for him to be involved in the task force.

**Jimmy Buchan:** It is a task force—it has a job to do. Brand Scotland is at the heart of this, and it is critical that the minister who represents Scottish interests is at that table. I do not know whether that is a popular view, but I am saying it now. The fisheries minister, who represents the industry, needs to be at the table, because this is not about

politics; it is about action and delivery. The task force will not get on its feet if we cannot strip out the politics, get round the table and get us going. People's jobs and livelihoods are at risk.

I want to make a point that is not in response to Mr Halcro Johnston's question. There have been reports of an 80 per cent drop in the value of fish. We need to remember that there is a pandemic, but, last week in Peterhead, fish was £1.20 more expensive—per kilo—than it cost in the same period last year. Although we are saying that fish has dropped in price, the picture is variable and its value goes up and down. That is to do with supply and demand. I needed to put that point across, because although 80 per cent sounds like a huge drop, in the same week last year fish was £1 less expensive than it was last week.

**Jamie Halcro Johnston:** Thanks, Jimmy—that is really helpful.

One of the points that was raised yesterday was that areas such as groupage have improved. DFDS, which is a major haulier, was talking about that, and was able to guarantee next-day delivery, albeit with slightly extended timescales. We have seen huge issues since the beginning of January, but it has steadily got better. Would you both acknowledge that, although there is still a way to go in transport and exporting, things have improved considerably since the beginning of January?

**Jimmy Buchan:** Definitely. As I said, we are in a much better position in week 5 or 6 than we were on day 5 or 6, but we are a long way off being able to scale up what would be our normal export logistics. There is much work to be done.

A number of companies out there still need some help. They are small businesses and this is a huge change in their operational practices. I know what it is to operate a small business. You are so busy in the business that the administration can be quite cumbersome and overpowering, and simple mistakes can be made.

That leads me to another issue that I would like to raise at this point. We have to achieve a 100 per cent pass rate in every single paper that is presented. We are all human, and we all make errors, with the best will in the world. Until we get some understanding that simple errors are acceptable, we will be under a regime in which the flow of goods is restricted unless the pass rate is 100 per cent. Common sense has to prevail. I am finding the situation very difficult, because it is humans who are behind businesses and we all make simple errors—it might just be a keystroke or a digit, but it is so important. The industry is struggling a wee bit with that.

**Jamie Halcro Johnston:** Does Elspeth Macdonald want to comment?

**Elspeth Macdonald:** Jimmy Buchan has more detail on that from his membership on the ground than I have. However, my sense is that, although things are better now than they were in the first two weeks of January, there is still a long way to go. As Jimmy said, we are not yet at full export volumes or capacity. I was at a meeting yesterday at which Donna Fordyce of Seafood Scotland pointed out that we are not that far away from Easter—although it might not feel like that, as I sit here in Deeside looking out at a foot of snow on the ground. Easter is a particularly busy spell for seafood exporters, so we are only six, seven or eight weeks away from needing export capacity to be much greater and systems to be working much more efficiently.

**Jamie Halcro Johnston:** There is no complacency. There is a lot of work for the task force to do. Thank you.

**The Convener:** I will bring in Kenneth Gibson next.

We seem to have lost Kenneth. Does Ross Greer want to come in? I am sorry to spring that on you, Ross.

**Ross Greer:** Yes, I can do that, convener. My questions relate to the ones that Jamie Halcro Johnston asked, so this is a convenient moment to ask them.

Over the past few weeks, since the start of the year, we have heard reports about the impact on the road haulage industry and its challenges in getting to mainland Europe, which have led the sector to make changes. There have been reports of lorries travelling empty to mainland Europe when they have been going to collect a consignment to bring back here, so they have not been taking goods from the UK to Europe. Obviously that is having an impact on UK producers who want to export. What discussions have the witnesses had with the road haulage industry recently? What impact has there been on producers in your sectors? We have heard about lorries getting stuck and consignments of seafood, in particular, being spoiled before they could be exported.

