

Constitution, Europe, External Affairs and Culture Committee

Thursday 18 January 2024



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CONSTITUTION, EUROPE, EXTERNAL AFFAIRS AND CULTURE COMMITTEE 2nd Meeting 2024, Session 6

CONVENER

*Clare Adamson (Motherwell and Wishaw) (SNP)

DEPUTY CONVENER

*Donald Cameron (Highlands and Islands) (Con)

COMMITTEE MEMBERS

- *Neil Bibby (West Scotland) (Lab)
- *Keith Brown (Clackmannanshire and Dunblane) (SNP)
- *Kate Forbes (Skye, Lochaber and Badenoch) (SNP)
- *Mark Ruskell (Mid Scotland and Fife) (Green)
- *Alexander Stewart (Mid Scotland and Fife) (Con)

THE FOLLOWING ALSO PARTICIPATED:

Steve Carson (BBC Scotland)

Alan Dickson (BBC)

Angus Robertson (Cabinet Secretary for Constitution, External Affairs and Culture)

Louise Thornton (BBC Scotland)

CLERK TO THE COMMITTEE

James Johnston

LOCATION

The Robert Burns Room (CR1)

^{*}attended

Scottish Parliament

Constitution, Europe, External Affairs and Culture Committee

Thursday 18 January 2024

[The Convener opened the meeting at 08:47]

Decision on Taking Business in Private

The Convener (Clare Adamson): Good morning, and welcome to the second meeting of the Constitution, Europe, External Affairs and Culture Committee in 2024. Our first agenda item is a decision on taking business in private. Are members content to take agenda item 4 in private?

Members indicated agreement.

The Convener: Our colleague Kate Forbes is joining us remotely today due to the weather that seems to be affecting most of Scotland.

BBC Annual Report

The Convener: Our second agenda item is our annual evidence session on the annual report of the BBC, which has a firm place in the committee's calendar. We are delighted to be joined by Steve Carson, director, and Louise Thornton, head of commissioning, both from BBC Scotland, and by Alan Dickson, chief financial officer at the BBC. I welcome them all warmly and invite Mr Carson to make a brief opening statement.

Steve Carson (BBC Scotland): It is a pleasure to be here, before the Scottish Parliament's committee with responsibility for culture, and I am delighted to have alongside me the BBC's chief financial officer, Alan Dickson, and the head of commissioning for BBC Scotland, Louise Thornton.

The year under review in the BBC's annual report and accounts, as laid before the Scottish Parliament, runs from April 2022 to March 2023. That period included the death of Her Majesty the Queen at Balmoral, when BBC Scotland's teams were central to the coverage of events for our audiences at home and around the world.

During the time under review, we delivered high-impact content, including the powerful drama "Mayflies" and the creative documentary account of Brandon Lee's story in "My Old School", both of which went on to win awards from the British Academy of Film and Television Arts. We invested in content from across Scotland, including the drama series "Granite Harbour", which was based in the north-east, and "An Clò Mòr", a Gaelic-language family drama set in the Harris tweed industry, series 2 of which started this week on BBC Alba.

I would like to mention a few highlights that are beyond the scope of the time period covered by this annual report but that may be covered in our next annual report and accounts. The BBC's "Across the UK" strategy has seen an increase in network commissions and co-commissions, through Louise Thornton, including "Shetland", with the successful introduction of a new lead; "Vigil"; and "The Traitors", which was the biggest new series for young audiences across all BBC titles last year—as you know, its second series is currently on air.

Radio 1's "Big Weekend" came from Dundee in May. According to Dundee City Council, its estimated economic impact on the local economy was £3.7 million, which does not include the BBC spend or employment at the event. Audiences in Scotland responded very positively both in person at the event and through listening and viewing, as we know from iPlayer figures.

Other key moments included the hosting of the UCI cycling world championships in August, which was one of the biggest events that Scotland has ever staged. BBC Scotland was the media hub for global coverage.

Our news teams produced live online coverage for all BBC outlets when we were hit by storm Babet, in October. Since then, of course, there have been several storms.

It also feels appropriate to note the regeneration of one Scottish Dr Who into another Scottish Dr Who in what was the 60th anniversary year of the world's longest-running science fiction show.

Throughout 2023, we celebrated the centenary of the BBC in Scotland: last March, we marked 100 years since the first broadcast from Glasgow; we marked the first broadcast from Aberdeen; and, last December—showing our long-term commitment to the language—we marked the first broadcast in Gaelic. This year, we will celebrate the centenaries of BBC learning and education, as well as our first broadcasts from Edinburgh and Dundee.

We know just how central our partnership with Screen Scotland is to growing the creative economy. That includes shared training and development initiatives and joint investment in content on titles such as "Guilt" and "Granite Harbour". Screen Scotland's recent assessment of the economic value of the screen sector in Scotland noted that the BBC's content spend on TV production in Scotland represented fully three quarters of all public service broadcaster expenditure here during the year that was surveyed.

However, there is no doubt that we are operating under tight financial conditions. Since 2010, the BBC's income has reduced in real terms by more than 30 per cent, and, as every household and every business does, we face the inflationary pressures of rising costs.

We share with members of the committee the common purpose of public service. For us, that means continuing to evolve and adapt our output, supporting the creative sector to make and deliver content in ways in which, and on platforms on which, our audience want to consume it. All of that is set against a competitive and changing media landscape.

We know that the licence fee is a privilege. That unique funding model ensures that we create BBC Bitesize content that is bespoke to Scotland's curriculum; Gaelic services for speakers and new learners; our all-important news, weather and travel information for Scotland; new dramas that are filmed here as part of Scotland's vibrant creative sector; support and coverage of a wide range of music genres in Scotland; and broad

coverage of Scottish sport, through which we can look forward to following Scottish athletes at the Paris Olympics and the men's football team at the Euros this summer.

We can share more with you, I hope. Louise Thornton, Alan Dickson and I look forward to discussing the annual report and accounts, and associated matters, with the committee this morning.

The Convener: Thank you for that introduction—and for allowing me to host a showing of "Dr Who" at Christmas time at the Parliament on behalf of the BBC. It was enjoyed by all who attended.

I will open with a dive into some of the financial figures in the report. On page 9 of our papers, there is a breakdown of spend as a percentage of fee income by country. I find it difficult to understand. Is there a global—United Kingdom—strategic spend that Scotland contributes to? In addition, the figures that are given are percentages, which is helpful, but it would be good to have an idea of the magnitude of the figures, in real terms, for England, Scotland, Wales and Northern Ireland. I would also like to know how you have got to a spend of 111 per cent.

Alan Dickson (BBC): I will start by offering a few comments, after which I will ask Steve Carson to pitch in.

We are proud of the fact that it is a record year for BBC spend in Scotland: £262 million, against last year's figure of £241 million. That is an increase of £21 million.

The percentage spend of licence fee income in Scotland is now 86 per cent, which is up from 77 per cent last year—an increase of 9 percentage points. We are really proud of that. What that represents from a BBC executive perspective is Steve Carson and Louise Thornton not just spending more on local services and content for audiences specifically in Scotland but working with our network commissioners to deliver more growth. In fact, that is the largest number behind that increase—it is about £15 million.

Of course, that feeds into the BBC's total income. Last year, that was a record of £5.7 billion: £3.7 billion from the licence fee but also £2 billion from our commercial business. Scotland is an important part in that number.

With regard to the question of raising that income even further, I would like to make two points. One is that there is a lovely tendency when you look at an annual review to think that everything is static from one year to the next. Of course, everyone on this committee knows that that has not been the case, given the economy and the inflation that we have faced. In fact, the

annual accounts year that we are looking at is the first year of the licence fee freeze. We estimated that that would be a funding pressure of £285 million. In reality, with higher inflation, the figure is more than £400 million, so there is significant pressure.

Therefore, we are actually really proud to see that growth from Scotland, because the savings that we have had to make are not the same for every division across the BBC. Pushing that further means continuing the great partnership with network colleagues to see whether more drama or other content can be produced from Scotland.

The last thing to say is that, because of the economy of the BBC, it is important to note that viewers and listeners—all our audience in Scotland—enjoy content that is not represented in those numbers, such as "EastEnders" and major sporting events such as the Olympics and world cups, which do not contribute towards Scotland's spend. Scotlish audiences really value those things. Sitting even above that, of course, the licence fee has to pay for the World Service, which costs £250 million.

Therefore, there are real ambitions—and a strategy across the UK, which Steve Carson might want to talk about—to go further, but against that backdrop. That is why the numbers in the annual accounts are particularly impressive.

The Convener: Thank you for that. Wales and Northern Ireland are sitting at 111 per cent. Does that additional investment come from a UK pot of money?

Alan Dickson: Again, it will be a mixture of those two factors of how many network commissions are going through Wales and Northern Ireland and the local content. The infrastructure is also different in Wales and Northern Ireland, where you need fixed costs to be able to broadcast. Those areas have lower populations. You cannot pare back the investment in terms of the ambition, but we note those figures. We are constantly interested in the differences in the strategy with regard to how we might be able to improve the figures, and the strategy "The BBC Across the UK: the BBC 2022-2027" should definitely help us there.

Steve Carson: I will put a little more flesh on the bones of those numbers. On that metric that is published in the annual report and accounts of licence fee raised and spent in each nation, the direction of travel in Scotland is that it is growing strongly year by year. The figure in this annual report and accounts is 87 per cent of licence fee raised and spent. As Alan Dickson said, Scottish licence fee payers also contribute to the numbers

for global news gathering and global sporting events.

However, the context is that, in cash terms, between 2021 and this annual report, Scotland has received an additional £54 million-worth of content and investment. As Alan said, that is good going and against the trend compared to other parts of the BBC. For context, in the not-so-distant past, the licence fee raised and spent figure was in the mid-50s. We are coming to the end of this financial year and we are confident that we can show that trend growing further in the next annual report and accounts.

The Convener: That is helpful. Thank you very much. We will move to questions from colleagues, and I will bring in Keith Brown first.

Keith Brown (Clackmannanshire and Dunblane) (SNP): The total expenditure in the UK is around £6 billion, more than a third of which is raised from sources other than the licence fee. What is the equivalent figure for Scotland for money raised from sources other than the licence fee?

Alan Dickson: Steve Carson or Louise Thornton might want to talk about that. The commercial side of the business, which is growing—it has surpassed £2 billion for the very first time—might include things such as "Strictly Come Dancing" being rebadged as "Dancing with the Stars" and being sold across the world. It might include income generated through UKTV. The commercial side of the business is a rich seam and a growing business, and it also produces and has bases in Scotland. Louise or Steve might want to talk about that.

09:00

Steve Carson: BBC Scotland is clearly funded by the licence fee and is on the public service side of the BBC. Within that, we have several mechanisms for bringing in income. The Scottish symphony orchestra, which I am proud to say is an integral part of BBC Scotland, can make some revenue from ticket sales—it has a strong focus on bringing in young audiences, which it has done successfully—as well as from recordings.

Some income can come in through the licence fee-funded side. However, one of the ways in which we, in BBC Scotland, can bring inward investment into Scotland is by partnering with other broadcasters and other parts of the BBC. Louise Thornton has been particularly focused on that. It is what we call co-commissioning. We put our investment together with that of another broadcaster or another part of the BBC. Creatively and economically, that is a strong story for Scotland. Louise Thornton can comment on it.

Louise Thornton (BBC Scotland): The way in which my commissioning team is set up is that each commissioner looks after a certain genre and we have point-to-point relationships with the genres within the network. For example, when we work with our comedy colleagues to develop a new comedy series, we put in 50 per cent of the budget and they put in 50 per cent. From that, we generate income into BBC Scotland.

Beyond that co-commissioning partnership, we are working closely with our colleagues in our commercial and business affairs team to look at where the BBC-owned intellectual property can generate more income. For example, a growth market is within podcasts. You might have seen a trend for podcasts being optioned for drama series. When we create brilliant podcasts through our in-house production team, we are actively considering how we can leverage more income back into the BBC from those titles.

Alan Dickson: It is true to say that a relatively small percentage of the £2 billion commercial income that the BBC generates is derived from Scotland.

Keith Brown: I expect that it is, but, for the committee, in trying to come to an idea about the fairness of the apportionment of funds, it is an important figure. If it is not possible for you to give it just now, it would be useful to have it subsequently.

