



OFFICIAL REPORT
AITHISG OIFIGEIL

DRAFT

Constitution, Europe, External Affairs and Culture Committee

Thursday 4 December 2025

Session 6



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CONSTITUTION, EUROPE, EXTERNAL AFFAIRS AND CULTURE COMMITTEE
32nd Meeting 2025, Session 6

CONVENER

*Clare Adamson (Motherwell and Wishaw) (SNP)

DEPUTY CONVENER

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

COMMITTEE MEMBERS

*George Adam (Paisley) (SNP)

*Neil Bibby (West Scotland) (Lab)

*Keith Brown (Clackmannanshire and Dunblane) (SNP)

*Patrick Harvie (Glasgow) (Green)

*Stephen Kerr (Central Scotland) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Stuart Currie (Independent Review of Creative Scotland)

John Devine (Scottish Government)

Nick Leake (Scottish Government)

Angela Leitch (Independent Review of Creative Scotland)

Catherine Reeves (Scottish Government)

CLERK TO THE COMMITTEE

James Johnston

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Constitution, Europe, External Affairs and Culture Committee

Thursday 4 December 2025

[The Convener opened the meeting at 08:31]

Independent Review of Creative Scotland

The Convener (Clare Adamson): Good morning, and a warm welcome to the 32nd meeting in 2025 of the Constitution, Europe, External Affairs and Culture Committee. Agenda item 1 is to take evidence on an independent review of Creative Scotland, and we are joined by Angela Leitch, chair of the review, and Stuart Currie, vice-chair of the review. I warmly welcome you both and I invite Angela Leitch to make an opening statement.

Angela Leitch (Independent Review of Creative Scotland): Thank you to the committee for inviting us to speak about the review and explain further the contents of the report. I thank the more than 450 people who took part in the review process—people took time to speak to us in person and online, and they submitted lots of evidence, which we have taken into account.

We heard from individuals and organisations that were funded and not funded by Creative Scotland. We heard from Creative Scotland staff and board members, trade unions and many other interested parties. That engagement was supported by the significant wealth of existing data and evidence that exists. From the outset, I committed to producing a report that was based on evidence. The report is based on what we heard and what we read over the review period.

The recommendations in the report relate to Creative Scotland as set out in the remit that was agreed by the Cabinet Secretary for Constitution, External Affairs and Culture earlier this year. I concluded that there is strong support for a national body for the arts, culture and creative sector. Creative Scotland's remit remains relevant and flexible enough to carry out all the body's functions. However, improvements are required so that Creative Scotland can fulfil its remit across creative industries and ensure that support is aligned with the whole breadth of the sector's needs.

I reflected the views that were expressed about a need for greater scrutiny by the Creative Scotland board, a need for the organisation to be visible across Scotland and a need for it to

collaborate more internationally. My report is divided into five themes, and I have broadly covered the first theme, which is purpose and remit. I will say a few words about the other areas before passing back to you, convener.

On governance, I heard that Creative Scotland needs to set out a clearer long-term strategy that is worked up with partners and aligned with views from across the sector. The board should also have a greater focus on transparency, strategic challenge and scrutiny of performance.

I have heard a lot about the success of Screen Scotland, but we have also heard about the specific challenges that the screen sector is facing. Our recommendations are that Screen Scotland should have greater support to have a "clearer sense of identity" and that there should be greater delegation of decision making.

The report's third theme is performance. We heard about the significant amount of information that Creative Scotland requires from organisations that it funds. Although it is right and proper to have effective monitoring of public funding, the process should be more streamlined, automated and proportionate.

The fourth section covers finance and distribution of funding. The general perception is that that is Creative Scotland's primary role. Despite that, improvements are necessary. Creative Scotland needs to develop more medium and longer-term financial plans to support strategic decision making, and its approach needs to be informed by data intelligence, including local intelligence. Scotland is also the only nation in the United Kingdom that does not have a dedicated capital fund specifically for the culture sector, and I recommend considering that further.

The final theme in the report is relationships and partnerships. Many expressed the view that, outwith the central belt, Creative Scotland appears distant and impersonal. Greater co-operation with others, including national and regional bodies, would strengthen delivery for the whole sector and across the whole of Scotland.

The report has been presented to the cabinet secretary, who will consider next steps. I am happy to answer questions and expand further on the report.

The Convener: That is very welcome. Thank you to both of you and your team for the work that has been done to produce the report.

Quite a few sections of the report mention transparency and governance, which the committee has struggled with on occasion. I would like to dig a little more into how further transparency could improve the relationship with

the committee and the relationship with the sector in general.

Angela Leitch: In general, the sector was at pains to express how much need there is for greater openness from Creative Scotland. In the report, we recommend that that could be achieved in a number of ways. Board meetings could be held at least partly in public. Before meetings take place, agendas could be published online, as is done in many other public bodies. Any private items could be clearly marked to show why they are regarded as being important, confidential, sensitive or whatever the criteria may be. We suggest that that should be set out in a clear governance framework.

Another element of transparency that would help the committee is more clarity on the criteria for decision making, particularly on funding. That would greatly enhance people's understanding of why some people received funding and others did not.

In common with bodies in other parts of the UK, Creative Scotland uses panels for decision making on funding. We make particular mention of the importance of having clear criteria for those panels that are aligned to a clearer strategic plan that sets out the organisation's longer-term objectives. That would allow the committee and the sector to understand where Creative Scotland will focus its energies, why that is necessary and how that will be resourced accordingly.

The Convener: This is an example, not a suggestion, but let us take the Scottish Government's view on Scottish languages—Scots and Gaelic. Should a strategy be built more around Government priorities, so that the overall outcome of achieving, say, the wellbeing society is met?

Angela Leitch: Creative Scotland is a public body that is funded, as least in part, by the Scottish Government. Any public organisation or non-departmental public body needs to have regard to the programme for government and be explicit in its strategic direction about the elements through which it will support the achievement or furtherance of those goals.

We mention in the report the fact that Creative Scotland's goals are more akin to principles. Being clearer about the organisation's true objectives in order to enhance, grow and sustain the development of the sector would enhance the organisation's effectiveness. That would make it clearer to the sector, the Government and other partners that the organisation might lean into how it can be more supportive of their aims.

The Convener: You have said that Creative Scotland should be bolder in some of its approaches. We have seen some reputational

damage to Creative Scotland in the past when it has chosen to support controversial projects and when the decision making about how such projects were funded has not been clear to the committee. Is there pressure on Creative Scotland not to be bold in the creative arts that it is supporting, given that scrutiny? What exactly do you mean by Creative Scotland being bolder in its approach?

Angela Leitch: The reference to being bold basically stems from the need for Creative Scotland to be clear about what it wants to achieve with the evidence that it gathers from organisations across the country, whether or not they are funded. The organisation has greater opportunity to gather data and evidence from parts of the culture sector that it does not fund so that it identifies areas and priorities that would most benefit from the funding, advocacy or development work that a national body such as Creative Scotland could offer.

We do not mention decisions specifically, because the subject was not mentioned terribly often, to be honest. However, we mention transparency and clarity about objectives and clarity of criteria. Being bold relates to the fact that the sector, which is broad, is passionate. People across the board are passionate about what they do, but Creative Scotland needs to take a bold decision to say, "These are the priorities that we will focus on over the next period," which means that others will be provided with fewer opportunities and less resource. That is quite bold.

Creative Scotland has attempted to support the sector in the broadest sense imaginable. We heard that now is the time to think about the areas in which growth could be stimulated and sustainability could be enhanced.

The Convener: Thank you. I will open up the session to committee members.

Jamie Halcro Johnston (Highlands and Islands) (Con): Good morning. I have a few questions. During your inquiry, did you meet the board as a whole?

Angela Leitch: Yes, we met the board on two occasions, and I also met the chair of the board on a couple of occasions.

Jamie Halcro Johnston: You met the board as a group; why did you think that that was important?

Angela Leitch: I thought that it was important to hear what the issues were from their perspective. In taking an evidence-based view of the needs of the sector and how Creative Scotland or a national body could be strengthened, it was important to hear from board members where they felt the

shortcomings were. That is what we heard from them, on occasion.