**Jimmy Buchan:** Thanks for that question—I presume that it was for me. I have been engaging with the three main hubs in the central belt—Mesguen, O'Toole Transport and DFDS. To be fair, there are a lot of commercial sensitivities, so the companies are limited in what they want to share with me. However, they are engaging, not daily but certainly weekly, and we are working through my members' problems. Things are flagged up that we can take away and discuss with our members, to try to speed up the system. However, the companies have not shared with us

the commercial issues that result in lorries being empty or full.

**Ross Greer:** Are producers finding it harder to get hauliers that are willing to take their loads, or is that not having an impact at your end of the process?

**Jimmy Buchan:** When it comes to transport logistics, there was enough there prior to the UK leaving the EU. The infrastructure is still there.

Confidence and the speed of the system, which are needed to scale up, are restricting things, rather than the logistics having moved elsewhere. Business is business, and logistics will respond to demand, but logistics can only respond to demand if the flow either way works effectively. Lorries may be trapped on one side, but we need them to return to pick up the next consignment. The speed of outward and inward journeys is critical, and that is why we have to get border control posts flowing faster, slicker and smoother, from the producer right through.

11:15

**Ross Greer:** The other questions that I was going to ask were covered by Jamie Halcro Johnston and relate to the quirky admin issues, such as the colour of ink that is used. Unless anyone has anything to add on that topic, that is all from me.

**Kenneth Gibson:** I welcome our panel of witnesses and thank the convener. I hope that I do not cover ground that I inadvertently missed while I was disconnected. Looking at this as a layperson, I see that, because of all the difficulties that we had in the first few weeks, the Governments north and south of the border have struggled to provide support for the industry. I am sure that that support was very welcome.

We can argue about quotas, but it will be a major issue if fewer people are buying fish and there is a loss of markets in the short and long terms. What is the industry looking for from both Governments as assistance in trying to reclaim markets that might be lost once the issues that we face are minimised—if, indeed, they can be minimised?

**Elspeth Macdonald:** I said earlier that people in Europe want our product—they want to eat it and businesses want to process and sell it. I hope that before too long, restaurants and hospitality will reopen and people will want to eat out again and enjoy our great produce. The market is there.

It has been difficult to get product to market, and the markets have been depressed because of the impact of Covid. We had discussions not dissimilar to this one some months ago, when we first felt the impact of Covid.

It is about what the Governments and the industry can do, politically and collaboratively, to ensure that we maintain markets. Jimmy Buchan spoke about brand Scotland. We have to ensure that we use the vehicles of Governments and industry's own effort to make continuing to get product to market as streamlined as possible. The market exists and it wants the product, so let us collaboratively make every effort that we can to meet that demand.

I spoke earlier about the handcuffs that the Brexit deal has put on the catching sector. However, I also want to point out that there are some upsides. The deal gives the UK regulatory autonomy in fisheries management, which we feel is a benefit. In the short and long terms, we need to consider how we manage our fisheries and support our industries in doing that. I hope that the Parliament will have an important role in that. Fisheries management is a devolved matter, and the Fisheries Act 2020—which was passed with the legislative consent of the Scottish Parliament—gives very significant powers of fisheries management to the devolved Administrations.

There is much that we can do to take the industry away from some of the very prescriptive, inflexible, top-down and heavy rules of the common fisheries policy, and move us to much more flexible, innovative and adaptable legislation in order to ensure that we can manage our fisheries better. Although we are rightly fixated and focused on the immediate problems and headline issues, we must not lose sight of the fact that we are now an independent coastal state. We might have on handcuffs in terms of access and quota, but we are not handcuffed in the same way in relation to our regulatory economy and the ability to do things differently in UK waters. That is something very important in which the Parliament will have a key role to play.