In my experience, there has never been a time when there has been such widespread concern about the output of the BBC and other broadcasters. Increasing numbers of people, including young people, are not paying their licence fee. It is not just young people-I am thinking about my mum. That is bound to have an impact. Part of the issue is related to what those people perceive to be the nature of the BBC's current affairs output. This week, we have seen reference to the fact that the BBC's "The Nine" programme could have as few as 200 viewers. I do not know whether that is true, but it has certainly been reported on social media. There are real concerns about that. In recent times, the director general of the BBC attended a meeting of Conservative MPs at Westminster. Can we, in this Parliament, expect a similar kind of courtesy from the director general? Is it possible to have direct communication with him to raise some of those concerns?

Alan Dickson: Previous directors general have appeared before the committee, Mr Brown, so I imagine that—

Keith Brown: It was not so much about the committee. The meeting that happened at Westminster was for a particular political party. Is that courtesy extended to all parties?

Alan Dickson: I am sure that the director general would be open to communication. If there are any issues or concerns to put to him, I am sure that he would respond accordingly.

Keith Brown: I will make one last point. The table that we have says that the spend as a percentage of the licence fee collected is 86 per cent. You referred to that figure. You also mentioned the fixed costs for nation-based organisations, about which the committee heard previously when it asked about Wales. If the nations are smaller, the spend gets to be larger. Given that there is a premium, if you like, to deliver services in Wales, Northern Ireland and Scotland, the 86 per cent figure seems quite small. It is less than 100 per cent of the licence fee collected and includes the premium that you have to pay. Is that a matter of concern and are you looking to address it?

Alan Dickson: No. First and foremost, we always look at our approach and strategy to address the need to serve audiences across the UK, particularly in Scotland, as well as we can.

At the top level, we have launched what is called the across the UK strategy, which, even in its early stages, is helping to support record growth. There are three aims behind the strategy. One is to transfer £700 million out of London to other parts of the UK between 2021 and 2028. That was not a financial or economic decision—we want to reflect the diversity of voice and the authenticity of all communities across Scotland and the UK. That is one thing that we want to do.

We also think that it is right to move the licence fee spend outside London. Everyone pays it in every part of the UK, so we think that that is important.

The final point is that we want people to be able to grow, nurture and develop their talent without having to move to London or anywhere else. We see the investment in creating vibrant hubs where people can have a career.

Steve Carson might want to say more.

Steve Carson: There are a few things to unpack in your question, Mr Brown. On the licence fee raised and spent, we would all agree that if every nation spent 100 per cent of the licence fee raised in nation, there would be no foreign news gathering bureaux and so on. The important thing is that the direction of travel in Scotland is that we are growing significantly year by year. That has been hard won; there has been confident investment from the wider across the UK strategy, and it also reflects the successful content that has been created with existing investment.

Structurally, Wales and Northern Ireland are smaller nations than Scotland. The cost of news

provision for 6.30 bulletins this year is common to all nations. It costs roughly the same to do them in Wales and Northern Ireland, but it is more expensive in Scotland, as it is a larger country. The cost is spread among a smaller licence fee base in Wales and Northern Ireland, which is why the figure has historically been higher there. Going back not too many years, Scotland's raised spend percentage figure was in the 50s. It is now in the 80s, and it is set to go above that.

Mr Brown, you also touched on coverage of the performance of our news programmes that has been in the press recently—specifically, the figure of 200 viewers of an episode of "The Seven" one Sunday evening. I think that all here would agree that we should not look at any show in isolation, whether by pulling out a single bulletin on a Sunday evening or even looking at an entire service, such as a news service on a channel or even TV news as a whole. We should not look at them in isolation from what they are, which is part of an integrated news division that operates across TV, radio, online and social media.

Quoting figures such as 200 viewers in isolation does not represent the actual performance of those titles. Audiences vary from show to show, but "The Nine" reaches more than 100,000 viewers every week and "The Seven" reaches more than 20,000 every week. On their own, they put news on the BBC Scotland channel ahead of any other news provider on digital TV in Scotland.

I am conscious that members have the Ofcom report "Media Nations" in their papers. That report from our regulator shows that, on its own, the channel is favoured by 10 per cent of the audience for news about Scotland. That is double the contribution of Sky News, and it is more than the main commercial radio stations put together. The channel makes a significant contribution to the news offer in Scotland on its own, but I would stress that it is not on its own. It is part of the BBC News Scotland portfolio—BBC One News, BBC Radio Scotland, BBC Alba, BBC Radio nan Gàidheal and, crucially, news online—and it is included in the start of reinforcing our bases right around Scotland.

The situation is not static. We are always looking at the balance of resource across all our services, and we have seen significant shifts towards moving more of our BBC News Scotland resource into online and our bases, where we have seen strong growth. It is not a static process. The investment that has been made in the channel and "The Nine" is an investment in resource and an investment in people. That has now gone right through our schedule. People such as Martin Geissler, Laura Goodwin, David Wallace Lockhart and Rebecca Curran are all either new to or have

been given opportunities with the channel, which is now part of our mainstream output.

The channel has always had a record of innovation and doing new things. We are proud of "The Sunday Show", which was the first radio and TV simulcast using resources and some of the talent from the channel. That process continues, and we continue to innovate to make sure that we have the right balance of resources across our services to harness the power of them working together as audiences change.

Alexander Stewart (Mid Scotland and Fife) (Con): Good morning, and thank you for your comments so far.

The record spend is very welcome and shows the commitment that is there. There have been some real successes, which you have touched on. Although audience satisfaction has proved to be good, there has been perceived to be some negativity in relation to how Scotland is portrayed by the BBC. That is an area for you to investigate and seek to make improvements in.

As you have said, you are having to compete to meet the demands of the modern viewer, whether younger or older, depending on what they are looking for. You must try to square that circle to ensure that you capture as many markets as you can. You are unquestionably achieving that in some areas, and I commend you for that, but there is the issue of how you manage to address the negativity.

You have mentioned the audience participation that is available with some programmes, and where you see the organisation going. I want to explore how you will cope as you look to the future. The BBC is unquestionably held in high regard; it has a certain status. However, you are competing with STV when it comes to local and regional news in Scotland and, in some ways, you are perhaps being overtaken.

It would be good to get a flavour of what you are trying to achieve and where you see the organisation going. What do you anticipate happening in the next year or two with regard to those areas that you need to command and control? Some of those areas are within your control and others are not.

Steve Carson: When it comes to the broader picture in relation to whether we are organised and have the right balance of resources across our services—TV, radio, online and social media—we constantly ensure that we are set up for future audience change. In that respect, I think that we are in advance of other broadcasters.

More than five years ago, BBC Scotland integrated into multiplatform commissioning and production, to use a slightly technical term. Louise

Thornton commissions right across the genres. Our head of news is in charge of news operations right across the genres. From that point of view, we are in advance of other broadcasters.

With regard to future proofing, we are seeing really strong audience growth as a result of the investment that we have put into news online in Scotland, which has included investment in our bases around Scotland. Therefore, I think that we are set for the future. We are constantly making choices and decisions about how to make sure that we are on all services that our audiences want.

Our consumption figures remain high. Every week, nearly nine in 10 Scots turn to BBC programming in Scotland. Across a month, the position is nearly universal. On average, people spend more than seven hours a week with BBC TV and BBC radio in Scotland. People turn to us—consumption is strong. The proof of the pudding is that people turn to the BBC.

You are right in what you said about perception, which we keep a careful focus on. Our regulator and others such as the National Audit Office track how people perceive the BBC in Scotland. You are right to say that there are reports that show that people feel that Scotland is not portrayed as well as they would like. That is useful for us to know. However, other reports and surveys by the same regulator show a different picture. Last year, according to Ofcom's annual report, 60 per cent of adults in Scotland had a positive impression of the BBC. The "Media Nations" report said that three quarters of audiences in Scotland were satisfied with BBC One; the figure was the same for the BBC Scotland channel.

The figures that relate to how Scotland is portrayed speak directly to the mission that BBC Scotland has always had. We are here to make sure that Scottish stories, places and lives are reflected to audiences in Scotland, and that we reflect Scotland to the rest of the UK and, crucially, to the rest of the world. We are not complacent when we see those figures; we know that we have work to do.

We look at that as a form of tracking. It also helps us to make the case for investment in Scotland—we have talked about the growth figures there. For a number of years, BBC Scotland's mission has been to reflect Scotland, but it is now evident that that joins up with the wider BBC strategy across the UK. When we see figures about representation and portrayal, we focus closely on them, because they show why we need to keep up investment, to do more and to make sure that we are on all the platforms and services that our audience is on. We need to join together on that.

As I said, in recent years, we have seen historic levels of investment and historic levels of cooperation between BBC Scotland and the BBC content and BBC audio divisions. Across the UK, there has been direct investment in Scotland. A few weeks ago, I was with the BBC news network technology innovation team, which moved to Scotland just over a year ago. It is now expanding into America. It makes global content right here in Scotland. We recently announced the creation of a network BBC audio unit in Scotland and Northern Ireland.

Big titles and new posts are moving here, and overall content spend is growing. That is driven, in part, by our mission: we must make sure that audiences in Scotland feel that they are represented.

09:15

Alexander Stewart: Your new concepts, BBC iPlayer and BBC Sounds, seem to be another way to capture people who come back to watch or listen to content at another time. That is an area that you are continuing to develop. Where do you see that new venture going for you?

Steve Carson: That is another reason why we are well set for the future. If we look back at the creation of the Scotland channel, it was always conceived as being what we call multiplatform. It had its own dedicated space on iPlayer. There is still a huge consumption of BBC Scotland titles on TV, but that is now shifting to iPlayer and BBC Sounds. I will hand over to Louise Thornton, who can give some examples.

Louise Thornton: That is absolutely the right question. We know that we are in a very competitive market, but we are also lucky to have a huge amount of tracking data, which tells us that the overall linear marketplace is in decline while the use of iPlayer, Sounds and other on-demand platforms is increasing. For example, about 6 per cent of our younger audience comes from linear BBC TV, whereas 23 per cent comes from iPlayer. You asked about catch-up, but live viewing on iPlayer is also increasing. We see that happening with sport and can track how many people are watching live sport on their phones through iPlayer.

When we commission, we think about our portfolio approach. We think increasingly less about whether something is an 8 o'clock show and more about what the iPlayer image will look like or how to get our shows positioned on the "new and trending" bar, which drives a lot of viewing. We want to work well enough across the BBC to ensure that Scottish content and portrayal are easy for audiences to find. Those are our two big challenges. We must make shows that feel big,

confident and broad and attract lots of viewing and we must also ensure that we reach audiences with that content.

When I look at our performance, I am looking at the channel. I am really pleased that it is still the most watched digital channel in Scotland. Our reach is holding up and I am really pleased about that because it is still a fantastic shop window. We can see that we get audiences for live sport and comedy and that some of our big factual shows are still driving really healthy audiences. I also look at how our shows do on iPlayer, and our iPlayer growth has doubled in the past four years, which is brilliant. We are tracking upwards, which absolutely plays into the co-commissioning strategy that we have been talking about and our work with partners. We ensure that we have a strong digital marketing strategy for each programme.

That is the future for content and it is the same for audio. I have doubled our investment in podcasts. Sounds is a growth platform for us: we saw 30 per cent growth over the reporting period. Linear listening to Radio Scotland is holding up, which I am really pleased about because it shows that we still have a healthy linear listening habit in Scotland. Our discoverability on Sounds is key, as is having big, broad programmes that tell our stories and drive a lot of audience to hear our voice.

Steve Carson: I can give another example of our approach to working across services—one that shows how we are positioned in both places. You may be aware of a "Disclosure" investigation this week into obesity and weight loss. Our commissioning works across news and other platforms. The "Disclosure" investigative documentary on BBC One on Monday got around 100,000 viewers, according to overnight figures. That number will grow on iPlayer over the next seven and then 28 days. Online news articles based on the programme and written by the team attracted 1.5 million reads on the day, showing overall consumption across the portfolio.

The Convener: Were those online articles being read on the news section of the BBC website?

Steve Carson: BBC News Scotland has its own home page and we have indexes for all parts of Scotland, but that is also available to audiences around the UK.

The Convener: Thank you. Neil Bibby has some questions.