Jamie Halcro Johnston: Did you receive further information from them or from other people within Creative Scotland on behalf of the board?

Angela Leitch: Creative Scotland was really co-operative in following up any inquiries for further information. As I said to the convener, the first port of call was its website to look at what information was held there, what type of research it had done and so on. When we could not find something, and navigating the website was not straightforward, we went back to Creative Scotland and it supplied us with board minutes and papers that we asked for and such like.

Jamie Halcro Johnston: So there was information directly from Creative Scotland and also those two face-to-face meetings, at least.

Angela Leitch: Yes.

Jamie Halcro Johnston: Okay. You talked about the scrutiny of Creative Scotland by the board, but there is nothing in the inquiry report on the scrutiny of the board by the Government—obviously, that is because you were not tasked with looking into that. Do you think that that should have been included? We have seen, within other parts of the cultural sector, issues in the relationship between the Government and the boards of bodies. Do you think that such scrutiny should or could have been included?

08:45

Angela Leitch: There is a recommendation for the Government and Creative Scotland on strengthening the work between the sponsorship team and Creative Scotland. That is not to say, from what we heard, that it is not a constructive relationship just now. However, I think that Creative Scotland, using its data and intelligence, could work further with the sponsorship team to demonstrate the needs of the sector and the sponsorship team then, working with politicians, could evidence both the work that Creative Scotland is doing and could do in the future.

On the body being held to account, as I understand it in governance terms, it is for the cabinet secretary to be assured of the work that it is undertaking and the work with the sponsorship team. We spoke to the sponsorship team as well as Creative Scotland and were told that they met on a regular basis and were appraised of the work of the body.

Jamie Halcro Johnston: This issue has come up with Historic Environment Scotland: there is a relationship between officials and the board but not always between the cabinet secretary directly and the board. Did you meet with the cabinet

secretary about this report and about the inquiry and its terms when it was set up?

Angela Leitch: I met the cabinet secretary when we had agreed our remit. In our appointment letters, there were three areas that we were asked to look at. When Stuart Currie and I considered that, and following our initial conversations with those in the sector and drawing on our experience of governance and leadership, those areas were expanded. I explained that to the cabinet secretary and then I met the cabinet secretary to explain the report. Those were the two conversations that we had—it was information giving.

Jamie Halcro Johnston: Okay, thanks. I will maybe come back to that later.

I want to ask about regionality and how Creative Scotland delivers across the country. Do you have any more to say on that? I represent the Highlands and Islands and remote communities that sometimes feel a long way away from everywhere. How do you think Creative Scotland can improve how it delivers for communities like ours?

Angela Leitch: When we were in the north of Scotland, in Aberdeen, Inverness and Orkney, we heard about the wealth of activity that is undertaken in those parts of Scotland. We were impressed—as is pointed out in the report—by the regional work that goes on there, particularly with Highlands and Islands Enterprise working constructively with a range of other national bodies as well as regional and local organisations. In the report, we recommend that Creative Scotland look at that, as building in some regional structure to its governance would be hugely beneficial.

We also heard that local intelligence could greatly enhance decision making. When we were in the Borders and Dumfries and Galloway, we had a discussion with some of the participants in the engagement sessions on awards for multiyear funding and how those awards could have been enriched—they could have gone further, had Creative Scotland been aware of the wealth of work that was being done in other parts of that geographical area of Scotland. There is definitely a potential for strengthening there.

The other thing that we heard that the sector was keen to have—and we also hear this from other bodies that are not currently funded—was a contact. The lead officer post within Creative Scotland was hugely valued. There has been a change to that model, which I can completely understand: Creative Scotland has moved to a new model because of the number of organisations that have multiyear funding. However, I think that there is still some work to be done on its operating model to make sure that those relationships are clear and effective.

Jamie Halcro Johnston: So, the suggestion is that there are more opportunities out there, but Creative Scotland is either not learning about them, or is not able to deliver on them.

Angela Leitch: I think it is, in part, both. We met around 60 staff in addition to the board and the senior leadership team. I think that the staff felt that they would benefit from being more visible and more engaged with different parts of Scotland. In part, one of the reasons that they have not been able to do that was the focus on multiyear funding, which—understandably—had taken up considerable resources. That may be something that the organisation will address in the months and years to come.

Jamie Halcro Johnston: Okay, I will maybe come back to that later. I am conscious of time, convener.

The Convener: Thank you.

Stephen Kerr (Central Scotland) (Con): Good morning. You mentioned the board, concerns about the capacity of the board and information not being passed to the board. You mention that there is no transformation plan in the medium term, no core strategy and no clear framework for prioritisation and that this weakens its ability to adapt, lead or respond strategically. Is the current board capable of bringing about the changes that you would like to see in Creative Scotland?

Angela Leitch: I have no doubt that that is something that the board will address and I have no reason to believe that it could not. There are vacancies on the board at this point and Creative Scotland's sponsorship team, working with the public appointments office, could think about how to enhance the skill sets that are already there.

Creative Scotland has some remarkable board members who have great experience of the arts. There are some members who have more of a background in business and have business acumen. Creative Scotland should be looking at balancing them out with people that understand good governance, the importance of scrutiny and the importance of options appraisal and business cases. Those skills are important on any board, and I think the vacancies offer an opportunity to augment the skills that the board already has.

Stephen Kerr: What brought about the situation where you observed—at least, it is mentioned—a lack of effective challenge at board level?

Angela Leitch: I think that there are a few areas. I point to multiyear funding. There were three options that were provided to the board on what multiyear funding could look like. The three options were focused on a different percentage increase being allocated from the Government. I take you back to the remit for Creative Scotland as

it stands, which is broad and allows it to act on behalf of the totality of the sector, including creative industries, and includes the enhancement of skills within the sector. We could not find anything that suggested that there was a wider appraisal of where the sector would benefit from that increase in funding, where there were gaps and where there might be opportunities. The options were, in our opinion, limited to the enhanced funding that would come from the Government, without thought being given either to different art forms that could benefit, different parts of the sector that could benefit or different parts of Scotland that could benefit.

We talked about the regional approach that we have just commented on. We might have expected development work to have been done in particular areas where artists were particularly keen to develop particular pieces of work. It would be up to Creative Scotland to draw on the wealth of information that it draws upon from funded organisations at this point.

Stephen Kerr: It sounds as though you are describing an organisation that lacks any kind of strategy.

Angela Leitch: It does have a strategy, but as I said in my earlier comments, the strategy is broad. It tries to support the sector in its totality.

Stephen Kerr: It is all things to all people.

Angela Leitch: It is very broad and in that respect, Creative Scotland should be using its data and intelligence, leaning into other organisations and looking to see what the true needs of the organisation are and where the sector can be most enhanced. It could support people on a maintenance, if you like, but then consider where it can enhance the sector to grow, develop and thrive. Then it can move on to other priorities over a period of 10 years or so.

Stephen Kerr: Why was there a gap? You note that there is a lot of evidence of information gathering, but not a lot of use of information so there is data gathering as opposed to data leading to informed decision making or a clear strategy—given that what you have described is a broad strategy. There was all this information. It could be information, although at the moment it is just a pile of data. Why was the board almost blind, at times? One of the comments was that the board did not always receive the information and that it needed to scrutinise direction of performance. How did that gap arise?

Angela Leitch: I think that that particular comment relates to the performance activity. As we mention in the report, we were told that performance monitoring relies upon the annual review, which is published around nine months after the end of the financial year. In the opinion of

the sector, that is too late. It is certainly not the practice that I am familiar with in having performance reports that allow both the executive and the non-executive members to take effective action when they see that things need to be addressed or realigned. That is the particular issue that is referred to in the report.

On feedback and the use of evidence and research, I think that Creative Scotland will say that that does happen, but in our analysis of board papers and so on, we could not see that happening on a systematic basis. From that information, it looked as if the board were dependent on the information that was presented to them from the executive.

Stephen Kerr: It appears to keep coming back to leadership; my conclusion from your report and from your evidence this morning is that there has been a lack of leadership from the board. I am happy to be challenged on that because one of the other comments that is in the report is about a defensive culture in the organisation. A number of stakeholders commented on that. Was that what you discovered? Was there a defensive mentality? Was there an unwillingness to address weaknesses?