**Kenneth Gibson:** Thank you very much for that. I am pleased about the optimism for the sector.

Mr Buchan, I want to ask about costs and competitiveness. Elspeth just talked about the reduction in regulatory oversight. That might not be the correct term; it might be that there will be a different regulatory regime. What are we looking at in terms of the overall impact on the sector? On the effects on fishing, for those who get through the first few months, will the impact be neutral, in effect? Will the sector be, for example, 5 per cent worse off in respect of its marketplace position? I realise that that is difficult to quantify, but where are we in our ability to compete in markets? If there is a negative differential, are you looking to Government to fill that gap or just for industry to become leaner and meaner?

**Jimmy Buchan:** In the deal that we have now, there is an imbalance in trading arrangements such that the EU is still enjoying the full benefits that existed pre-Brexit. The EU has erected no tariffs and no controls; businesses just load the product on and send it to the UK. We, obviously, have had to adhere to a new system since 1 January. Until we get nearer that situation, you might find that there is not willingness to sit down and discuss it. However, if the EU importers were finding the same arrangements that we are as exporters, I think that there would very quickly be unrest; or, if not unrest, a lot of voices being raised. Then there would be more willingness to discuss the issue more openly. That is one point that I would like to make.

With regard to the future, the industry does not want to have to be too dependent on money from Government. The Government has quite a lot of the keys; it has to unlock the doors. The industry is ready and willing to look at any market opportunity, and the Government holds some of the keys to the doors. Unless they are unlocked and things are made easier for the industry, we will have problems.

One issue that I would like to see being discussed is some sort of alignment of standards. Our bivalves are now unacceptable to the EU, but they were okay to go there in December. The water has not changed; it has happened because of political interference. Governments need to strip that out and realise that we are trading nations. We do not have to be politically aligned, but we are still trading nations and will benefit from trade in both directions. As long as there are restrictions, industry, businesses and people will suffer from the outcomes. It is all about political will and giving the industry the ability and the tools to do the job that it wants to do.

**Kenneth Gibson:** I completely agree with that. I am sure that the industry wants as little to do with Government as possible and to just get on with the job that fishermen and others in the industry want to do.

It is difficult, though. The British Government is, in effect, not putting up barriers, so there is not much incentive for the EU to lower its barriers, given that it is getting all the advantages and none of the disadvantages from the situation. That is a particular difficulty.

Do you fear that the transitional agreement will, de facto, become permanent? We are talking about five years, but do you think that things might never really move forward, or are you confident that the arrangements will, ultimately, deliver for fishing communities?

**Jimmy Buchan:** I am not close enough to senior politicians—those in Government or even

anyone involved in negotiation—to be able to answer that. That is a question that can periodically be raised, but we are not in a good position right now. However, we must never give up; we must keep working. With willing partners, we can resolve a lot of our issues and have some sort of “new normal”—those are the words that I would have to use. We are on a completely new trading platform.

As I said, when things change for the other side, we might find that a keener and more eager counterpart will come back to the table, saying, “This isn’t working for us, either. How can we make it better?” At the end of the day, we are trading nations, as I keep saying.

Politics gets in the middle of it all, and we have to deal with that, but the politicians are the ones who can unlock the doors. As Elspeth Macdonald said earlier, however, we do not even know what Government will be in power five and a half years from now, so it is a difficult prediction to make—one that I would not even care to make.

**Kenneth Gibson:** Yes—I appreciate that. Elspeth Macdonald said it, too. Just before Elspeth responds, I note that the Hague preference has been lost, which will have an estimated cost of £9 million to the industry. How can that be made up and the money replaced?

**Elspeth Macdonald:** Your original question was about a risk of finding that the situation and adjustment period become permanent. That is absolutely a concern; it is a real worry. More than that, it is a matter of existential anxiety for the industry that the arrangements for the adjustment period might become permanent. That is why we need to do the work now within the industry, and with the Governments north and south of the border, to understand the impacts of a change to the arrangements. As Jimmy Buchan and I have both said, none of us can predict what the political landscape will look like, but we can at least understand what the impact of changing the current access arrangements would look like.