Neil Bibby (West Scotland) (Lab): Good morning to the panel. You spoke earlier about growth online and of news online in particular. While that is welcome—that is how society is moving forward, using online and digital

platforms—I have heard some concerns from local about the BBC increasingly duplicating their work covering local stories. No one is doubting that local stories will sometimes make national news, but I am talking about stories that would not otherwise be broadcast. There is concern, given that newspapers are really struggling at the moment. They are trying to secure subscriptions to boost their income and survive in what is a challenging environment and the increasing availability of free online content through the BBC is seen as a threat to their business. Do you accept that that coverage will impact inadvertently have an on newspapers? Do you have any reflections on that?

I note that concern is expressed in the Ofcom report—to which you will say you are responding, no doubt—that viewers want to see more regional programmes. I wonder whether the balance is right there. If people want more regional content, perhaps that is about broadcast programmes, as opposed to online news content. I repeat the caveat that I made earlier, that local news will be national news on occasion, but it is a matter of getting the balance right to protect local newspapers while the BBC provides the service that you want it to provide.

Steve Carson: We are obviously aware of representations from newspaper editors right across the UK and Scotland, and we want to ensure that a positive social good is being provided, with a plurality of news gathering and news publication across Scotland. Indeed, Scotland has a long tradition of newspaper titles: it has more newspaper titles per capita than any other nation, going back a number of years. The BBC directly funds the local democracy reporting service, which provides licence fee funding to reporters who can work for local newspapers.

On the wider question, everyone in Scotland pays the licence fee, we have bases across Scotland and I—as director, working with the Scotland executive team and Gary Smith as head of news—want us to build and reinforce our ability to cover all of Scotland. Increasingly, that is done on radio and on TV. It would be wasteful to decide that we should not write up content as an online story, too. We are conscious, however, that, going way beyond the BBC, the newspaper industry is experiencing a lot of structural challenges, including issues around classified advertising, but we need to ensure that we reflect all parts of Scotland on TV, on radio and online.

We are aware of the issue and the local democracy reporting service represents one specific intervention. The fact that BBC News Scotland is the largest trainer and recruiter of journalists in Scotland helps, overall, to ensure that the pool of journalism from which newspapers can draw is sustained.

Neil Bibby: On the matter of responding to audiences, the "Ofcom Annual Report on the BBC 2022-23" found that

"Audiences from D and E socio-economic groups remain less satisfied with the BBC's performance than those from other groups".

Do you have any indication as to why that is the case? What is being done to address that?

Steve Carson: I will hand over to Louise Thornton in a moment, but that point relates to the BBC offer as a whole. I think that, within BBC Scotland, we have a stronger story to tell.

Louise Thornton: We take the point very seriously. The BBC Scotland channel has a C to D majority skew: 56 per cent of our audience are from working-class backgrounds, which is more than for any other BBC channel. We realise that we can add those viewers into the overall BBC portfolio. That plays into the strategy of ensuring that programmes get to as wide an audience as possible and that they are discoverable. The Scottish audience should feel that they are being heard and represented. We hear from our research that audiences really value it when they hear their voices and see the places where they live. Sport obviously does very well with that audience: that is a habitual audience for us and we continue to invest in that area.

Comedy is another area where we see a strong profile for the C to D audience. Our comedy investment is strong and we are working with the director of comedy, Jon Petrie, and his team to get bigger shows coming through. "Two Doors Down" is a fantastic example of a show where there is a strong profile among that audience. We can segment BBC Scotland programmes such as "Paramedics on Scene" and "The Ice Cream Wars", and we can tell when we get that audience.

For us, it is about continuing to invest in those programmes and making sure that they are on the right platforms at the right times, while also making sure that the co-commissioning strategy is working and that we are doing more of those programmes where we really hear those voices.

Alan Dickson: That is a really good question, Mr Bibby. You can look at what appears on screen, but the issue also matters to us from a BBC group perspective. We are one of the few organisations that has set a socioeconomic target for the diversity of our workforce, which sits at 25 per cent. Currently, we are slightly below that, but we think that that target is really important in terms of making sure that our staff represent the audiences that they are there to serve. That KPI or target for Scotland tends to be slightly higher than that for the rest of the UK. Of course, what is

happening on screen is important, but the BBC also takes that issue seriously in terms of the people who work for us and making sure that we reflect our audiences; that is really important to us.

Neil Bibby: There is one other point that I want to raise. It is not something that I have formally raised with the BBC before. It relates to Scottish content—specifically, to the coverage of the Scottish Parliament on the BBC Parliament channel from time to time, when the House of Commons is not sitting. I know that there is also coverage at weekends and so on, but it seems to me that we need more live coverage of proceedings in this Parliament—in both committees and the chamber—as and when they happen.

The BBC Parliament channel can show only one programme at a time, unless there is a red-button function, but we also have the BBC Scotland channel, which does not show any coverage during the day. I think that there is merit in looking at whether we can increase the coverage of proceedings in this Parliament to inform the people of Scotland about what is going on. I appreciate that you cover First Minister's question time and various other things from time to time, and I welcome that. However, would you consider looking into how we can increase live coverage of Scottish Parliament proceedings in committees and the chamber, particularly when the BBC Scotland channel is there and does not currently have live content during the day?

Steve Carson: I will certainly take that point on board, arising from this committee appearance. As you say, we have extensive coverage of politics in Scotland across our outlets, including "Reporting Scotland", and there are dedicated political correspondents based in this Parliament. You mentioned FMQs; I will also point out, for example, "The Sunday Show", which is an example of innovation, bringing TV, radio, BBC Sounds and iPlayer together. "The Sunday Show" is in a prime slot on the main radio station, Radio Scotland, as well as on the main TV channel, BBC One.

We would just have to make sure that there would be an audience for live proceedings of the Parliament. The Scotland channel's operating licence is, by and large, to start at 7 pm and that lies with our regulator. We can do a certain amount of programming before 7 pm, but if we were to go down the route of routinely, on a daily basis, broadcasting Scottish Parliament proceedings during the day, we would have to go back to the regulator and we would have to make sure that there was an audience for that.

Alan Dickson: Assuming that there was an audience and a demand, technology could be a help in terms of how we think about fixed channels and what it is now possible to live stream and

have live intervention. The cost of doing that is coming down, so it is something that we are looking at across the whole of the BBC. If there were to be a discussion about broadcasting live proceedings, we would also look to see what technology or innovation was possible.

Donald Cameron (Highlands and Islands) (Con): Good morning to the panel. I want to press you a bit more on the viewing figures of the various news programmes that Keith Brown referred to. I entirely take the point that it would be wrong to look at one day of one programme in isolation and plucking out a Sunday night in early January is a little unfair. Nevertheless, 200 people watching "The Seven" and only 1,700 watching "The Nine" are really low figures. Those are programmes for which jobs have been created and funding has been spent. When one of those programmes—I cannot remember which onelaunched in 2019, three quarters of a million people tuned in. I am happy to be corrected on that, but I think that that figure was in a news report.

09:30

Another news report also stated that viewers of BBC Scotland have declined by a quarter between 2021 and 2023. Again, I am happy to be corrected if that is wrong. With all that taken into account, do the figures showing a low reach not worry you?

Steve Carson: We are not complacent. As I said, we need to be cautious about putting things in isolation. To look at one episode of one programme at a certain time slot and during a certain period of the year does not represent the totality of viewing. I will talk about the average audience for "The Nine" and "The Seven", as well as other programmes that are part of the same grouping. For "The Seven", it is about 8,000. "The Nine" can get some low figures of 1,700; on Monday night, it was 23,000. The investment that went into channel news was made throughout News Scotland. The talent and technology that I have mentioned boosted our coverage of the Scottish Parliament elections in 2021. We look at things in the round, but the situation is not static.

In the past two years, we have made significant changes in News Scotland to divert resources to our online news. That is an on-going process. We are always looking at whether we have the right mix of resource on any given service. That is genuinely how we look at things, but I would say that the viewer numbers of 200 or 1,700 that you quoted do not reflect the totality of the whole performance of the service: performance is a small part of our overall service. Content from "The Nine" can appear on our social media channels or on our online pages, generating significant views, and it can also appear on network news. That is what I mean by not looking at it in isolation. We are constantly looking at whether we have the right balance of resources on the right platforms and services. In the past few years, we have made significant changes to reinforce our online offer in particular. We have seen strong performance of linear radio news, as demonstrated by the Radio Scotland figures that Louise Thornton mentioned.

You also mentioned that there were 700,000 viewers during the launch week of the channel. Obviously, people were curious. That is on a sliding scale, and it is not an example of change. The BBC's linear TV is declining, as is all TV, as people are doing other things. The key question is whether we are set up to be elsewhere as well—and we are. We have a strong position on iPlayer and online. Where we are seeing some downward changes in growth and in the performance of linear services, such as on the channel and on BBC1, that is being made up by iPlayer growth, which is doubling consistently.

Donald Cameron: I will change the subject to Gaelic broadcasting. BBC Scotland has a fruitful relationship with MG Alba, which contributes a lot to programming, joint working and some funding. The vast majority of MG Alba's funding comes from the Scottish Government. Effectively, it has stayed flat for the past 10 years, which means that, in real terms, it has decreased quite significantly. Having experienced a freeze in your licence fee in the past couple of years, what observations do you have on the impact of a similar freeze—if we can put it like that—on MG Alba's output?

Alan Dickson: The deputy convener is right to pick up on the fact that the harsh economic backdrop that I mentioned—the effect of the licence fee freeze, with funding pressure of £285 million, and the fact that it has increased to more than £400 million—has led to some difficult choices across the BBC. Whether that is about ceasing programmes or about having 1,000 fewer hours, as the director general mentioned, we have had to face up to the financial reality.

I think that I am right in saying that, broadly, our investment in Gaelic programming has grown over the period, which shows the value that we place in it and the synergies that we feel are created. The financial value is the headline number; that is how we think that the BBC can support Gaelic broadcasting more. If you look at the weight of the BBC and the type of content that we produce in children's programmes—I know that the teams work jointly on trying to realise those synergies—it is not just the financial value.

There is no doubt that, in any challenged financial environment, you have to make choices. I know, and Steve Carson and Louise Thornton can

also speak to this, that the teams work extremely well together and use really sharp practices to ensure that the audiences that come to our Gaelic programming still get great content. It is interesting to see the viewing consumption numbers as they move. With any challenge, the onus is on the team to see whether it can work differently and, perhaps, work smarter. If any teams represent that situation, it is the teams that work between MG Alba and BBC Scotland in providing Gaelic broadcasting.

Steve Carson: I will follow on through to your question, Mr Cameron. As Alan Dickson said, the freeze in funding to MG Alba is indicative of the pressures that are on all businesses and all public bodies. Of course, MG Alba's funding is a matter for MG Alba, Ofcom the regulator and the other funder that is behind it—the Scottish Government. By contrast, you will have seen, over successive annual report accounts, that, in a tight financial situation, the BBC has increased its investment.

I am glad that you said that the partnership is a fruitful one. It really is a good example of different bodies coming together to create a service that is as important and special as BBC Alba. As you know, we are currently renewing the partnership, making sure that we answer these broad questions, that we have a good position on iPlayer and on digital content creation, and that we have a strong TV offer. We are also ensuring that we are able to get Gaelic language content out there to our audiences, including in high-impact genres such as drama.

Donald Cameron: I have a final quick question on another issue that is pertinent to the Highlands and Islands, which is the region that I represent. What happened last year with traditional music and piping programmes being cut was quite an unhappy episode. This committee played a role in scrutinising what was happening. What work are you carrying out as an organisation to improve transparency and communication with regard to that kind of decision making? There was a sense that participants and audiences were not really consulted. Do you have any comments on what you are doing as you look to the future?

Steve Carson: I will perhaps ask Louise Thornton to talk about the changes that were made and where we are on that, nearly one year on.

Louise Thornton: Sure. None of those were easy decisions to make. As Alan Dickson has stated, we are in a financial situation in which budgets are down, so we are under pressure. We are always in creative renewal, anyway, so the changes that we made were also a response to the fact that audiences are changing and because we are trying to grow in the BBC Sounds platform.