Angela Leitch: On the point about leadership, we were focused on the organisation and how it was performing and so on. The feedback that we have had demonstrated that the sector is hugely grateful for the role that Creative Scotland has played in securing additional funding through the multiyear funding programme, so I think that that has to be stated. Having said that, there are other areas—development and advocacy in particular—that the sector feels need to be strengthened.

I also think that Creative Scotland has been consumed by multiyear funding for the past few years. I understand that it started a consultation on how that funding might be allocated in 2020 and, since then, through the pandemic and up until last year when it finally made the three-year awards, the issue has taken up a huge amount of time across the organisation. That may have limited its opportunities to look more broadly and at other areas.

Stephen Kerr: I have a couple of final points, which pick up from Jamie Halcro Johnston's comments about the relationship between Creative Scotland and the cabinet secretary and his office. Some of the commentary around the report mentions that stakeholders raised concerns that the Scottish Government took little interest in Creative Scotland's governance and did so only latterly when problems became too visible to ignore. Is that a fair comment?

09:00

Angela Leitch: That was not something that we heard. The main issue on governance was transparency. How could the board be more visible, more explicit in the rationale for the decisions that it makes and have more of a listening approach to what is happening in different sectors and different parts of the country?

Stephen Kerr: How did it come about that part of the report seems to suggest that the Scottish Government was too distant at times but then sometimes not at arm's length? I think that one of the comments around the report is that sometimes the Government had very short arms and was delving into things that were operational—it was felt to be interfering.

Angela Leitch: That was really in relation to the nature of the funding.

Stephen Kerr: Do you mean that it was in relation to specific funding awards?

Angela Leitch: The funding is allocated to Creative Scotland for particular areas. There is a fund for youth music, there is a fund for festivals, there is a fund for expo, there is a fund for multiyear support and so it goes on. Creative Scotland and the board felt that that was far too narrow and that they would be able to do more if they had fewer restrictions.

Stephen Kerr: So this is ring-fenced sums of money?

Angela Leitch: Yes.

Stephen Kerr: Was it felt that it was too restrictive?

Angela Leitch: We have suggested that that be looked at. To balance that, though, we point out in the report that in order for the Government to have the assurance that the money will be spent effectively, Creative Scotland should really be coming forward with proposals and plans based on evidence of the sector's needs.

Stephen Kerr: We are back to leadership and strategy again.

Angela Leitch: It really is a partnership approach that is needed.

Stephen Kerr: Was there a sense that the Scottish ministers were providing the level of strategic dialogue and direction that the organisation needed?

Angela Leitch: The feedback that we had from the board and the chair was that the engagement at a political level was constructive and took place fairly regularly. That is about as far as we went.

Stephen Kerr: That is good. Thank you very much.

Patrick Harvie (Glasgow) (Green): Good morning. I have a few separate topics to raise, if there is time. I will start with the core purpose of Creative Scotland, in particular in relation to fair work. We have heard repeatedly—I am sure that you have as well—about the concern throughout the sector that the creative industries generally have a significant problem with achieving anything close to fair work principles, particularly the parts that are dominated by freelance and insecure working.

The issue is referenced at several points in the report, but did you consider whether there is a need for a more substantive and clearly defined role for Creative Scotland in raising standards in the area? Creative Scotland takes the issue seriously, but some of its ways of working and decisions have actually repeated or entrenched the precarious working conditions that exist throughout the sector. Did you consider whether to make a more substantive recommendation on Creative Scotland's purpose in relation to fair work?

Angela Leitch: Sorry, convener—I should have brought in Stuart Currie earlier, but he will want to say something on this issue.

We heard about fair work from a number of perspectives on a number of occasions. We were mindful of the piece of work that is under way in the culture fair work task force. We spoke to the chair of that task force, and at that point we felt that, given that there was a dedicated team looking at that issue, it was more appropriate for that team to make recommendations.

We considered the issue, and you are right that Creative Scotland takes the issue seriously. It is one of its principles and funding criteria. If it came to enforcement, that would require Creative Scotland to think about how to do that. Any action that it took would have to be based on fairly clear evidence, and that would require Creative Scotland to have a different approach. It might also have an impact on the body's remit. On the one hand, it is a funder and, on the other hand, it would be judging whether the funds had been applied in a way that is fair. That is a difficult trade-off, and one that will have to be navigated in the forthcoming few years. However, I hope that the task force's recommendations, whatever they may be, will support Creative Scotland's approach to that in the future.

Patrick Harvie: In thinking about how the situation will develop, we can all anticipate that new technologies will exacerbate some of the precarity issues and the lack of consistent employment rights for people who work in the sector. Is it your view that we should consider your report alongside the task force's report and give

equal weight to the recommendations and see how they fit together?

Angela Leitch: The specifics in our report suggest that the aspect of fair work should be considered alongside the task force report.

Patrick Harvie: In an earlier answer, you mentioned the lack of capital funding. A number of the organisations that we have heard from recognise that addressing the climate emergency will be a significant challenge to many culture organisations. That will include a requirement for capital investment in buildings and facilities, either to decarbonise or to address the impacts of climate change. How do you envisage a capital funding stream working within Creative Scotland? How should its top-level strategic goals be defined? Should the body be given guidance from Government? Should it be entirely independent, as the cultural decisions of Creative Scotland are independent from politics? Alternatively, should that be demand led?

Angela Leitch: I will bring in Stuart Currie in a minute.

The issue of capital was raised, not just by people who rely on Creative Scotland or would like to be supported more effectively by it but by other parts of the culture sector that are funded separately. The role that Creative Scotland could and should play relates to a strategic overview of what capital investment is needed across the country. That can be informed by local feedback on what is needed locally, but the issue really needs to be looked at nationally, so that the limited funding can be targeted at the areas where it can be most impactful. We spoke to Creative Scotland about that, and the report refers to working with other national organisations such as the Scottish Futures Trust to assist with that.

Capital investment is not just about the climate emergency. We also heard about the importance of accessibility, for artists and audiences. Capital investment is key.

I will bring in my colleague now.

Stuart Currie (Independent Review of Creative Scotland): On Mr Harvie's points on fair work, it is clear that Creative Scotland has the potential to lead the charge through funding. If you fund an organisation and say, "Part of the reason you are getting the funding is your commitment to fair work," and you set out what that commitment is, it is not unreasonable to then say, "You said X. Have you delivered that?"

I know that the trade unions have strong views on those matters, particularly on effective voice, which is an on-going issue, and I understand that. However, Creative Scotland needs to lead by example. We found that Creative Scotland does

not have a recognition agreement with its trade unions. That should perhaps be delivered, so that it can say, "We do this; therefore, you should look at that as well."

The point about capital funding is really interesting. One part of the funding application is around climate change and ensuring that there is an action plan. That is a strong part of the application, and funding is given on that basis. However, I would have thought that you would want to avoid somebody applying for revenue funding and using part of that to fund capital works. Otherwise, you could end up hoovering up a huge amount of revenue funding into capital works, rather than looking at that separately. We think that capital funding is important from that point of view.

Colleagues from other nations in the UK told us that they have capital funds in place. It is not that someone will come along and ask for tens of millions to do something huge. We found from many organisations that a few thousand pounds in the right place can make a huge difference to what they do, in relation to not just their commitment to climate change but the experience of audiences and artists.

There are opportunities to make a big difference. That does not have to involve huge amounts of money, but it must be strategic. It is surprising that there is no overarching asset plan in Scotland in which we can see all the assets across Scotland, in local government and a range of areas, and what state they are in. Until we have that kind of baseline, it is difficult to understand what funding is needed and how to lever in additional funding from elsewhere.

Patrick Harvie: I also want to ask about Screen Scotland. The report says that the position of Screen Scotland within Creative Scotland should be reviewed. It says:

"The evidence suggests that Screen Scotland is not fully integrated into Creative Scotland in a way that would enable it to make the most of its capacity and skills."

However, it also says:

"there were calls for greater flexibility and autonomy for Screen Scotland to pursue its goals more assertively and effectively."