As I think I said in my opening remarks, there is a risk that, if we are not able to make changes to the current arrangements, we will find ourselves trapped in another long-standing disadvantageous relationship with the EU on fisheries. We might, indeed, now be an independent coastal state, which we were not when we were a member of the EU and were constrained by the CFP, but without changes we would be a coastal state with our hands tied behind our back. We would simply not have the same normalised relationship with the EU on fisheries that Norway and the Faroes have, for example.

On your specific question about the Hague preference, we knew that we would lose the

mechanisms of international quota swaps and the Hague preference from the common fisheries policy when the UK was no longer in the CFP, and that is why it was so important to ensure that the baseline for the quota uplifts included the mechanisms. That is what the Government failed to secure.

The treaty makes provision for international exchanges between the two parties. Bilateral discussions between the UK and the EU on fisheries arrangements for 2021 have been happening. It will not be possible to add access to those discussions, because that has already been conceded through the treaty, but there is an opportunity for the UK and the EU to exchange what we call fishing opportunities—to make some changes in quotas for the year ahead. The UK has been clear that that will be a priority for us.

There is an opportunity to do that through the annual rounds of negotiations that will happen, but there will be other opportunities for international exchanges between the parties during the year. That mechanism, which has not yet been established, will be overseen by the specialised committee on fisheries, which is one of the new bodies that must be set up through the requirements of the treaty.

11:30

We need to establish those new mechanisms quickly, because it is now a priority that we are able to bridge the gaps between our new shares and what we would have been able to secure through swaps and the Hague preference mechanisms. There is provision; we now need to ensure that the mechanisms are prioritised and can be put in place as quickly as possible.

**Dean Lockhart:** Quite a few of my questions have been answered, but I would like to follow up on the discussions about regulatory autonomy under the trade and co-operation agreement, which will enable the introduction of a new fisheries management system. Elspeth Macdonald said that that will allow us to move away from some of the impractical and inflexible regulations in the CFP, and that there are significant devolved powers in that area. Will you highlight some of the specifics that you or the sector could look for in the arrangement of a more bespoke fisheries management system for Scotland, as well as for the rest of the UK?

**Elspeth Macdonald:** An example that comes immediately to mind is the common fisheries policy landing obligation, which was essentially a political mechanism—or a political fix, if you like—that was put in place to address a real practical fisheries management problem that related to discarding of fish. Nobody wants to discard fish,

but in practical terms it is unavoidable in some cases, particularly in the mixed fisheries in our demersal fisheries in the North Sea. The EU's landing obligation was very much a political fix to a practical problem. We need a practical solution to a practical problem rather than a political solution. The regulatory autonomy that we now have in the UK through the agreement and the powers in the Fisheries Act 2020 will enable us to look at how, in the future, we will address the issue of discards in the UK and Scotland.

We have already started a dialogue on that with Marine Scotland, which published a strategy document just before Christmas that set out its ideas and thinking about the future of fisheries management. *[Interruption.]* I am sorry if you can hear a background noise—it is my puppy squeezing a squeaky toy. Ideas in that document set the framework for how we can move forward on some issues.

The industry does not want to discard fish any more than other people want the industry to discard fish, but we have to recognise that that is a practical problem, and that we need to find a better way of addressing it that allows us to take discards into account when we are doing scientific analyses of stock assessments, for example.

That is one example of how we can find better solutions to practical problems. Those solutions can be determined based on our own specific circumstances, rather than on compromises that are made to try to address the circumstances of many different countries.

**Dean Lockhart:** That sounds reasonably optimistic regarding some of the benefits that we can look forward to in fisheries management.

Will changes to the fisheries management system benefit Jimmy Buchan's members directly or more the catching side of the sector?