I do not know whether you have listened to it, but the piping programme is performing very well. We joined two teams to make programmes where, previously, we had two teams making separate programmes. That was a way to be more efficient and to get better-value content for the audience while maintaining our commitment to piping. In addition, we still broadcast the world pipe band championships, and we have created a podcast. We have made those changes, but we try to ensure that we are still committed to the cultural values of Scotland. We do not always go for the big, broad audience; when there is a niche audience that we serve, we aim to deliver in the most efficient way.

We have a really strong portfolio of traditional music right across our services. The young traditional musician of the year competition is very successful and we have launched two new competitions—young classical musician of the year and young jazz musician of the year—which was in response to thinking about our purpose as the BBC. Part of that purpose has to be about developing new talent and offering platforms for musicians.

In addition to that, the classical music programme changed, as you noted. We have a fantastic orchestra that we did not hear perform on Radio Scotland, so we changed the programme to ensure that we heard it. Those decisions were very tricky to make, but we engaged with stakeholders and listened to the audience, and the decisions were made against a backdrop of financial pressure.

I am really pleased to say that, on Burns night, we will have a fantastic offering in which we will bring together our young musicians and feature all the different genres of music. It will be a real celebration of Scottish culture. That is where the BBC can make an impact for audiences.

Steve Carson: The last part of your question was about what learnings we have taken from what happened. When we appeared before the committee last year, one of the issues was, yes, potentially, consultation. Obviously, we had to make a decision in the context of changing audiences, doing different things and a licence fee cut.

I think that communication was not clear, even when we appeared before the committee. People were hearing that all piping was going and that there would be no piping on Radio Scotland or BBC Radio nan Gàidheal, when in fact, it was moving from, as Louise Thornton said, two separate teams making two separate programmes to one programme across both services.

I recently met the producer in Inverness, and he said that, creatively, it had been good to think

again about what they do. The figures have been very strong. This would be on me, but I do not think that we explained what we were actually doing across classical music, piping and the jazz programme.

Kate Forbes (Skye, Lochaber and Badenoch) (SNP): I am sorry not to be able to join you, although I am speaking from a very snowy Highlands.

I have three questions, if that is okay. I have a tendency to lump my questions all together, but on this occasion I will separate them and keep them short.

To pick up on the deputy convener's questions on MG Alba, I wanted to talk a bit more about BBC Alba. It is worth putting in context that, according to your figures, BBC Alba reaches around 50 per cent of the total Gaelic-speaking population, in contrast with BBC Scotland reaching 13 per cent of the total population. Considering the size of its target group, I would suggest that it is quite successful.

Mr Carson talked about the fact that the BBC joins with the committee in concentrating on the public service that BBC Scotland offers; that is particularly noticeable when it comes to Gaelic output. I want to put on record the sincere thanks of Gaelic communities for the work that you do. That said, it is clear that there is a question about equity if we look at language programming across the UK. I am led to believe that BBC Alba sometimes gets bigger audiences than S4C, despite there obviously being more Welsh speakers, and despite the budget for Welsh language programming making BBC Alba's budget look tiny in comparison. Is there a question of equity there?

Steve Carson: The funding for S4C which, as you note, is considerably in advance of funding for many other services, including services in the Gaelic language, has never been a matter for the BBC. S4C was set up more than 40 years ago by the UK Government at the time, and its funding levels from then until now have been set by the UK Government, not by the BBC.

I am glad that you paid tribute to BBC Alba, and I would also note BBC Radio nan Gàidheal and, increasingly, our online services. As I mentioned, in December we marked the centenary of services in the Gaelic language, which have always been a central part of the BBC offer in Scotland. Speaking personally and creatively, we would be massively impoverished without those services and the ability to broadcast them.

As part of the new partnership, we need to make sure that we continue to broadcast across all genres. Obviously, the BBC's focus in what we supply to BBC Alba is on its crucial functions such

as news, children and language learning, but it is incredibly important that our Gaelic services cover all genres, including music, drama and comedy.

The commitment in the BBC Scotland budget to BBC Alba and Radio nan Gàidheal is significant, with £10 million and £4 million respectively in the accounts, and those sums have grown over the years. Those are significant investments in our services, and we are delighted to make them, because those services are central to our offer in Scotland. Supporting an autochthonous language of this nation is a key part of our public service mission in Scotland.

Kate Forbes: I recognise your points about S4C, but the question of equity still stands. The spend as a percentage of the total local spend is around 8 per cent, which is not to be dismissed by any stretch of the imagination. Considering the content on BBC Alba, do you know whether the proportion of overall programming that is dedicated to repeat programming is increasing or decreasing? Is it funded sufficiently to be able to ensure that there is fresh content?

Steve Carson: I take your point. With our new service, there is fresh content on BBC Alba every day. Compared with the origins of BBC Alba some 15 years ago, there is an ambition to have more originations, as we call them, every day. We always have to box clever with the budget that we have—that applies not just to the BBC but to organisations across Scotland—but I think that what we and the teams across BBC Alba create with the funding is exceptional.

I suggest that audiences are moving away from an older version of television that was about first runs versus repeats. If you think about it, everything on iPlayer is a repeat. People are increasingly looking beyond what is on live TV and radio and consuming in other ways. The direction of travel for BBC Alba is to think hard about programming that will have a longer life on iPlayer, and that is where we have seen growth.

In all our services, we are looking at the value of the overall catalogue. Until comparatively recently, content on the iPlayer used to be deleted after 30 days for regulatory reasons. We are trying to compete with Netflix, which would not delete its best programmes after 30 days. Working with independent producers, we can now keep programmes on the iPlayer, including programmes in Gaelic, and that is increasingly where the viewing is. First runs versus repeats is a question that audiences are starting to move away from.

Kate Forbes: Thank you for that. I suppose that there may be a balance when it comes to the number of repeats on TV. Could you come back to me with information on whether you are noticing

the proportion of repeats on TV, rather than on iPlayer, increase or decrease?

Steve Carson: Yes—will do. The other point is that we need to be careful that we do not just generate large volumes of hours of lower-impact programming. We think that it is better to say, "Right, we might have slightly fewer hours in one genre, but we're going to have some drama. It is proportionally much more expensive, but it can be distinctive and impactful and it can serve a larger audience overall." There would be a danger in spreading ourselves incredibly thinly across a large volume of hours, particularly when audiences are looking for bigger pieces on the catch-up and on-demand services. However, I will come back to the committee as you suggest.

Kate Forbes: Thank you. I imagine that the committee will continue to focus on that area, not least for as long as there are Highlands and Islands MSPs on the committee.

I have a final question. I note that your report contains something about the importance of the presence of the BBC across the UK. Homing in on Scotland, I have a bucket list of BBC studios to be interviewed in. I am doing pretty well across the Highlands, having been interviewed in Portree, Lerwick, Inverness and so on. Are you committed to retaining those physical presences in the more rural areas?

Steve Carson: Yes. In fact, we are committed to reinforcing and extending our coverage right across Scotland through the bases that we have. We may move out of physical buildings every now and then as some of the building estate needs a refresh. However, Portree, Inverness and Stornoway are hugely important centres for us.

Alan Dickson: As a news gatherer and a broadcaster, we learned some interesting lessons during Covid about the contributions that we can make remotely. We see that work as augmenting our other work and maybe reaching people that we could not reach before. Steve Carson is right about the importance of physical location, but this is another area where technology has offered our industry quite a step forward.

The Convener: I want to share something with you regarding the committee's work in the context of Ms Forbes's questions about the regional broadcast studios and Mr Bibby's comment about really local broadcasting. When the committee held its inquiry into culture in communities, we went to Orkney and met stakeholders there, and in the morning I was interviewed in the studio in Kirkwall. As a parliamentarian who has worked in committees for a long time in this place, I note that the engagement that we got from the local community from that single broadcast, which brought the Parliament's work right into the

community, was fantastic. That was possible in that context, but it could be contrasted with a committee working in Glasgow or somewhere else, noting the focus of the broadcast news there. Given that experience in Orkney, I think that it would be helpful to get a reflection on that space and on how the work of the committee and the Parliament could be used.

Mark Ruskell (Mid Scotland and Fife) (Green): I, too, have had that sort of experience on a committee visit to Orkney, where I did a lengthy interview with BBC Radio Orkney.

I want to ask about support for emerging grass-roots artists. The context here is that, across the UK, at least one grass-roots music venue is shutting every single week. There is a real pressure there, and there is a declining opportunity for new artists to get heard, both on the radio and through live performance.

The other context here, which Mr Cameron has already started to discuss, is the cuts that you have put forward and have now implemented in jazz and classical music, the regular programming for which has been taken off air—although I know that you have instigated a number of other initiatives to try and fill that hole. I am interested to know what your focus is when it comes to grassroots live music and emerging artists. We seem to be in a perfect storm in relation to support for grass-roots music across the UK, and I am concerned about how that relates to Scotland.

Louise Thornton: I note the new competitions that we have launched, and that absolutely relates to your point. I am sure that you are aware of BBC Introducing, which is a fantastic pan-BBC brand, and we have invested in that show over the past few years, with two fantastic new presenters. That is not just on Radio Scotland; we have taken that on to the BBC Scotland channel, too, so we have taken a multiplatform approach. We are now running a "Scottish Act of the Year" programme annually, and we are committed to continuing to do that. The brilliant thing about BBC Introducing is that it can span genres.

Beyond that, we have a fantastic digital team working across all our arts and culture output—which captures the points that you have made about giving grass-roots and unheard musicians a bigger platform. That team is doing brilliantly. It is doing great work for BBC Scotland while also connecting with the wider BBC music portfolio through Radio 1 and 6 Music. That is the strategy: using the money that we have and using the connections and experience within the team to ensure that, when we find fantastic musicians, we can get them out across the BBC using a multiplatform approach. We then use moments such as our Big Burns celebration, when we can

bring them together in front of a broad BBC audience and celebrate them across the platforms.

Steve Carson: To give another example, there is a strong commitment to support live music and emerging artists, specifically in the jazz genre, as I think that you are aware, Mr Ruskell. There was an announcement about the BBC audio base being set up, with some titles moving to Scotland, and one of the key titles is "Jazz Record Requests", which is one of the longest-running programmes on Radio 3. To have that programme made by a production team in Scotland is a significant move in itself-albeit it is a request programme-and that needs to be allied to the fact that we are targeting young jazz musicians. We are working closely with the Royal Conservatoire of Scotland, and there are other genres where we are helping to develop new and emerging talent.

Mark Ruskell: Radio 6 Music's "New Music Fix Live" series of events in Glasgow made for some great listening, blending in jazz and other genres for a different audience. All of that is available on Sounds, of course.

It comes back to the fundamental point that we were discussing in the committee the previous time, about bandwidth and the opportunity to be heard. Listening to "New Music Fix Live" was great, but that was just four days of content. Given where we are now, particularly with the removal of "Jazz Nights" and "Classics Unwrapped", I am interested to know whether there is more or less airtime for new and emerging Scottish artists as a result of the changes that you have made. The "Scotland Young Jazz Musician" programme was fantastic, but it was only two hours. I am interested in the metric of how much space there is now for artists to get heard. Even though some of the content that I am hearing is very good, it is only little nuggets.

Louise Thornton: Part of that strategy was to bring a genre such as jazz into peak programming. I could come back to you in detail on this, but across our afternoon show, which is a peak programme for us on Radio Scotland, we are now featuring more jazz talent. Vic Galloway's Edinburgh show features some fantastic artists. We have key sessions, and in our Burns line-up in a week's time, we have Georgia Cécile performing. That is important as well.

We have lost a programme dedicated to those performers. I know that that was a hard decision and that lovers of that programme have been very disappointed, but we have made a real effort across our peak programming to make sure that we are representing those performers. If you would like me to come back on that in detail, I would be happy to write back to you about where we have featured musicians.

Mark Ruskell: That would be useful. The BBC, as a public broadcaster, is there to help to create that platform. The point about live music venues is that that platform is declining, so if you are not going to do it, who else is? I would like to understand whether the platform is shrinking or getting bigger. It is a decision for you whether it is done by having a specialist programme or by getting particular genres or emerging artists into a range of other more mainstream programmes, but it would be very useful to know whether the platform is getting bigger or smaller, highlighting the opportunities that are there across genres.

Steve Carson: One other point is that the classics programme has changed. There is a classics programme on Radio Scotland, which features the BBC Scotlish symphony orchestra more, which is a big positive, and it is performing more strongly than the previous show.