Is there tension between those ideas of greater integration of Screen Scotland with Creative Scotland and greater independence, or autonomy, and flexibility? Can both be achieved in a coherent way, or are they in tension?

The couple of mentions of the games sector that I found in the report were more about saying whether the remit of Creative Scotland is flexible enough to permit that—it is—rather than whether the games sector is getting the kind of support that

it could get from Creative Scotland and the extent to which Screen Scotland, Creative Scotland and other Government agencies engage with the games sector. Should there be an attempt to achieve the same kind of coherence for games as has been achieved successfully, as is widely acknowledged, through Screen Scotland?

Angela Leitch: On the dichotomy and tension with regard to integration, in line with the public service reform principles, it is entirely practical for Screen Scotland to be well supported, as it is to a degree, by Creative Scotland. The report reflects that greater integration could take place so that learning from Creative Scotland is transferred to Screen Scotland and from Screen Scotland to Creative Scotland. For example, we picked up on a lot of good practice in the funding processes that Screen Scotland adopts that would enhance some of Creative Scotland's work. That needs to be furthered, but the focus on multiyear funding has perhaps limited the opportunities for that to happen.

We say in the report that Screen Scotland could strengthen its identity in a number of ways, such as through clear governance arrangements and setting out in the governance framework the delegations to the screen committee and the director for screen. That would allow agility, which we heard from the screen sector is needed, given the dynamic nature of how that sector works.

09:15

Patrick Harvie: What about the games sector?

Angela Leitch: Creative Scotland's remit is really broad. We heard about podcasting and from people in the comedy art form. There is no reason why those areas cannot be supported.

I go back to the interpretation of Creative Scotland's remit. The remit can be constrained by Creative Scotland because of the funding streams. Unless there is a funding stream, Creative Scotland cannot provide support. Funding is the body's primary focus, rather than also thinking about advocacy, development and influence. There is an opportunity for the board and the executive to reset their thinking about the remit and how they align financial and human resources to support the sector in its totality.

There is a recommendation to review the creative industries framework, which was set up around the same time as Creative Scotland was established, in 2010. Things have moved on since then. For example, South of Scotland Enterprise did not exist at that point. There are also opportunities to have a conversation across Government departments about the support that is given to creative industries, because it is not just Creative Scotland that has responsibility for that. It

is also the enterprise agencies and others, such as Skills Development Scotland—

Patrick Harvie: And local government—it is not all just central.

Angela Leitch: Indeed. That framework needs to be reviewed and brought up to date.

Patrick Harvie: Thank you.

Neil Bibby (West Scotland) (Lab): Good morning. The review noted that there was a fall in the total number of awards made between 2022-23 and 2023-24, which is attributed to sickness rates in the organisation and a decline in payments being made on time. Did the review determine the primary driver of the sickness? Was it to do with pressure, workloads or internal issues?

Angela Leitch: We could not evidence that. That part of the report came from the annual report that the auditors produced for Creative Scotland going back to 2023-24. We noted that sickness absence had increased. That is the type of performance information that a board, or one of its committees, would normally expect to see regularly. I was subsequently told by the chief executive that performance information is presented to the board, but Stuart Currie and I were not able to access that and it was not provided to us, so I cannot comment on any trends or changes in sickness absence or the causes.

Neil Bibby: That jumps out as an area that we need to consider. One of the issues could be whether Creative Scotland has been adequately resourced to deal with payments on time and, if not, whether that has resulted in pressures on staff. In your view, has Creative Scotland been adequately resourced to deliver its functions?

Angela Leitch: In the absence of performance information, it is difficult to say whether the resources that are used for operating costs are sufficient or otherwise. As with most other public sector organisations, you would expect efficiency plans to be in place and a regular refresh of the workforce plan. That is particularly the case for Creative Scotland, in light of the change around multiyear funding. I would expect to see things such as a plan for digital enhancement, or how to use digital more effectively, so that human resources can focus on the areas where they can add most value.

We suggest in the report that Creative Scotland could now turn its mind to those areas but, at this point, and until we see what the baseline is, I could not say whether more resources are necessary for it to operate.

Neil Bibby: You said that the review called for the digitisation and streamlining of operations. Is there a specific measurable target that you think

should be set to ensure that more payments are made on time or more quickly? Is there a specific timeframe for that?

Angela Leitch: Like most public sector organisations, Creative Scotland would undertake benchmarking by looking at similar organisations in the UK or elsewhere or at other organisations that operate in Scotland in a similar vein; sportscotland, for example, is quite similar in that it gets Scottish Government funding as well as lottery funding. There are opportunities to benchmark in order to set standards, and you would expect the board or a committee of the board to undertake quarterly reviews of such key performance indicators.

Neil Bibby: I want to follow up the question that Patrick Harvie asked about fair work. Recommendation 18 states:

“As fair work is a key priority of Creative Scotland, its compliance should be more effectively monitored across funded organisations.”

You noted that Creative Scotland does not feel that it has the resources to effectively monitor compliance; in fact, you said:

“Creative Scotland is clear that it lacks the funding to enforce the conditionality of Fair Work First.”

Creative Scotland says that fair work is a priority, but enforcement is not happening—saying that something is a priority and enforcing the conditionality to make it a priority are two slightly different things. To what extent is fair work a priority for Creative Scotland?

Angela Leitch: It is a stated priority. It is one of its four principles and one of its six funding criteria, so it is very much a priority. Although we did not find evidence of Creative Scotland enforcing the conditionality on fair work, we heard that it actively pursued areas where there were reports that it was not being applied.

You are moving into what is almost a regulatory function, which would really need to be looked at in the context of Creative Scotland's authority, powers and sanctions. Creative Scotland, its board, the committee and the Government would need to be satisfied that they were clear about the authority that Creative Scotland was being given.

Neil Bibby: Thank you. Lastly, you noted that there is no specific capital fund for the creative sector in Scotland, although obviously funding is used for capital purposes in the sector. You mentioned retrofitting for energy and accessibility as primary reasons for a capital fund. Would new-build capital investment still be separate? The Scottish Government receives applications to support quite significant capital investment in new build every year. Would that be part of a capital fund, or would such a fund be very much about

investment in the current estate rather than new build?

Angela Leitch: The recommendation is that a capital fund could be established, but, as Stuart Currie said, a wider strategic view of capital investment needs to be taken. Investing in the current estate can go so far, but there might be investment in estate that is not fit for purpose and would be difficult to retrofit to meet the standards on environmental sustainability and accessibility that are now required. That needs to be looked at with partners from a wider and regional perspective, and it would be a significant piece of planning work.

Neil Bibby: We have had reports of backlogs in the capital funding that is needed for colleges, hospitals and schools. Is there a quantum for what is needed to bring the cultural sector's capital estate up to standard?

Angela Leitch: We did not have the time to quantify that, but I know that some other bodies have done that. Fairly significant work was done to look at what it would take to bring the school estate up to a standard that is fit for modern-day learning. Just getting a plan to that stage would be a substantial piece of work and a significant investment, but at least it would guide future investment decisions.

Neil Bibby: So, you have not quantified it, but you have identified that there is a significant need.

Angela Leitch: We heard repeatedly that there is a need.

Stuart Currie: We spoke to the Convention of Scottish Local Authorities about a key issue, which is that local government owns a huge amount of assets in our communities that are often managed by arm's-length organisations or charitable organisations. We asked COSLA what conversations it has at a national level with Creative Scotland about those very issues around the estate—what the position is, where the funding is and whether funding can be leveraged from external sources. Little or no conversations are happening between COSLA and Creative Scotland.

There is a point made in the report about building relationships and having those conversations. That does not mean to say that you are going to magic up the cash, but it does mean that you start to talk about what is required. Capital investment plans in local government, which are extensive—they go into the billions each year—are about having conversations about where something fits in and how it can be enhanced. It is about ensuring that, where people are actually using facilities, there is an opportunity for Creative Scotland to be part of the

conversation to see where the funding may or may not come from.