**Jimmy Buchan:** That is definitely one for the catching sector. However, remember that we are an integrated supply chain, so any benefits or disadvantages that affect the catching sector will have an impact on the onshore side of things. For example, Elspeth Macdonald highlighted earlier that, in some cases, our white-fish catchers will have fewer fish, or fishing opportunities, this year. That will have a direct impact on my members, who cannot simply tie up. They have staff to pay and business rates to adhere to, and all the things that come with normal business. If a business has less raw material, that has a significant impact on its operations.

That kind of knock-on effect creates the huge problems that we are struggling with—not only in exporting, but in fish processing in general. That is why I would call for some infrastructure investment to improve innovation, certainly to improve

efficiencies, and to modernise our factories and get them up to date so that we can compete not only domestically in the UK, and in the EU, but globally.

There are opportunities, and we have to look to the future and be, dare I say, adventurous. Although we have huge problems at the moment, we must never stop being outward looking or looking out for the best interests of everyone in the supply chain.

**Dean Lockhart:** We are up against the clock, but I appreciate those very helpful replies. Convener, I know that we are running against time a bit, so I hand over to you.

**The Convener:** Thank you very much, Dean. Christine Grahame is our last questioner.

**Christine Grahame:** I am a real tail-end Charlie here, and an absolute greenhorn about the fishery business—much more so even than my colleague Kenneth Gibson.

I have listened for ages, and I agree—I wish that politics was not in this. However, we came out of the EU in order to take back control of the fishing and to get rid of a lot of red tape and, as far as I can see, none of that has happened.

The note that I am looking at says that it takes 71 pages of paperwork to export one lorry of fish. Jimmy Buchan explained that a tiny wee mistake in one of the bits of paper makes everything go down the tubes. I am also reading that 76 per cent of all seafood exports from Scotland went to the EU and were worth £703 million a year. That is a big chunk of our economy.

I am also looking at a quote from Mr Buchan:

“these are not minor impediments to trade. The industry in Scotland has basically ground to a halt and businesses that employ hundreds of people in communities around our coastline are losing money. In some cases, they are close to going under.”

That is a big, big problem.

How on earth will the UK, having just agreed a treaty in which, it seems to me, all the aces in the pack are in the hands of the other European countries, get you a better arrangement over the next five years? I have huge concerns about that, because I cannot see what cards the UK has to play.

Secondly, while this mess is going on for you—I have huge sympathy—what will your competitors do? Surely they will see a gap in the market, and I know that Spanish fishermen and whoever will start jumping in and taking your trade.

I appreciate that you want to take the politics out of it. I am talking about not party politics, but politics across nations. I really cannot see how, in a practical way, you will get it much better over the

next five years, albeit that you might tweak it a bit. Please tell me that I am wrong. *[Interruption.]*

Mr Buchan, come on. You are the man—

**Jimmy Buchan:** Yes, absolutely. I am just waiting for the lead.

**Christine Grahame:** You are a man of the sea. You are hands-on. I like you. Let me hear from you.

**Jimmy Buchan:** I cannot disagree with what you said. You have highlighted the situation splendidly from your point of view. From my point of view, politics has very much been involved. In the past four years, there have been many opportunities for things to be done differently, but politics from every angle opposed that. Everybody was against everything that anyone wanted to do.

In my opinion, we have ended up with the worst of the worst of the worst. As I said, there were many opportunities. Right from the get-go, we could have got in the room and got out of Europe while staying in the single market and the customs union. That option was on the table, but it was rejected. I cannot take the blame for what has happened politically, because I am only one person who represents one industry.

You are absolutely right that the position does not look good, but both Governments—I keep emphasising that—should get back in the room and start to work collectively with our EU counterparts to find new, palatable trading arrangements. That is a big ask.

I emphasise that, in the next few weeks, there will come a point when the EU will have to export to us as well. We are a huge nation, and we are as important to the EU as it is important to us. There has to be some sort of reciprocal agreement that will improve the situation. I know that that looks like a big ask, but I am a greater believer that good things can happen if there is willingness on all sides. However, if we keep opposing ourselves and tearing ourselves apart politically, we will finish up in the wilderness, with everyone dissatisfied with everything that we have done.