Mark Ruskell: I am interested in the metrics for new, emerging and live music—that is where we are seeing the need to expand the platform rather than see it being stripped down.

Louise Thornton: Those genres sometimes blend, with artists such as Terra Kin, who we feature, being very prominent. I feel confident that we are delivering on what we said we would deliver, but we can come back with a bit more detail on that for you.

Mark Ruskell: I have a final question about news coverage around the general election. There is obviously a very different political context in Scotland. We have two Government parties in the Scottish Parliament that do not stand candidates in England, Wales and Northern Ireland. I am interested to know your emerging thoughts on how you will bring the general election alive in Scotland and reflect the particular nature of Scottish politics. The various political platforms here exist in a very different way from those across the rest of the UK.

Steve Carson: At the moment, no general election has been called or is under way. If you look back at our previous coverage of elections, BBC Scotland and other news providers, such as STV News, have a strong track record of making sure that Scotland's particular political cultures and decisions are fully represented.

As we go into an election, the process is that the BBC as a whole comes up with draft election guidelines for all sorts of coverage possibilities, to which we contribute, and parties are free to comment on that before they are finalised. Across the board, BBC Scotland news will make sure that we have incredibly in-depth, detailed and fair and proportionate coverage of an upcoming general election across all our platforms and services.

Mark Ruskell: Are you looking at any particular innovative ways to improve or develop the way in

which you approach elections this time around, or will it be very similar to previous elections?

Steve Carson: To go back to the channel news point, given the overall investment that went into people and technology, our 2021 coverage of elections at this Parliament was a step change forward. We are in active discussions with our news teams about how we move forward and build on that. It is a hugely important public service. The exercise of democracy in Scotland is, as you say, part of the wider general election, but with its own issues, its own candidates and its own parties. We absolutely make sure that we are covering that, and it is a good challenge to make sure that we are being innovative.

Keith Brown: I am happy to offer this advice for no fee whatsoever. [Laughter.] A sure-fire way to increase the BBC's viewership figures is to address the absurd situation that we have in Scotland whereby we cannot see free-to-air international football matches, especially competitive ones, that involve our national team but can see matches from other countries. Would the BBC support the designation of international Scottish football matches as part of what are called the crown jewels?

10:00

Steve Carson: Because listed events, as they are called, are a matter of public policy, we are not free to offer an opinion on that. However, Louise Thornton has been a huge investor in Scottish football, and we can talk about our ambitions and what we currently do.

Obviously, Scotland's qualification for the Euros and world cups would be covered by the rights that the BBC currently has. We do not have rights to everything but, in context, our commitment to Scottish football is strong.

Louise Thornton: Yes, it is a competitive rights market, as you know, but we have a strong track record. We just renewed our championship deal for four years. Obviously, we broadcast the Scottish cup—there is a great game coming up on Friday—[Interruption.] Yes, and on Saturday as well. We are also showing the women's cup. We are an investor in football and we are also interested in any rights that come on the market—we would absolutely have a look at that.

Steve Carson: Women's football and women's sport generally are a big part of what BBC Alba has been pioneering across our services with Louise Thornton.

Louise Thornton: We work very effectively in partnership with BBC Alba on sport and we market across the platforms to make sure that we get the best viewership for the women's game and for the women's internationals, which we share with BBC Alba this year.

The Convener: I will return to Mr Ruskell's theme about offering opportunities for new talent that is coming through. You mentioned Screen Scotland and one of the growing markets and successes in Scotland. I recently visited Bute high school with Education Scotland and Screen Scotland to see a project on an animation course for young people. Skills are an issue in that area, the more successful we get, because there is only a certain pool of people available. Steve Carson, mentioned working with the Royal Conservatoire of Scotland and the young musicians there. I am also thinking about the earlier comments about diversity. What are you doing to open pathways for young people in Scotland to have a career in the BBC in those areas?

Louise Thornton: There are various entry points to the BBC with regard to what we have been doing very successfully over the past few years. We have a project called the social, which is absolutely about working with new digital talent to create short-form content. Over the past year, the social team has been working with young people from all different parts of Scotland to create those pieces of content and with our news colleagues to try to get a wider platform for that content.

What we see with the social—I worked on it years ago—is that we have a great hit rate in the sense of people who have worked on it going on to have a BBC career. That is quite a hands-on way of developing new talent.

Beyond that, we have a partnership with colleges across Scotland, where we deliver digital skills workshops. The digital in-house team does that through its social project. That is about upskilling young people for future ways of working in television, because you do not just cut a programme any more—you think about your social strategy as well.

We also have a fabulous outreach team called the lab, which works with schools and young groups all across Scotland. Some of the young people that the lab has been working with are going to feature in our Burns programme on 25 January. We are very connected in the sense that we are out working with young people and trying to make sure that the BBC has an open door. We have other initiatives, such as the apprentices, which Steve Carson might want to talk about.

Alan Dickson: I can build on what Louise Thornton said, convener, because, from a group perspective, you have hit on an important point about the role that the BBC should play in encouraging new diverse talent into the BBC.

From a BBC-wide perspective, we have an ambition and a target. We talk about 1,000 apprentices across the UK, and Steve Carson can give you more of a flavour of what that means from a Scotland perspective. We know that it is an important intervention and we are aware of the role that we can play, which maybe no other broadcaster can, in encouraging those skills and that development.

There are two areas: it covers new entrants and younger people, but it is also about staff apprenticeships. We have made great progress on that. Those socioeconomic targets that I talked about—in fact, all our diversity targets—are a big part of how we recruit and attract people into the scheme.

Steve Carson: As Louise Thornton pointed out, creatively, across everything that we do, part of our ambition is to look at how we can help to bring people through, whether directly into employment in the broadcast industry or into other parts of the creative sector. We like to think of ourselves as the largest creative organisation in Scotland but not the only one. We can be a catalyst for others, specifically in terms of workforce. At any given time, BBC Scotland and the BBC in Scotland would have around 60 apprentices across the board—in journalism and in technology. I think that the current figure is around 66. That is a significant investment in training up primarily young people although they are not all young—to careers in our industry.

The Convener: In those practices, you will have a lot of freelancers. That is bound to happen. Do you follow the fair work principles of the Scottish overnment in terms of employment in Scotland?

Steve Carson: I would be very confident that we follow all employment practices in our engagement with our employees and contractors.

The Convener: That has exhausted our time with you this morning. I thank you all for your attendance at the committee. I will suspend the meeting briefly so that we can change witnesses for our next session.

10:06

Meeting suspended.

10:11

On resuming—

Budget Scrutiny 2024-25

The Convener: Welcome back. Our third item is our final evidence session on the budget. We are joined by Angus Robertson, the Cabinet Secretary for the Constitution, External Affairs and Culture, and by Penelope Cooper, who is the director of culture and major events at the Scottish Government. A warm welcome to you both. I invite Mr Robertson to make a brief opening statement.

The Cabinet Secretary for Constitution, External **Affairs** Culture and (Angus Robertson): It is always a pleasure to be back at the committee, convener, and thank you for the opportunity to make some opening remarks. First, I would like to thank all the organisations that have given evidence to the committee. I have read and listened to their evidence with great interest. The evidence is clear that, although the budget and our announcement to increase culture funding by £100 million annually by 2028-29 are welcome, there remains a need for longer-term clarity and confidence. I would like to take the opportunity of my opening remarks to provide that.

I recognise that the additional £15.8 million of funding next year will not rectify years of standstill funding. That is only the starting point of a journey of three phases—sustain, develop and innovate—all of which are important aspects that I have heard referenced by the sector in its evidence.

The £15.8 million in the next financial year begins the sustain phase. This is intended to be followed by a further £25 million the year after, with culture budgets £40.8 million higher in 2025-26 than now.

The budget will increase cumulatively until it is £100 million per annum higher by 2028-29. That additional resource allows us to move beyond simply sustaining the sector to developing it in innovative ways to support Scotland's creative sector and its contribution to our own wellbeing economy and international reputation.

In line with that, I have recently confirmed to Creative Scotland that we will not direct the use of the additional £6.6 million that will be provided to it in 2024-25, although I expect the organisation to use that money to help the sector to recover, to be sustainable and to innovate.

I fully support Creative Scotland's move towards multiyear funding. As the committee heard last week, that is a critical issue for a lot of, if not most, cultural organisations. I hope that the announcement of the intention to provide an additional £25 million across the culture and arts sector in the next financial year will provide some

certainty, and I will continue to argue the case for multiyear funding.

Our refreshed action plan supports delivery of the culture strategy and was published alongside the budget last December. The action plan, which was prepared in close engagement with the sector, including the national partnership for culture, has the ambition to support the sector to move beyond its recovery phase.

As we implement those plans to sustain the sector, we are also defining the work on the development of the culture and arts sector to provide confidence for the future. Scottish Government senior officials and I will be meeting organisations and third sector partners to discuss that.

We will consider all aspects of the sector so that we can support: freelancers, and to attract and retain their talent: community cultural projects in all across Scotland: authorities the performing companies, so that they can engage and tour with confidence across the country and around the world; festivals, so that they can continue to be world class and contribute to our economy and international reputation; national collections, so that they can innovate and enhance their collections and public experience; the screen sector and its remarkable growth in Scotland, and the opportunities that that brings; the building of resilience and financial stability across the sector; the mainstreaming of culture across Government: and support making progress on participation, with the benefits across public services of health and wellbeing that that brings.

10:15

As part of securing the future of the sector, we will explore new funding streams in addition to Scottish Government funding. I am keen to progress consideration of the Scottish National Party's manifesto commitment to the percentage for the arts scheme and to draw inspiration from international best practice, such as Denmark's foundation model.

I am aware of the Music Venue Trust's campaign for a stadium tax to support grass-roots music venues. My colleague the Minister for Culture, Europe and International Development, Christina McKelvie, has encouraged the Music Venue Trust to ask the cross-party group on music to convene an industry round-table discussion on the issue. I look forward to the outcome of that discussion.

I am keen to develop links with key philanthropists in Scotland and globally. I want Government networks internationally to support the export of Scottish culture and the sector's resilience. Our international culture strategy—

which will be published soon—will support that ambition.

As Neil Bibby MSP mentioned last week, the Scottish Government is only part of the public sector funding picture. Many organisations receive money from local authorities. The Scottish Government will work with the Convention of Scottish Local Authorities to ensure that all local authorities understand the important role that culture plays. I look forward to working with partners in COSLA and with individual local authorities on that.

We are at a key turning point in relation to the funding for culture and the arts in Scotland. I acknowledge that I am in a privileged position, because we are restoring our culture budget at a time when other administrations are reducing theirs. I have great ambitions for how the sector should grow and thrive. I want to have more opportunities for people across Scotland to experience the empowering potential of culture, including through our community-based programmes such as the Culture Collective network. I am very focused on delivering those ambitions, which our additional funding allows for.

I want to work with the committee to develop the suggestions that it has to contribute to that exciting opportunity. I invite committee members and cultural organisations to come to me and my officials with ideas and suggestions about how we can fund the sector.

The Convener: Thank you very much, cabinet secretary. Your opening statement answered many of the questions that were asked by cultural organisations last week, so thank you for the clarity on those matters.

You mentioned the percentage for the arts scheme. This week, we have been discussing a visitor levy in the Parliament and the opportunities for local authorities in utilising that. Is there a worry that such levies are seen as fix-alls, and is the expectation of what they might be able to deliver higher than what we can reasonably expect?

Angus Robertson: I do not think that there is a single, silver bullet through any of the different organisations or funding streams to help the Scottish culture and arts sector to thrive in a way that we all agree on.

Having said that, I think it is right that we consider all potential options for supporting the culture and arts sector. We have to acknowledge that other countries are further ahead of us in some respects. The visitor levy is a good example of that. The overwhelming majority of countries across the European Union have a levy, and I am not aware of any evidence that suggests that it has a detriment on tourism spend. Indeed, it has

the benefit of bringing in additional funding to municipalities and regions.

Similarly, the percentage for the arts scheme has the potential to provide additional funding, and there are other suggestions that we have discussed in the committee and in the chamber. For example, Mark Ruskell regularly brings up the issue of a tax on tickets as another potential route to gain additional funding. I have thought for quite a while that, in addition to what local and national Government do, we also have an opportunity to work much more closely with people, or the trusts and foundations that they may be involved in, who give money to the sector. I think that we can work much better together with the philanthropic sector domestically and internationally. I look forward to exploring all those things.