Keith Brown (Clackmannanshire and Dunblane) (SNP): It is good to see you both again. I have a couple of questions, and will play devil's advocate. The first is, how much of what you found during the review could be attributed to the fact that, since it was formed 15 to 20 years ago, Creative Scotland has endured as much austerity budgeting as everybody else? Was that reflected in the concerns that were raised? Is it likely that a grant-giving body that has been rationing public funds for 15 years will give rise to some centres of discontent? Capital in particular has been slashed over the past decade or so. To what extent might austerity budgeting explain some of your findings?

Angela Leitch: It will almost definitely have been a factor. One of the comments in the report—which was reflected in the engagement sessions—was that the sector's ambition far outstripped any funding that could be allocated. That goes back to the point about recognising that there is a finite amount of money. Therefore, in working with the sector and partners, setting priorities is absolutely key.

Keith Brown: Thanks for that. You also mentioned the importance of scrutiny of the board in particular. The committee has had concerns in the past when it has tried to scrutinise the work of boards and there has sometimes been an evasiveness or a willingness to use their two different funders to obscure proper scrutiny, and almost a resentment at being held to account. That will not apply to all members of the board but to those who attend the committee.

Could you say anything about that? Is it just that there needs to be greater scrutiny by the board or does your review tell you that the organisation as a whole needs to better understand that it is being held to account and not shrink from that?

09:30

Angela Leitch: Strengthening its performance monitoring and reporting would enhance the board's ability to make decisions more effectively and ably. It would also give greater clarity to the committee, the Government, the cabinet secretary and so on. Relying on an annual report that comes out nine months after the period on which it is reporting does not give adequate assurance to the board or the funding bodies, whether funding is from the Government or the lottery.

As I said in response to the convener's question, it is not unreasonable to have a national body explicitly demonstrate how it supports the programme for government that it sets and to have it report against that more frequently.

In some of the engagement sessions we talked about practice in health, for instance, where there are annual public meetings, the public, the sector and parliamentarians are invited, and bodies are held to account. There are opportunities for bodies to instigate such practices themselves, rather than having them prescribed.

Keith Brown: Have you seen Creative Scotland's response to your review?

Angela Leitch: I have just seen it, yes.

Keith Brown: I wonder whether it would cause a lot of people concern. It seems to me that it is not exactly dismissing the review but is saying that many of those things were already under consideration, that it could not do some things because of cash and that it will not be able to do some things unless it gets more cash. That does not speak to a body that is ready to listen to scrutiny or criticism when it is justified. In its response to your review, it seems to be digging its heels in. Did you come across that characteristic during the review?

Angela Leitch: Having been subject to reviews by scrutiny bodies in the past, I know that it is always quite difficult. I met the chair and the chief executive last week and we had a conversation. I tried to explain where we had heard some of the rationale for the recommendations that we put forward, and I suggested that they produce a plan to show that they have taken the recommendations and advice on board. It is an opportunity for them. If they were to come to the Government quickly and say which areas they want to accelerate, there would be a clear mandate for them to do so.

I also pointed out that a lot of this does not need direction. They have the suggestions and feedback, primarily from the sector—the totality of the sector, not just the funded bodies—that demonstrates to them some of the changes that need to be made.

Creative Scotland already has plans in some areas. We gathered evidence and we took stock at the end of August to the middle of September and we were not aware of a lot of those plans at that time. It is good to know that that work is now under way. If our questions and asks of Creative Scotland for information have reaffirmed its commitment to that type of work, the review has, in part, been successful.

Stuart Currie: I will add to that point. It should not be difficult to identify how decisions are made, why they are made and by whom. That is accountability, and this is public money. It is not unreasonable for people to expect that level of scrutiny and transparency throughout the organisation.

It has been 15 years since Creative Scotland was set up. You could argue that, following an independent review and lots of questions, some of the changes should have been made earlier, but perhaps that is because it has taken so long for a review.

However, the phrase that always strikes me is that no one ever sees themselves as other people see them. Our recommendations are based on what we heard. We did not wake up one morning and think that something would be a good recommendation—it was what we heard. We said from the outset that the review would be based on evidence taken from the engagement with hundreds of people who took the time and effort in their busy schedules to tell us what they thought and why. That is important.

If changes are being made, that is fine, but to build confidence in anyone seeking clarity or transparency, there has to be demonstrable delivery of those over time to ensure that they are embedded in the organisation. That makes for better decision making, which is what everyone wants. Everyone wants the best decisions to be made, based on the best evidence available. If that is what is going to happen and we are going to get there, that is great. However, everyone, particularly those who apply for funding, would want to be sure that change is demonstrated and built into the organisation.

Keith Brown: On the point about having the best evidence available, it seems that you were not aware of some things that Creative Scotland now says were in train and under way. You were not told about them. I imagine that that will concern the committee, as will your response to Mr Bibby earlier about not being told performance monitoring information. I do not know why the review was not given that information. Leaving that aside, however, I have two final points.

One is on the issue of discontent. Mr Halcro Johnston has already mentioned the northern isles and the Highlands. Usually, when we talk about being fair across Scotland, we say that, in addition to the central belt, the Borders and the Highlands should be looked after. That leaves huge tracts of Scotland quite discontent. You will be very aware of the situation in Clackmannanshire, for example. However, there are areas, such as Ayrshire, that do not feel they get a look in. The big arts festivals in Edinburgh soak up a lot of the funding. It may be that those areas are so culturally barren that they need some speculative funding. Maybe that is where Creative Scotland has to be bolder. Can you confirm whether you found different parts of Scotland saying that they were a bit discontent with the extent to which they get attention—far less any finance—from Creative Scotland?

Angela Leitch: Yes, we did hear that. We heard that repeatedly outwith Glasgow and Edinburgh. Even in the engagement sessions that we had in the two cities, there were people from surrounding areas, and we heard the same thing from them.

In the remit of Creative Scotland, there is a requirement for development work. A lot of people come forward for funding and support, but in some areas, there is a need to work constructively with the enterprise agency and local government to think about how to foster growth in culture, the arts and the creative industries.

In response to Mr Kerr's earlier question about the options appraisal, I know that multiyear funding has been a huge success. We might have expected to see options that looked at exactly that. For the arts and culture to thrive across Scotland, where are the areas where there are opportunities to help them flourish? Where are the gaps, and how could additional money support those areas more effectively?

Keith Brown: Thanks. My last question.

You were taken down the road of being asked about the cabinet secretary's involvement earlier, to the surprise of nobody on the committee. However, your review was not a review of the cabinet secretary but a review of Creative Scotland. The answers that you gave referred to the two meetings that you had with the board, the recommendation that there should be greater working with the sponsorship team in the Scottish Government, and the fact that you had meetings with the cabinet secretary. Do you agree that that kind of engagement is pretty much the norm for such reviews?

Angela Leitch: We undertook to go back with our remit, simply saying where we had got to and what we thought the remit needed to include. That was accepted in full by the cabinet secretary. The follow-up meeting was when the report was finalised. I went along to explain the content of the report and to answer questions on particular aspects, but the report was finished at that time. Our independence was certainly protected at all stages.

To be assured of the effectiveness of the organisation, although the sponsorship team gets key performance indicators, primarily on the funding that is allocated, I suggest that that process should probably be broader and look at the totality of Creative Scotland's remit.

Keith Brown: Thank you.

George Adam (Paisley) (SNP): Good morning. I am not going to dress it up: in my dealings with Creative Scotland, I have always found it quite an arrogant organisation. It is not just me, as a precious politician, who is thinking that; it is also

the creatives in my constituency, who find the organisation difficult to deal with. Your report backs that up, saying that it is too bureaucratic and too difficult to deal with. Is that not the issue?

Your report also brings up the fact that the organisation throws money at the creatives and does not develop it further. The creatives feel left, or, in the opposite way, some creatives end up feeling that they are the ones who have got to fit a pigeonhole that Creative Scotland has created with the funding. As you say, it is primarily a funding body. It is not just the case that everybody complains about funding bodies. There seems to be something wrong here, and I think that it is the arrogance of the organisation. What do we think of that?