**Elsbeth Macdonald:** Before the deal was concluded, my membership in the catching sector was clear that getting a good deal on fisheries could be a demonstrable benefit of leaving the common fisheries policy. The UK Government has not secured a good deal on fishing, so that benefit has not been delivered. It might be delivered down the road, after the five-and-a-half-year adjustment period, but, as I have said, there is not a straightforward solution. There is a lot that we need to do in considering what that world would look like and what it would mean.

Having regulatory autonomy in our own waters is beneficial and a big step forward, and we must

ensure that we take advantage of that. The industry is very supportive of having that autonomy. It is interesting to note that, although the UK industry is not happy about the fisheries agreement overall, much of the EU industry is not happy about it and does not feel that it is a good deal, either.

**Christine Grahame:** I have learned a lot from listening to the witnesses. A lot of these matters are very technical and detailed. I hear what Ms Macdonald has said. My concern is that, over the five years—or even immediately—our competitor fishing nations will take over. In the meantime, as the Scottish onshore and processing market sinks, with goods being sold in Denmark and so on, those nations will take over. Once markets are lost, they are lost and cannot be reclaimed. I am sorry to be so downbeat, but that is my take on the situation, as someone who represents those in the rural economy—although there is no fishing in my patch, except for salmon. I thank the witnesses for their very interesting evidence.

**The Convener:** I do not know whether the witnesses are aware of the *Financial Times* story that ran six hours ago about Brussels rejecting UK requests to overturn an export ban on live shellfish. The article states:

“European Commission officials told the *Financial Times* that Brussels would not grant the UK a special export health licence for the trade in ‘live bivalve molluscs’”.

Does Jimmy Buchan want to come in on that?

11:45

**Jimmy Buchan:** That is news to me. I have not had a chance to read the papers yet, because I had to get in to set up for this evidence session.

As I have said, there is political to-ing and fro-ing back and forth, but nothing is cast in stone. The situation is difficult and there are businesses that will be badly affected by it. That issue concerning the export of live shellfish was certainly not on my radar, but we are where we are, and we must get Government to intervene and help in the short term. However, our industry is not here to get Government handouts; it is here to provide work and wealth for the communities that it serves and to pay taxes to benefit all of the rural community and the wider economy.

**The Convener:** Sure. You have both expressed optimism—you have hope—that we can get things sorted out and get on to a better footing. If that were to happen—I know that it is a big “if”—would you be able to get back the markets in the EU that you have lost?

**Jimmy Buchan:** I think that Scottish seafood is world class and I am a huge ambassador for it, but I think that there is much more that we can do in

our homeland—Scotland, specifically—and in the wider UK. We are in the middle of a pandemic, and I think that we should be doing much more to promote the benefits of eating seafood. We could do much more in schools to educate tomorrow’s mothers and fathers so that they know that eating fish is not only good for them but has huge wider benefits. There is much more that we could be doing, but we sometimes become too focused on one thing. We have lost our near market, and I have been extremely passionate in arguing that we should be doing much more to promote and sell fish to our home nation, albeit that we must still have a keen eye on our export market.

It is difficult to get back a market that has been lost. However, I stand by the view that, geographically, we are well placed on the globe, given the fish and the seas that we have. Fishermen have done a huge amount on sustainability in the past 10 to 20 years, and if we keep that programme going, we will have great seafood for years and years to come. Politicians have a part to play, but business has a bigger part.

**The Convener:** Did you want to come back in, Elspeth, or are you okay?

**Elspeth Macdonald:** No. I am fine, thank you.

**The Convener:** We are just over time, so I thank Ms Macdonald and Mr Buchan for giving evidence today. I know that you had to clock on quite early because we had the session with the cabinet secretary first. It was a long session, and I really appreciate your patience—thank you very much.

That concludes the public part of this morning’s meeting.

11:48

*Meeting continued in private until 12:27.*





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