As to your point, convener, none of those things provide the single answer to the concerns about the funding situation that the sector has been going through, which we know well, but they could all play a part in the answer to helping it to be as well funded as I hope we all agree that it should be

Mark Ruskell: I come back to your comments about how the additional £6.6 million will be allocated, and the priorities and themes in relation to that spend. The impression that we got from Creative Scotland last week is that there is to be a discussion with Government about your priorities. In your initial comments, you said that it is up to Creative Scotland to come forward with its priorities, but you also said that you expect a focus on the recovery of the sector, the sustainability of the sector and innovation in the sector. Will you say a bit more about that? It is not a vast amount of money, but where do you expect the focus to be? We hear that all those things are needed, but the creative sector has the potential to address wider societal needs. How much of that can really be developed with £6.6 million?

Angus Robertson: I acknowledge the importance of those funds for Creative Scotland as it goes through the significant funding change to multiyear funding. The Scottish Government is providing public funding to make up for a reduction in national lottery support that was intended to be provided for only three years and has now been extended. Notwithstanding that, I appreciate how important those funds are for Creative Scotland as part of its transitional planning, and to the regularly funded organisations that will form part of the multiyear framework. Those funds are also important for the financial means to support wider parts of the creative and arts sector that will not form part of that multiyear funding approach.

Creative Scotland is right to want to ensure that the transition works well and that there is no cliff edge for the organisations, venues and other projects that it supports. That is why I have been persuaded of the importance of the funding, given that the priorities that I have set out from the Scottish Government's point of view align with those of Creative Scotland, as a way of ensuring that we make that change.

The previous time that I gave evidence, I drew attention to the fact that the third sector in particular in Scotland has been crying out for that multiyear approach in order to give financial certainty and to reduce the amount of time that is currently spent applying for funding on an annual basis. Creative Scotland is absolutely at the vanguard of that change, which is why the issue of the £6.6 million from the previous financial year came up. We gave a commitment—I gave a commitment at a meeting of this committee—that we would restore that funding. I am delighted to confirm that we are doing what I undertook we would do and that there will be an additional year's funding of £6.6 million.

It is worth noting that that is significantly more than the national lottery funding shortfall, but notwithstanding that, I accept, agree and value the importance of that funding as part of the transition. To my mind, it falls very much within the phase of sustaining the current arts and culture infrastructure.

As we begin to have more finance in the culture and arts sector, which we have secured because of commitments that were made by the First Minister, agreed by the Deputy First Minister and supported by me for quite a long time, we can then look to the medium term in respect of some of the ambitions that Mr Ruskell has outlined.

However, there is a footnote to that, which I never hesitate to make and that is quite important: Creative Scotland is—quite rightly—an arm's-length agency, and, as such, it is an organisation with which we agree a general direction of travel. I have outlined our perspective on that, but it is for Creative Scotland to make decisions about all that when it comes to individual projects.

I am pleased, as I know that Creative Scotland is, that there is more money for culture in Scotland this year, which is not the case in other nations in the United Kingdom, and that our financial commitment is significant and will continue to grow cumulatively over the next years.

Mark Ruskell: Thanks for that detailed answer.

Other members might also be interested to come in on this issue, but I want to go back to your comments about the need to find additional sources of revenue. There is a question in my mind about whether there are pots of money that are not being utilised but which could be used to really drive innovation and sustain the cultural sector.

I will raise one source of money in relation to city deals. It is understood that a vast amount of money that has been allocated to the Stirling and Clackmannanshire city region deal remains unspent, and that the value of that money is going down every single year because it remains unspent. Are city deals in particular focused enough on delivering a cultural offering, or are there city deal or other sources of funding that could be utilised to really support and bootstrap the initiatives that you are looking to drive forward with the £6.6 million?

To put that into context, the unallocated spend in the Stirling and Clackmannanshire city region deal is more than £15 million. Therefore, the money in Stirling and Clackmannanshire alone dwarfs the revenue that you are putting into Creative Scotland. It feels as though there are potential sources of revenue out there, but maybe that is just wishful thinking on my part.

Angus Robertson: No. One of the things that I am optimistic and upbeat about is that, given where we have come from—the committee has taken a considerable amount of evidence on that from across the culture sector, which has illustrated the challenges that there have been because of Covid, Covid recovery, the wider economic situation and, yes, past flat budget settlements, in some cases—there is a sense that we need to reimagine how we should approach our support, which is something we agree, across the parties, that we need to do.

That is why I am very keen that we take this opportunity not simply to ask how we are going to use the additional money that is coming and whether we are simply going to apply more resource to support organisations as we have done up until now, but to ask whether we can think in new ways about getting additional resources and whether there are additional ways in which we can support projects that it has not yet been possible to fund.

Forgive me, convener, and tell me to stop if I have made this point to the committee before—I am not sure whether I have. We have organisations—Creative Scotland is at the front of the queue—that have a very talented workforce that assesses projects, organisations and venues for funding. Because of the funding envelope, in certain years, Creative Scotland will be able to fund some but not all those organisations. That is not because there are unworthy of support or venues are unworthy of investment; it is because one has to operate within a funding envelope.

However, in effect, that means that a due diligence process has been gone through that says, "Yes, these are really, really good projects; they just don't work financially this year." Therefore, if additional funding can be brought in

from elsewhere, why should we not take another look at how the culture infrastructure in Scotland can be supported in areas where there are city deals, at whether the money has been drawn down, at whether there are projects that might fall into the ambit of those deals that have not done so yet, at whether we can support that and at whether we should do more? I am absolutely keen for us to take a look at that—and I am delighted that Penelope Cooper is taking notes. We want to be as imaginative as possible.

10:30

I have said this in the chamber and I will say it again, because the outside world, and particularly the sector, is looking: I want to work with people across the committee and across the Parliament, because there is no monopoly of good ideas or common sense.

Regarding suggestions of where additional funding might come from, we have spoken at the committee in the past about the percentage for the arts scheme, the visitor levy and philanthropy. City deals also fall into that basket from which additional support might be available. We must not allow projects to fall by the wayside from one year to the next. We have organisations that do the due diligence and the work on the culture and arts side, as well as in the heritage sector. As committee members know well, we are trying to protect our built and natural heritage, of which we have a lot in Scotland. We are trying to repair and restore many buildings, and there are people who want to support that effort. There are funding streams that can potentially do that, too.

We have an opportunity to think anew. I do not think that we can just carry on as before, so it behoves us all—the Government, Creative Scotland, Historic Environment Scotland and Screen Scotland—to think about how we are doing what we are doing. We should be thinking about what we should be doing more of and what we might do less of or do differently, and now is absolutely the right time for all of us to be thinking in those terms.

Kate Forbes: Some of those who gave evidence previously commented that they were enormously relieved by the budget this year. One comment was about the tension between ensuring that there is resilience and sustainability within the sector and being able to grow and develop and do new and fancy things. How do you approach the question of ensuring that Creative Scotland, for example, can continue to sustain the same organisations—the regularly funded organisations—on an on-going basis, which has been delivered this year, thanks to the budget position, versus taking a risk or a punt on something new?

Angus Robertson: On the point about relief in the sector that we are turning a corner in funding, a significant number of people in the sector have been very kind about the fact that we have been able to secure increased funding for culture while, unfortunately, because of budgetary constraints, that is not the situation elsewhere, in other parts of Government. I am grateful for the support of people in the sector in being able to make their case. It is important that we do everything in our power to ensure that the sector thrives.

On the difference between sustaining and developing, Ms Forbes echoes a point that Donald Cameron made at the previous evidence session that I attended, about organisations that may perform a very important community role but that might not be on a trajectory to be financially self-sustaining. Such organisations may clearly have an important community or wider role to be supported.

I am very alive to this point. There is, indeed, a tension between sustaining what matters—which may or may not be self-sustaining or profitable in a budgetary sense—and developing the sector writ large. I underlined this point in my opening statement, and I am trying to find the wording that I used. I am very keen—as, I know, Creative Scotland is—to consider how we can help cultural and arts organisations to build in the resilience, financial sustainability and, importantly, capacity that they need to thrive.

We can do a lot more of that, because it is different from what Skills Development Scotland or Scotlish Enterprise might offer in the wider economy. However, given the experience that we have gone through with the changing nature of society and its interaction with the culture and arts sector, we need to help the sector to manage its room for success more effectively. We need to think anew about how we make that happen. That is where joining up our financial capabilities and additional funding streams will be the answer to Ms Forbes's conundrum.

Kate Forbes: One other question that is indirectly linked concerns the economic powerhouse of culture. We all know that Scotland faces challenging economic circumstances, and we are looking for anything that gives us a competitive edge. Scotland's culture does that in international branding, by drawing tourists here and through the role that it can play in some of the hardest-to-reach or more remote areas, such as through the role that MG Alba plays in the Western Isles. Is the increase in funding this year a recognition by the Government of how critical our culture sector is to Scotland's economic performance?

Angus Robertson: I agree entirely. To take only one example of that, if one needed any

evidence for it—we are getting increasing amounts of evidence about the economic impact of the culture sector—one could look at the now-defined benefits of the film and television sector in Scotland. A few years ago, we had little screen sector footprint beyond the BBC, Scottish Television and Channel 4. We have gone to a situation in which the annual gross value added to the economy is now at around £650 million—if the trajectory continues, it will be worth £1 billion by 2030—and the sector provides more than 10,000 jobs. Incidental benefit is also felt. MG Alba was brought up, and we have a screen and broadcasting footprint in the Western Isles and Inverness, especially in the Gaelic language.

That is but one example of the economic impact that culture has. You have had persuasive evidence from the likes of the festivals in Edinburgh. I speak wearing two hats, of course: being the member of the Scottish Parliament for Edinburgh Central, the impact of the festivals is obvious to me. If one looks at the economic role that the festivals play—the artistic and cultural contribution is obvious to all—one sees that their economic value added is massive. Yes, that is about the Edinburgh festivals, but on this of all days, when Celtic Connections is starting in Glasgow, and with festivals furth of the cities as well, we need to have a better understanding of the economic impact of festivals.

We have had some tremendous interventions over recent years that have supported festivals—for example, through the expo and place funds. However, if we look at how festivals are supported in other countries, we can see that it is right and proper that we examine how we support them domestically. That is why I go back to the point that now is the right time for us to look at all of that and how it all fits together. Are we missing anything in our approach? Is there more that we should do? I am open to considering that and working with our culture and arts sector partners on it.

On the specific issue of harder-to-reach geographies and communities—I appreciate that, coming from a Gaelic speaker, that is also a linguistic question—we have done great things in recent years, but undoubtedly there is more that we can do. An organisation that I have mentioned before in evidence is the Culture Collective, which has been able to deliver in slightly more than two thirds of Scotland's local authorities. I really want us to be able to support its reach right across the whole of the country, given what the organisation is able to do, especially in supporting freelancers, who are in one of the most tenuous positions in relation to income and reliable employment in the culture and arts sector. Supporting funding streams and projects that have already been tried and tested there is, for me, a priority.

I would want to know where we currently do not have that footprint. MSP colleagues regularly raise in Parliament the question of why there is provision in one place and not more in another. We have to test everything that we do to make sure that we are answering all of those questions, and, if there is unmet need and demand, we should be doing everything that we can to make sure that, given the new approach, we are thinking about things from those perspectives as well.

Kate Forbes: Thank you.

Donald Cameron: Cabinet secretary, you have given some clarity to Mark Ruskell on the £6.6 million that is going to Creative Scotland, but I want to ask about the longer-term funding, such as the pledge of £100 million to culture. There was some evidence last week that the pledge had been made but that only a fraction had been delivered for the budget for 2024-25. Lori Anderson from Culture Counts said:

"a serious amount of investment is needed now, and from within the current budget—not over a five-year period. The money is welcome, but we need it now and our reflection is that the investment does not go far enough, either in amount or pace."—[Official Report, Constitution, Europe, External Affairs and Culture Committee, 11 January 2024; c 3.]

There was a wider sense of a need for clarity on that long-term pledge. Are you able to give that clarity, and what do you see as the Scottish Government's priorities for longer-term funding of the culture sector beyond what you have already said? The committee described the situation as a perfect storm: there are both some very immediate pressures and a need to build resilience. What do you see that money going towards in five years' time?