Angela Leitch: I think that that is a view that you could express, but I think that we have pointed to a whole lot of areas where there is improvement, and that is based on feedback from the sector. We did hear that the organisation was too bureaucratic, that the returns that were required of funded organisations were burdensome, that the application process was extensive, that—to go back to multiyear funding—the requirements between stage 1 and stage 2 were very time consuming, and that there is no transparency. Creative Scotland was perceived as an organisation that does not learn from incidents. There were a lot of views, and I have to stress that, as Stuart Currie said, those are the views of the people we spoke to and that is the evidence that we gathered. There is a lot in the report that Creative Scotland can go away and address in the spirit of being an open and learning organisation.

George Adam: But its letter in effect says, "Yes, we had this plan written on the back of a beer mat, and we were going to implement it anyway, but you knew nothing of it." That seems arrogant.

Angela Leitch: Well, I am sure that that is something that the committee will explore in a bit more detail in Creative Scotland's next engagement with you.

George Adam: I have a question for Stuart Currie on the capital fund. I find it bizarre that there was no engagement with COSLA and local government. As MSP for the Paisley constituency, where there is quite an investment in the historic museum, the town hall and so on, I find it difficult to understand why Scotland's main creative organisation would not be at that table having those conversations. Can you give me a wee bit more detail on that?

09:45

Stuart Currie: Yes, I can. It was surprising. We had an extensive conversation with COSLA about it, thinking that, given the ownership of so many

assets, from community venues to theatres, there would be a strong relationship, but it was not a relationship that bore much fruit. Thinking about capital funding, it seems to us that you have to get everyone with an interest in the room and find out what is available. If you are waiting for local authorities, Creative Scotland or the Government to suddenly produce all the funding, that is unlikely to happen. However, there may be a cumulative impact from having all the funders who might be able to assist in the same room talking to each other. We have found from having those conversations that people want to help each other. People want to make things happen and improve facilities and everybody's experience, so that people are encouraged to come back time after time as audience members or as artists.

By getting everyone in the room to have those discussions, you find out what is available and what you can leverage. There are climate change funds, for example, and there are national and Scottish funds, but unless you get in that room and talk about it, you can end up with everyone having separate discussions about funding instead of pulling them together. We think that that is important. There are lots of organisations, such as sportscotland and all the other arts organisations across the UK. I am sure that conversations are had on occasion, but having fruitful discussions and building relationships can have a pretty productive cumulative impact.

That is particularly the case with capital funding. Everyone in this room and elsewhere knows that capital funding is difficult to find, but there are opportunities to at the very least have those discussions, find out what you have and what you do not have and then try to programme it. We are not saying that that will happen in three weeks on Tuesday. Any capital investment plan is going to be five, 10 or 15 years in the making—it could be 20 years ahead—but at least, if you have those conversations, you can start to programme it. As Angela Leitch said, are buildings fit for purpose? Does it require a new build? Is there a different way of delivering the service in community facilities or elsewhere? However, we think that building those relationships and having those conversations is a pretty good first step.

George Adam: On the point about capital funding, it is not necessarily about creating a big pot. In some other parts of the UK, funding is almost like a loan scheme: you create the fund and, if it is done properly, with these conversations being had, it will be constantly being paid back into by the people you are funding. In some of the cases that I have looked at, capital funding has been more like a loan process. That looks quite interesting at a time when capital spend is difficult to find.

Stuart Currie: Yes, I think that, whether it is grants or loans, there can be a fear that we are talking about millions—about huge capital projects. A lot of people have told us that funding can sometimes be a few thousand pounds or a few hundred pounds. A very local community-based organisation that is run entirely on volunteers, not a cadre of professionals, can encourage people to help them and a few hundred pounds or a few thousand pounds could make a difference. Again, however, until those conversations are had, you just do not know what is possible. If people succeed in getting funding from Creative Scotland or elsewhere, using revenue funding for art as capital funding may not be the best way forward. You could end up with a lot of money being diverted into capital works when you are trying to develop art, and that was part of the application process.

George Adam: Thank you.

The Convener: I know that we are over the time we said, but I have one final question. It goes back to the history of the situation, which started with the merger of Scottish Screen and the Scottish Arts Council, as was. We have heard that Screen Scotland has been a success. I am looking at its organisational structure and see that it has a chief executive for regional Screen Scotland, so it is organised in a regional and strategic way.

If you were looking at a Venn diagram of Creative Scotland, do you think that the way forward could be for it to have smaller organisations within it, as Screen Scotland does, focusing on particular sectors? Do you think that the screen sector and, hopefully, the games sector could be in there so that they can apply for grants in England, because we differ from the rest of the UK in that our games industry stands outside that? Do you think that a focused group of organisations such as Screen Scotland would be more successful than the way in which the board has been operating and will operate in the future?

Angela Leitch: There are definitely models that Creative Scotland could look at. We looked at a number of international comparators—I think that Australia was one—and some organisations are based on art-form specialisms. There were pros and cons to that, but it is definitely a way forward.

Going back to public service reform, I note that in the report we talk about our engagement with, for example, Architecture and Design Scotland. There are opportunities for hosting arrangements as part of a national body that would allow investment in infrastructure, in digital and in the sharing of the services that every organisation has to rely on. That reduces operating costs and puts as much funding as possible into the industry or the art form that is so important. We have made a particular recommendation on that, and also on

looking at the totality of the funding across the culture sector, just to see whether it is meeting best value.

The Convener: Thanks. It is hard to know where to start when you do not have the basics of an asset register.

Patrick Harvie: I have one final question, convener.

The Convener: I will ask the panellists, who were hoping to leave at least five minutes ago. Are you okay?

Patrick Harvie: I will be very quick. Thank you, convener. My question is about political independence.

The act that created Creative Scotland says:

“The Scottish Ministers may give Creative Scotland directions ... as to the exercise of its functions. But the Scottish Ministers may not give directions as far as relating to artistic or cultural judgement.”

I think that political independence in respect of creative and artistic judgment is important. The fact that the phrase “culture war” even exists indicates to us that certain issues are being politicised at the moment in our culture, and I would suggest that most of the attempts at that kind of political interference do not come from the Government. They have been expressed in the Parliament or in the media. Does Creative Scotland need similar protection to the one that it has from political interference on cultural and artistic judgments from the Government? Does it need that protection from the Parliament as well?

Angela Leitch: That is something that could probably be explored. A bold, strong and confident organisation that has a clear set of priorities, that is supported by a good financial plan that articulates what it is going to do and what it is not going to do, and that aligns its human resources and other support functions to make that happen should be able to explain the rationale for any decisions that it makes to the media or to the Parliament. It may be advantageous to have some protections. It is not something that we looked at or heard was necessary, but there are a lot of other recommendations in the report that would give strength to the sector that it is looking for.

Patrick Harvie: Thank you.

The Convener: Thank you very much for your attendance at committee this morning and for all your work on the report.

09:53

Meeting suspended.

10:01

On resuming—

Scotland's International Strategy (Annual Report)

The Convener: A warm welcome back to committee. Our second agenda item today is to take evidence on the Scottish Government's international offices report.

We are joined in the room by Nick Leake, and we are joined online by Catherine Reeves and John Devine. Nick Leake is deputy director of Scotland House Brussels, Catherine Reeves is head of the Berlin office, and John Devine is head of the Scottish affairs office in Canada, all from the Scottish Government. A warm welcome to you all.

I invite Nick Leake to make a short opening statement before we move to questions from the committee.

Nick Leake (Scottish Government): Thank you, convener. Age is catching up on me: last time I was in this room, I could see you, but now I need my glasses to see you. I cannot read with them on, so I will put them on and off throughout the session.

Thank you very much for inviting us. We welcome and relish the opportunity to talk about our work and the Scottish Government international network as often as we can. There is only a small number of us, and we are not back in Scotland very often, so it is great that you have asked the Government to publish an international report on the strategy and our network, which we have done for the last two years. This year we have expanded the report to allow you to scrutinise the implementation of the Scottish Government's international strategy, which includes but is not limited to the international network.

Everything we do overseas is aimed to advance Scotland's priorities, the First Minister's four priorities and the three themes of the international strategy: economy, trade and investment; climate change, biodiversity and renewable energy; and reputation, influence and relationships.

I know that the committee has had a focus on outcomes and measures in previous evidence sessions. We think that we have better quantitative data in the economic space than in the other areas, which we are still working on. I used to work for the Foreign, Commonwealth and Development Office, and I have done a number of overseas postings with that department. It is difficult sometimes to measure the impact of diplomacy, and the FCDO does not manage it particularly well either. We recently contributed to

a publication by a Washington DC think tank, which was sent to the committee by the cabinet secretary. It covered international outcomes and what they call subnational diplomacy.

We think that we have a bit more information on the economic aspects. You can see the export and investment statistics, and you can see the assessment on gross value added from major events held in Scotland, which are quoted in the report, for example. However, we are working on other aspects to respond directly to the challenge that the committee has fairly given us and the helpful recommendations that you have also given us.

The report this time includes the output of the biannual review of the Scottish connections framework, as well as a narrative and financing report on our official development assistance spend. On the second aspect, the three of us are probably not beautifully placed to answer the questions, but if we cannot, we will be able to get answers for you. Obviously, none of us works in that area.

I am here representing the team that I lead in Scotland House Brussels. My colleagues, Catherine Reeves and John Devine, are joining me from Scottish Government offices in Germany and Canada. You have heard in recent years from other colleagues in offices in the USA, in China, in Denmark and in London. We are keen to continue the engagement and dialogue with the committee and to assist members in understanding more about the work of our international offices. We appreciate the support that we have had from you for our work.

Our offices remain small. We think that they deliver disproportionately to their cost, which is less than 0.02 per cent of Scottish Government's overall resource spending plans. The annual report this year covers much more than just the work of our teams; it looks at the delivery of the international strategy overall. Much of that is relevant to our work. Many of us have a focus on renewable energy in the green transition, for example, and on trade and investment in our day-to-day work. All of us are involved in work engaging the Scottish diaspora in support of the Scottish connections framework.

As I said earlier, there are other areas where there might be less overlap with our teams, such as development programmes with partner countries in Africa and Asia. If we are unable to answer those questions, we will be able to get any additional information that the committee would find helpful, but we might need to send that afterwards. I hope that that is okay.

The Convener: Thank you for that opening statement—we will move to questions.

The annual report states:

"Scotland enjoys a strong reputation in Brussels ... Scotland House uses its presence at the heart of the European district to promote Scotland's aims and develop strong and enduring partnerships with EU institutions and others in Brussels."

We have visited Scotland House, which has supported the committee on our trips to Brussels and in presenting our trade and co-operation agreement report. You also mentioned the priorities of reputation, influence and relationships. The Scottish Government has quite different views about how it would like to engage with Europe post Brexit. We would like stronger integration and the reintroduction of youth mobility, for example. How does Scotland House articulate views that are distinct from those of the UK Government? I will come to you Nick Leake first, and then to Catherine Reeves.

Nick Leake: That is a really good question. As you know, I worked on the other side of the roundabout for the UK mission before I came across to Scotland House. It is definitely true that, when I walked across the road, my reputation in Brussels went up by quite a lot. This was a few years ago, but my reputation and the access I was able to get went up by quite a lot.

The UK Government's reset is a part of our work, although we also follow and look at what the European Union does that is not connected with its relationship with the UK. The aims that the UK Government has in its reset are shared by the Scottish Government. I think that we would want to be more ambitious, but the decision that ministers have come to and that we follow is that we should be supportive of the UK Government's aims to improve its relationship with the European Union. We think we are able to do that.

Ahead of the summit last May, we published seven Scottish Government position papers, which were all shared and discussed with the UK Government in advance so that there were no surprises for UK Government colleagues in that work. I think that they found them helpful. The outcomes of the summit covered a lot of the areas that we had prioritised. To be fair again to my former colleagues on the other side of the roundabout, that shows that they listened to us, which is good. Obviously, there are other areas where we might have wanted to go further, and it is possible the UK Government also wants to go further perhaps in slower time. I think that there is a difference of ambition, but the objective to improve the relationship is a shared one and so we are able to work in a collaborative way to do that.

As I said, my reputation and my access went up quite a lot when I went across the roundabout to Scotland House, and we are able to use the

reputation and networks that Scotland enjoys to promote the outcomes that are shared with the UK Government. There is a collaborative effort on the shared priorities. People in Brussels are aware that the Scottish Government wants to see more ambition. We also want to see more ambition from the EU side, as well as the UK side. That is set out in a constructive way as a challenge to both sides and, hopefully, it encourages them to move a bit further.

You will have seen we have published a position paper on the outcomes of the summit and the next stages of the negotiations, which we are currently discussing both in Brussels and with colleagues from London.

The Convener: Thank you. Catherine, do you want to come in?

Catherine Reeves (Scottish Government): Thank you, convener. That is a really pertinent question in the geography I am working in—in Germany. It is fair to say that Germany took Brexit extremely hard. For my predecessors, who established this office, there was definitely a differential advantage, which I do not think they even had to seek but just occurred naturally, from the widespread knowledge in Germany that Scotland's voting on Brexit had been different from what went on in the rest of the UK.

I think that that advantage persists. There is a certain warmth that is spontaneously felt towards Scotland in Germany, which dates from that differential voting outcome and which we are still seeing some benefits from. That said, it is not something that we go around talking about proactively because, as Nick Leake has said, it is in all our interests to see some rapprochement between the UK and the EU and between the UK and Germany. That is after a pretty difficult period in the relationship at UK level with Germany.

That is starting to bear fruit, which we saw in July with the signing of the Kensington treaty. While that is an initiative of the UK Government and federal German Government, it gives us the vehicle to benefit some of Scotland's interests in a number of areas, such as space, energy, science and tech. It is definitely to be celebrated that the relationship is warming up.

The Convener: John, could you explain to us how Scotland is viewed in your Canada office and whether it is viewed differently from the UK? What do you see is different?

John Devine (Scottish Government): Good morning to the committee, and greetings from a snowy Ottawa.

Scotland is in Canada's DNA and, of the 40 million Canadians, about 4 million to 5 million claim Scottish heritage. We are therefore viewed

incredibly affectionately here: we are viewed as family. One of the great challenges for my colleagues and I is to figure out the tangible outcomes from the wall of affection that we meet wherever we go.

Like Nick Leake, I used to be a diplomat for the UK in the FCDO. This is my first job for the Scottish Government, and it is a real marked difference to be in Canada as a Scot and never have a negative experience anywhere. I am constantly welcomed—and, as I said, the real art and challenge is taking that affection and turning it into a tangible outcome.

The Convener: Thank you very much. We move on to questions from the committee, and I will bring in Mr Brown first.

Keith Brown: Good morning. First, my single greatest achievement in my less than illustrious ministerial career was having haggis, albeit slightly modified, put back on sale in Canada. That was some years ago. We still have to crack the US market.

John Devine, as part of North America, are you making substantial plans for the world cup? There is the potential that Scotland could be based in Canada. Whether it is or not, if you look at what was done in Germany, the international office there started planning from the draw right the way through to where it always ends for Scotland: the group stage. The tournament surely provides a fantastic opportunity. Could you say anything about what preparations are in train so far?

John Devine: Thank you for the question. It is hugely relevant. Of course, it is fantastic news that Scotland will be coming to North America. Wherever they play the group games, whether in Canada, the US or Mexico, it is a huge opportunity. The Scottish Government has been planning for this for a long time. Since Scotland qualified, I have been in a number of meetings with colleagues back in headquarters looking at any number of aspects, from the practicalities of Scotland playing here and the tartan army visiting, to what we can do to maximise that for Scotland, not just through a VisitScotland or tourism lens, but anything associated with trade and investment. Those discussions are on-going.

10:15

I came back late last night from meeting with some businesspeople in Toronto. On the way down to Toronto, on the train, I was on a number of Teams calls with Scottish Government colleagues about this issue. The planning is already at an advanced stage. There will be more to say, I think, over the coming weeks and months, especially after the announcement tomorrow about which group Scotland will be in and then, on

Saturday, about where they will be playing their games.