Angus Robertson: Thank you for question—there was a lot in there. I understand that everybody who cares about the culture and arts sector wants the maximum financial support as quickly as possible. I get that. I do not think that anybody would not understand why there is that demand. Incidentally, it is not unhelpful for colleagues in the arts and culture sector to underline why it is important to get those resources as quickly as possible. Having said that, any fair-minded person with an understanding of the wider budget constraints would see not only that we have secured a commitment to a very significant uplift within a short number of yearswhile other portfolio areas are seeing cuts and decline because of the budgetary constraints—but that the situation is favourable in respect of comparative Administrations.

This morning, I had a look at the Welsh Government's budget lines in such areas, which include the Arts Council of Wales being cut by 8.7 per cent; the National Museums of Wales being

cut by 6.3 per cent; Creative Wales, which is the equivalent of Creative Scotland, being cut by 9.9 per cent; and Cadw, which is the Welsh equivalent of Historic Environment Scotland, being cut by 19.7 per cent. We are in a very different situation, because we have a First Minister, a Deputy First Minister and a finance secretary who were persuaded that we need a significant change to the trajectory that we would have continued on were we to have a flat budgetary settlement or a reduction in budget such as we are seeing in Wales or from the UK Government, given the 6 per cent cut to the Department for Culture, Media and Sport's budget.

In Scotland, by contrast, the Scottish Government has made a commitment to a significant uplift in funding, has set out a road map of how we want to get there, has made the first commitment for this year and has given an additional commitment for next year of an uplift of an additional £25 million on the way to there being a sustained annual increase of £100 million.

10:45

On Mr Cameron's point about having a sense of priorities within that increasing spending envelope, I have tried to outline my priorities in my opening statement and what I think should be the north star, or the stars that we should be trying to align with as we increase funding, including external funding. We have the intention of the £100 million rise, the rise of over £15 million this year and the commitment to an additional increase of £25 million next year, on top of that £15 million, but, as Mr Cameron knows, we do not budget three or four years ahead. Given everything that we have been talking about in terms of multi-year funding, there is a tension in that, is there not?

I wish to signal my ambition that culture and arts organisations, whether they come within the ambit of Creative Scotland as regularly funded organisations or are national performing companies and national collections, need to have an understanding of what the financial horizon is more than one year in advance. I am very open to thinking about how we can provide that. That underlines the point that I was making, and I would welcome the committee's input into thinking about how we do that.

We have a relatively blank canvas in relation to the additional funding once we get through the sustained phase—the changes in Creative Scotland's multi-year funding and the immediate, existential challenges that we have seen to a number of organisations and venues that we were able to safeguard through this year, which has ensured that increased pay settlements in a time of inflation are fully met. Once we are able to move beyond that sustained phase and into the

developmental and innovative phase, I want to work in partnership with the sector, the committee, individual MSP colleagues and political parties. I have had meetings with a number of colleagues on that subject.

I do not think that it is for me to say what my plans for year 3 are regarding individual projects before we have the architecture of the next phase, which will involve increased funding, reformed institutions and a reformed approach by the Government and our agencies to how we do things. That will give us an exciting opportunity to be extremely supportive and helpful to the arts and culture sector, because those who work in it deserve it, they should have it and they know that they will have it from me and the Government that I serve in.

Donald Cameron: I want to ask about the Edinburgh festival fringe, which you mentioned. Shona McCarthy of the Edinburgh Festival Fringe Society outlined to the committee in evidence last week that the fringe festival falls through funding gaps. It receives only £1 million in funding but is credited with bringing in £200 million-worth of investment into Edinburgh. As you noted in your statement, wearing another hat, you are the MSP for the city. Are you committed to retaining Edinburgh's status as a festival city? The Scottish Government's funding decisions might suggest otherwise.

Angus Robertson: First off, Edinburgh has a deserved reputation as the festivals capital of the world, and not just because of the decades of festivals that we have had in Scotland's capital city since 1947. We have seen a growth in the festivals from what was originally just the Edinburgh international festival to the festival fringe and then a further raft of amazing book festivals, children's festivals and film festivals—I could go on—and I think that it is absolutely right to match the challenge of the question whether we support and fund world-class festivals with the same ambition as those who run them.

That is why I said in my opening statement that one of my key priorities relates to festivals. The question is: are we doing everything we can for them—and here I am quoting myself—to "continue to be world class and contribute to our economy and international reputation"? Is there more that can be done? Absolutely. Mr Cameron will understand that, in relation to the point that has been made by the Edinburgh Festival Fringe Society, the fact is that it did not secure regularly funded organisation status from Creative Scotland some time ago. Without wanting to labour the point too much, I have to say that I have always been very cautious about getting involved in individual Creative Scotland funding decisions. However, given that I am signalling that I want us

to be thinking about all of these things as we move forward, we have to match our ambitions as a Government, as political parties and as parliamentarians with those of the organisations themselves.

After all, what has changed in recent decades is not just the festivals here, but festivals elsewhere. Edinburgh garnered its international reputation in significant part because it was among the first to have such festivals, but there are other cities in other countries that have tremendous festivals, too. That is a good thing, but we need to do everything we can not to rest on the laurels of seven decades of heritage and history and ensure that we are able to support our festivals. Indeed, I am talking not just about our Edinburgh festivals; as I have pointed out, we have tremendous festivals in our other great cities as well as the rest of the country, and we must ensure that they are properly funded and supported in a number of other ways.

There are other ways in which Government can support these things. I have said to the committee before that I am very keen for our international network—whether it be Scottish Government offices or, wider than that, our Scottish Development International or VisitScotland presence or GlobalScot network—to play a much more active role in promoting our culture sector internationally. That will benefit the festivals, too.

Neil Bibby: Good morning, cabinet secretary. Following on from Donald Cameron's question, I note that, last week, we heard about the need for urgency as well as clarity. Iain Munro of Creative Scotland said that the focus at the moment is

"to—literally—keep the show on the road and keep the lights on."

He went on to say:

"Much is at risk, but in the light of the indications from the Scottish Government about the £100 million—as I said, we could spend that several times over, and we want the Government to go further and faster ... —it feels as though we are on the cusp of being able to turn a corner if there is more urgency in how that money is deployed."—[Official Report, Constitution, Europe, External Affairs and Culture Committee, 11 January 2024; c 39.]

The key phrase there is

"if there is more urgency".

However, you have not indicated that you are going to go any further in this budget with regard to providing that urgency.

We also heard last week about the need for clarity. Up to now, we have heard that, in 2025-26, the funding will be £25 million as a minimum. However, this morning, you did not mention that the £25 million would be a minimum; you just confirmed that £25 million would be the figure in 2025-26. Can you clarify that?

Angus Robertson: It is in addition to the £15 million-plus in this budget. It is cumulative. What we are saying is that, every year, the funding will be in addition to the money that was committed in the previous year. The figure, therefore, will be £40 million-plus.

Neil Bibby: My point was that, up until now, there was talk of a minimum of an extra £25 million coming online, but I understand that it is £25 million.

Angus Robertson: Sorry, but can I stop you there? I have just said that it is £25 million in addition to the £15 million-plus that is being committed in this budget, so it is £40 million-plus.

Neil Bibby: Yes, but previously the indication was that it would be a minimum of £25 million—

Angus Robertson: I have just confirmed, again, that it is cumulative, so it is just over £40 million additional.

Neil Bibby: The point that I was going to make is that it would have been a minimum of £40 million if it was more than £25 million.

In terms of the clarity that you are seeking to provide—and which is being called for—you have announced £100 million over the next five years. When can people expect clarity on the amount of money that will be available in 2026-27?

On the one hand, you are saying that you cannot provide clarity on multiyear budgets, but on the other hand, you have announced £100 million over five years, so there is a need for that clarity, at least for 2026-27.

Angus Robertson: I have now said this three or four times, I think, so there should be no doubt about the clarity of the commitment that has been given about the additional £100 million. However, in terms of the route to get there, we are talking about £15.8 million in this budget and an additional £25 million in the following one—so that will be an additional £40.8 million—and then, in the two years after that, the numbers will be dependent on the budget discussions that take place in the usual way.

If I think back to previous discussions, there was a sense of doubt from some colleagues about whether this is a real thing. It really is a real thing. It is not an aspiration. In comparison to other Governments in the United Kingdom, including Labour-run Wales, which has cut its culture funding, we have increased it. Unlike the UK Government, which has cut culture funding this year, we are increasing it.

We have given the commitment—the Deputy First Minister did it in the budget statement—on the £25 million additional in the financial year

2025-26. As soon as I can, I would want to be able to confirm what the subsequent years will deliver.

I totally understand that the sector wants the front loading of funds. It is what I want—absolutely. It is what I argue for internally, and I want this to happen as quickly as possible. It is correct to say—and lain Munro is absolutely right to say—that what we are able to do this year is very much within the sustain phase of the culture and arts recovery. As we are able to secure the additional cumulative totals that will boost the culture and arts scene, we will be able to support the sector in a much more significant way to develop and innovate.

Neil Bibby: On that, the Government has pointed to an increase in this budget, as it has done on a number of occasions. However, we know that the culture budget was cut last year, and we also know that the culture budget is 6 per cent smaller in real terms than it was in 2022-23.

We heard concerns last week about the future of organisations in the current funding crisis—you will have heard that as well. We have also heard time and again about cultural provision having to be cut back. I think that there has been a mixed response to the budget as a result of those figures. Sam Dunkley of the Musicians Union said:

"Unfortunately, I am not sure that the additional funding announced in the budget—as welcome as it is—will have the impact that we need it to have."—[Official Report, Constitution, Europe, External Affairs and Culture Committee, 11 January 2024; c 11.]

The Scottish household survey talks about a reduction in cultural participation and cultural activity. You have rightly talked about the importance of equal access to culture and of sustaining cultural provision. Again, I agree with those points. We are hearing concerns from the sector that cultural provision will not be sustained at current levels. You are talking about the importance of sustaining it at current levels, and I agree with that. The question is, will this budget sustain cultural activities and participation at current levels?

Angus Robertson: I totally understand the question that Mr Bibby is asking and that is being asked by people in the wider culture and arts sector who, understandably, want maximum resource as quickly as possible in order for the sector to thrive.

11:00

However, we need to understand the budgetary constraints that the Scottish Government is operating under and the relative priority that has been attached to culture and the arts. Therefore, in comparison with, and in contrast to, other Governments in the United Kingdom, we are

increasing culture spending. That is important not just as a down payment on the significant increase that has been committed to for culture and the arts; given the actual cuts that are taking place elsewhere, it gives Creative Scotland, among others, the significant means to help us through the sustain period.

Do I acknowledge that there are venues and organisations that will continue to be in financial distress and that will require support over the coming financial year before additional funding is in place? Yes, I do. Can Government and Government agencies do more? Yes, absolutely. Having said that, let us look at specific examples of venues or events—some are in the public realm and some are not-that have had significant support from Creative Scotland or Screen Scotland. Let us look at the Filmhouse or the Edinburgh International Film Festival and others; let us look at the support that we are providing to V&A Dundee. We are intervening, whether as the Scottish Government, Creative Scotland, Screen Scotland or other agencies, to try to get through this sustain period. I am absolutely focused on our being able to do that.

Would I, as cabinet secretary, like to have the additional £100 million in the coming financial year? Yes, absolutely. However, we have been able to secure additional culture funding while other Governments have been cutting it. We have additional commitments from Government on what will be provided next year as cumulative additional support for culture and the arts and I will work tirelessly—as will my officials, Creative Scotland and other agencies—to make sure that we get through this sustain period where there is financial distress, until we are in a position with additional funding but also a renewed approach to culture and the arts, administratively and, yes, financially, to ensure that it is thriving, as everyone hopes that it will.

Neil Bibby: If we want to sustain culture and cultural activity and participation, it is important that we ensure that the right resource—whatever that is—is in place. I am interested to know whether the Government has carried out an assessment of this budget and how it will impact jobs, venues and cultural participation and activity. I say that because the committee heard evidence last week from Fran Hegyi of the Edinburgh International Festival about the need for levels of investment to

"match the level of ambition".

The cabinet secretary will be aware that the committee has carried out a culture in communities inquiry. Lori Anderson from Culture Counts told us that

"Since the committee conducted its pre-budget scrutiny, Community Leisure UK has conducted a survey of its membership. It reported that 60 per cent of Scottish members are facing a budget deficit"

and that

"29 per cent of members are preparing for closures".— [Official Report, Constitution, Europe, External Affairs and Culture Committee, 11 January 2024; c 19, 23.]

At a local level, we know that 83 community facilities, including dozens of libraries, have closed between 2009 and 2020 and that, for example, there has been a 16 per cent cut in funding over that period in library spend by local councils, and we know how significant that is. Earlier, you said that you want to speak with COSLA to ensure that it understands the important role that culture plays. I am sure that it is well aware of that important role, but its funding has been cut and cut and its core revenue funding is set to be cut again, by £63 million.

Therefore, in the important interests of sustaining cultural services, in addition to the national organisations sustaining their culture services under the current settlement, how do you expect councils to sustain cultural venues and keep them open, when so many are at threat of closure and when councils' funding is being cut?

Angus Robertson: We need to be fully aware that the support of culture is not just the responsibility of the Scottish Government and Scottish Government agencies. Working in partnership with local government colleagues will be key in moving forward on that. Yes, it is about venues and yes, it is about projects. One could point to the likes of Sistema as an example. We are keen to see access to culture through tremendous projects such as Sistema.

Local authorities take a risk when they no longer continue to fund organisations, venues or facilities, and that is something that I want to talk about with local authority partners. My colleague Christina McKelvie has already held discussions with culture leads and I will meet the president of the Convention of Scottish Local Authorities next week when we are both in Brussels—these are the kinds of things that we will talk about.

It is only by working in partnership that we will be able to get ourselves through the sustain phase and into the better funding scenario that we are moving towards. It is only by taking a partnership approach that we will see the success that we want to see right across the country. I have not met a single person in local government who does not want there to be excellent cultural provision in their local government area. That relationship will be key.

I am sure that my colleagues with finance responsibilities would point to the funding and support that has been given to local government so that decisions can be made at a local level while we have responsibility for the things that we support at a national level. However, it is only by working together that we will be able to get through this phase and into the next, and I look forward to doing that with COSLA and colleagues at individual councils.

The Convener: I am a wee bit conscious of the time because we also have a private agenda item this morning, but I will move to questions from Mr Stewart.

Alexander Stewart: Good morning, cabinet secretary. The increased money is definitely welcome, as are your ambitions to sustain, develop and innovate. Those are fundamental—there is no question about that at all. However, the committee has heard in evidence criticism from stakeholders that there is a misalignment between the Scottish Government's culture strategy and the funding that the sector receives. There does not seem to be a clear sense of how the strategy informs the budget process. Do you accept that criticism from the sector?

You have said that we cannot continue in the way that we are and that we need to be thinking about change. I do not disagree with any of the potential opportunities that you have talked about regarding how we could change and develop the sector and support it for the future. However, we already know, and you have said today, that local government does not always have the priority, the need and the financial resource. It might have the ambition, but it might not be able to fulfil it without there being a much more strategic approach to how the culture strategy and the budgetary decisions are managed together.

Angus Robertson: I am delighted by Mr Stewart's welcome for the additional funding, because we all have a role to play in helping to give the sector confidence about where we are going and how we are going to get there. The challenge of making that happen as expeditiously as possible, so that it is in alignment with strategies, plans and ambitions, is absolutely at the heart of where my thinking is. There is no doubt that I will be back before the committee and I will be asked repeatedly about all that.

There is always a question about matching strategies and plans with the ability to deliver on that trajectory. One would have to have had one's head in the sand to not understand that devolved Government is, this year, in the most distressed financial situation since the beginning of devolution. This is not a uniquely Scottish situation. My Welsh colleague or my Northern Irish colleague, were there one in place at the present time, would say exactly the same thing. Short of opening up a discussion about UK funding and the ability of the Scottish Government, the Welsh Government and the Northern Irish Executive to

deal with spending constraints—which is not the role of this morning's meeting—we have to deal with the constraints that we have.

Although, as I have said a number of times, I totally understand people saying that they need at once the funding that has been committed to, all fair-minded people who realise that we are one of the limited areas of Government that has been able to secure additional funding will appreciate that the down payment has been made on that additional funding, and that I will be working night and day to make sure that we maximise the committed funding as quickly as we possibly can. We want to deliver on these strategies and plans, and on the ambition that we all have to have a thriving culture sector.

Mr Stewart, like Mr Bibby earlier, is absolutely right to say that it is only by partnership working with local government, the agencies that are involved and other partners that we can ensure that there is no misalignment. I am confident that we can do that. There is enormous goodwill out there. There is a very good working relationship between Government, its agencies and the sector. There are regular round-table discussions and meetings. We are very well informed about what people's needs, interests, concerns and expectations are.

We also work very hard to ensure that we understand where there is financial distress and to work out where we could and should intervene to ensure that we are sustaining the culture and arts footprint in Scotland. We are also moving on to the next stage of how we can help people to succeed.

I am grateful for the welcome. I agree that we want to make sure that we have the funding to match the ambition. There have been very public commitments made by the First Minister, the Deputy First Minister, the finance minister and me. I gave commitments to the committee and I have fulfilled them for the forthcoming financial year in relation to Creative Scotland—doubt was cast on that happening. I am delighted that we are delivering exactly on the commitments that we gave. In exactly the same way, we will deliver on the commitments that we have made to the uplift in culture spending.

I want to go beyond that. Forgive me if I have already told this vignette, but I met last summer with the Danish culture minister—my opposite number—and we talked about the funding of culture in Denmark. He talked about the significant amount of funding that is allocated by Government. He then went on to talk about the amount of money that was disbursed across the arts and culture sector through foundations. In Denmark, the law says that companies of a certain size have to have a foundation, and they have a requirement to support, among other things,

culture and the arts. Large Danish companies, such as Carlsberg or Maersk, have foundations that support culture and the arts. The amount of money that they are able to inject in addition to Government resources is eye-watering. That is why I mentioned in my opening statement that we need to look at other countries and places that have well-established ways of making sure that one is fulfilling strategy, plans, ambitions and all the rest of it, as quickly as we can.

I have said before and I will say again that people should please share any ideas that they have with the committee, me, officials, Creative Scotland and others. There is an open door; we are in this together. It is the country's culture and arts sector. Government does not do culture, but it has the ability to help, support, convene and finance it. We will do as much as we can, but there is co-ownership in making sure that, together with the sector, we are in the place that we want to be.

11:15

Keith Brown: I do not think that there is a shared understanding in the sector of the financial pressures—or in this committee, either, by the way. As for the examples that have been mentioned, I would just note that the last one, about Denmark, came up at a previous meeting when I asked representatives of the sector to come back with meaningful comparisons, not with independent countries, which have fewer constraints on their budgets, but with devolved Administrations. I should say that, so far, I have had no response from the sector to my question.

have mentioned the constructive relationships with different partners in the sector, but I am not sure that I have seen that with Creative Scotland. Perhaps I can get your view on a couple of points. First, as I mentioned last week to Creative Scotland, I attended an event with the culture minister just before Christmas at which the Creative Scotland representative felt it necessary to publicly lambast the Scottish Government to the hundreds of people who were attending the meeting. I would also note the contrast between the press release that was put out by Creative Scotland on what it termed the £6.6 million cutwhich as we now know is for backfilling a shortfall in national lottery funding-and the fact that its reinstatement last week was passed with virtually no comment. I think that there is a real issue with Creative Scotland's approach to the Government.

I am sure that the cabinet secretary will say that the relationship is very constructive, but all I will say is that that is not the evidence that I have seen. Is he aware of any tensions with Creative Scotland?

Angus Robertson: I have always taken the view that it is really important to try to understand the perspectives of different people in different organisations. In this case, I see Creative Scotland demonstrating the demand in the culture and arts sector. If you ask organisations in that sector, "How much money would you like, in an ideal world?", you will get a massive total, and what that illustrates for an organisation such as Creative Scotland is that it would like the maximum possible funding settlement. I understand thatthat is what it wants. I understand that, whether it be Creative Scotland, individual organisations, venues or whatever, people who are receiving support either directly from the Government or through agencies need to illustrate the extremity of the situation as a way of securing support-and the situation is, indeed, very challenging.

The first thing that I would like to say, then, is that I understand why Creative Scotland and its board members are very keen to ensure that they have the funding to get through the massive change programme required for multiyear funding. That is why I was very empathetic in my opening statement and in my answers to the committee's initial questions about what is being done at present. I work very well with lain Munro and colleagues at Creative Scotland; I work very well with Isabel Davis and colleagues at Screen Scotland; and I can say the same for Historic Environment Scotland, our national collections and our national performing arts companies. I do not have a problem with any of that.

Is there what one might call a creative tension here, given the very nature of the process? The Scottish Government dispenses funds and organisations that receive them want as much as possible—I understand that. Given the constraints, people have wanted to gain public understanding as well as an understanding in Government of the requirement for money.

I definitely agree, though, that there is a profound lack of understanding about the extent of the financial constraint on devolved Administrations in the United Kingdom. It is unprecedented, and I have not heard a single person, whether it be a member of the Scottish Parliament, someone from an agency, a journalist or anybody else, contribute any suggestion as to where, this year, any additional means that one might want would come from. Nobody, but nobody, has come up with a suggestion on that front—not one.

This year, we have been able to make the case internally for a down payment on additional funding going forward, and no doubt everyone in receipt of funding will want to ensure that they get a part of that. I have talked at some length—and no doubt, convener, you will have me back to talk

about it again—about how this new approach will work from the perspective of the Government, our agencies and beyond. We will have to be in a new place. I am working with the people in Creative Scotland and other agencies on the basis of trust and I am confident that we have a trust that is good enough to be able to deliver all that.

Keith Brown: I understand what the cabinet secretary is saying but, from my point of view, the idea of trust, consistency and honesty on the part of Creative Scotland is an issue.

My second point relates to the cabinet secretary's point about new sources of finance. I raised the issue of innovation, which I have not seen much evidence of, except for the V&A in Dundee. I was assured that it would get back in touch with ideas, and some of those have come back in, to be fair—I have yet to read them.

I know that time is very short so, rather than ask a question about that, I will very cheekily ask the question that I asked the BBC earlier. Does the Scottish Government support the allocation of the status of crown jewels to the carrying of live Scottish national football matches in Scotland?

Angus Robertson: Speaking for myself, I find it very hard to understand why we do not have national sporting matches—in this case, football—on our public broadcasters. I cannot understand why that is not the case. Why do people need to subscribe to channels that they have never heard of and pay money to watch their national team perform, particularly when it is doing as well as it is? It is beyond me. The difference in the BBC's approach to the coverage of England, in particular, is there for everybody to see. Why is that? I do not understand that. I say that as the cabinet secretary for culture—sport is an important part of our national culture.

Frankly, it behoves our public sector broadcasters to look at the coverage of our national sports and to ask why we would treat one nation in the UK differently to others in that respect. I think that we know the reason for that, but to me that is not an excuse for ignoring the coverage of Scotland football matches.

The Convener: This needs to be your final question, Mr Bibby—a really small question, please, and a really succinct one.

Neil Bibby: It is a very small question. The cabinet secretary said that he had not heard any suggestions from Opposition MSPs about how money could be better spent in order to reallocate money into the culture portfolio. He will be aware of the concerns of Opposition MSPs in relation to the amount of money his department is spending on independence white papers, which are not even convincing the Scottish National Party of the case for independence. I remind him of that

alternative proposal for money which has been made to him.

The Convener: That is more of a suggestion than a question, but please be succinct in your response, cabinet secretary.

Angus Robertson: First, that is not a sensible suggestion, given that a majority has been elected to the Scottish Parliament with a mandate to pursue Scotland's independence. Secondly, in the grand scheme of the budgets that we are talking about, the amount is minute and it would make absolutely no serious contribution whatsoever to the scale of the funding challenge that we have as devolved Scotland. If that is the limit of ambition in relation to being able to reallocate money and deliver public services in Scotland, we are in real trouble.

Neil Bibby: You said that you had not had any suggestions.

The Convener: We need to bring proceedings to a close. Cabinet secretary and Ms Cooper, thank you very much for your attendance. I ask you to please vacate the room quickly, as we have another agenda item and we will be moving as quickly as we can to that. Thank you.

11:23

Meeting continued in private until 11:30.

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