Keith Brown: It is likely that, en route to the final, Scotland will be in Canada at some point. I wonder whether you have taken lessons from what happened in Germany, because that was an astonishing boost to Scotland. As was said earlier, Scotland enjoys a pretty warm reputation there. I certainly remember being in the ambassador's residence and being embraced by a senior member of the Christian Democratic Union who said, "We like our Scottish friends because they want to stay with us." Those were her exact words. She was looking at the ambassador when she said it. We have a good reputation there. We often are not aware of the number of Germans who come, in particular, to the Highlands in Scotland. Are your plans as detailed at this stage as they were in advance of the draw for Germany and have you learned from that?

Catherine Reeves: We have had some initial meetings about what learnings we can apply from the Euros to the World Cup and, certainly, I well remember watching that draw and almost not being able to believe our luck. I say that in terms of the visibility afforded to Scotland by playing Germany in the opening match, although perhaps the score line suggests that, in terms of football, we were not as lucky as we thought we were.

Yes, there is definitely learning from that that we can apply to Canada. The big message that I would take, which was less clear up front when we went into the Euros because it had been so long since the Scotland men's team had played a big international tournament like that, is that we had not appreciated just what an impact the tartan army would make. There were 200,000 of them in Germany and the Germans absolutely fell in love with them.

If you do not mind my reading briefly, convener, at the end of the group stage, so just before the match against Hungary, the embassy received an open letter from someone who signed himself off as a new Scotland fan in Oldenburg in Lower Saxony. Incidentally, Scotland was not even playing there. The letter was pleading with the Scottish fans to stay on, regardless of the outcome of their final match, because Germany was so much enjoying hosting them. One of the things that the writer said was,

"You have already done Scotland proud and done your message a great service, because this positive publicity for Scotland could not have been achieved in ten years."

I think that that is true. The bounce to Scotland's visibility and reputation that came as a result of the great behaviour by the fans and the joy that they brought to the tournament must not be underestimated. Indeed, VisitScotland has done quite a lot of work since then to translate that into

practical campaigns. I think that they did a specific piece of public relations around the "No Scotland, no party" slogan.

Now that we can anticipate, in the World Cup context, that that is how our fans are perceived and what an asset they are, I am sure that there are things that my colleagues in North America can do proactively to make sure that we are ready to capitalise on that.

Keith Brown: I think that you have answered the question for both sides, in Germany and in Canada. You are quite right to say that the boost is related to the fans and their behaviour and conduct, of course.

John Devine, this committee talks to Historic Environment Scotland and we have just been speaking to people about Creative Scotland, neither of whom—I cannot speak for the whole committee—seem to have a huge presence in North America. In relation to HES, for instance, the diaspora in North America could help to contribute to the refurbishment, maintenance or on-going support of various buildings around the country and I am not aware that HES taps into that much. We have also heard from Creative Scotland that they do not have capital funds and so on, and I am sure that they could do more in North America. Is that something that your office does at all? I know that that may be more based in the US, if it is based at all, but what experience do you have of that?

John Devine: There are a number of institutions—certainly those founded by Scots, including the universities—that do a number of philanthropic-style activities. I am thinking particularly of the Saltire Foundation in Canada that brings Scots and Scottish students for internships and work placements in Canada. In terms of big philanthropic donors from North America sending money to Scotland, I think that that is a challenge and it is not an area that we are tracking hugely in Canada but, obviously, if there were opportunities, we would prosecute them.

Keith Brown: That is pretty much the same response that we got from HES. I think that you have to go after some of those opportunities and they are quite niche, but thanks for that.

My last question is to Nick Leake, because I do not want him to feel that he has been left out. Obviously one of the main purposes of the international strategy is to encourage investment in Scotland. It is down there in the report.

Scotland currently has the highest levels of foreign direct investment of any part of the UK, apart from the south-east of England, and has done very well for over a decade now on that. We also have lower unemployment than the rest of the UK, a better productivity record more recently, and

now a good international credit score, as well. Are you able to measure how our offices have contributed to that?

Nick Leake: Thank you, Mr Brown. Just before I answer, because I will answer, you mentioned haggis earlier and the issues in Canada. We run an annual Burns dinner and other events in Brussels at which we serve haggis. Haggis is not banned in the European Union, but because the market is so small, the level of bureaucracy is a deterrent to people who want to export it from Scotland. We have had to teach the chef at the UK residence how to make haggis, so that we can serve it at the Burns dinner. That is why what is called the sanitary and phytosanitary agreement—the food and drink agreement between the UK and the EU—is so important: it will unlock the opportunity for us to serve real haggis from Scotland at our Burns dinners again. It is an important initiative—

Keith Brown: This committee visited one of the haggis manufacturers not far from here and heard the same story about difficulties being exacerbated since Brexit. I am sorry; please go on.

Nick Leake: It just shows how these things matter on a daily basis.

You asked about measuring the impact on trade and investment. The other offices that have Scottish Development International people working in them are able to do that. They are able to track investments that go into Scotland as a result of the work of those offices and you will see some of the numbers in the annual report.

Brussels has always been a bit different because the EU institutions are a political entity, and they are our main audience in Brussels. We have, however, started to expand into the trade and investment area. We have noticed that there are Belgian businesses, particularly in the offshore wind sector, that can be important to Scotland and the port of Antwerp has a vision that it will be the route for the import of hydrogen, which might come from Scotland, to go to the Ruhrgebiet in Germany and then the export of the carbon which might come to Scotland for carbon capture, usage and storage.

There are real opportunities in Belgium. From next April, Scottish Development International will have two people in Scotland House in Brussels, partly to track those investment opportunities in Belgium and elsewhere—it will have a broader remit—and partly also because one of the things that we have learned is that, where we have existing investors or potential investors in Scotland, being in touch with them around the world is beneficial in making them feel Scottish. Many of those companies have offices in Brussels.

We have learned to do that from Scotland House, and we do it a bit, but SDI will be much better at it and much better at providing the business intelligence about those opportunities. We are excited about that and about taking our trade and investment work to the next level. As I say, however, the other offices are able to give you chapter and verse about numbers of investments, pounds, shillings and pence and jobs that they have created in Scotland. We will try and get better at that in Brussels, as well.

The Convener: Can I please have no more speculation that Scotland might get past the group stage in the World Cup. Thank you. Mr Harvie.

Patrick Harvie: I promise not to talk about football, convener. I am probably the only member of the committee who can be trusted on that.

Good morning. I will ask about the interaction between the Scottish Government's international priorities and the UK context, in which formal international relations are reserved. I am aware that some aspects of that question are better put to politicians, but from colleagues who are here I want to understand the level of discretion that Scotland's international offices have to manage those tensions and whether they have come up, rather than necessarily getting into the politics of it.

For example, Scotland is a member of the under2 coalition, climate being a high priority. From 2022 to 2024, I think, Scotland was one of the co-chairs of that coalition. Although there is probably a bit more alignment now between the Scottish Government's and the UK Government's priorities on climate, during that period it probably was not the case that there was such strong alignment.

In what ways do the international offices encounter issues where there may be a mismatch—not necessarily a conflict, but different priorities—between Scottish and UK international objectives in the relationships that you seek to foster and to what extent do the international offices have discretion to deal with those issues, or do they have to come back to ministers for a steer?

Nick Leake: Thank you, Mr Harvie. That is an interesting question. John Devine and Catherine Reeves will be better placed to answer in relation to SDI.

In Scotland House in Brussels, we have hosted ministerial meetings of the under2 coalition and we have never had an issue with the UK Government in doing that. We stay in our lane, so we talk about the under2 coalition and climate and things that the Scottish Government is perfectly entitled to have a view on, but we have never had an issue with the UK Government on anything that we have done in that area.

Patrick Harvie: When I raised that specific example, I was conscious that, for example, Scotland, Wales and Northern Ireland are members of the coalition. It is not just that there is no entity that could join to represent England as a nation but, even at city or regional level, there is no membership from within England of the coalition.

Nick Leake: I think that they would definitely be welcome. It is an important example. In my current position, there is a Department for Business and Trade team that works to Brussels and, obviously, we do not yet have SDI officials. We are able to work quite closely with the DBT. My experience with the DBT on the UK side is that they are really good at knowing the opportunities in the market that they serve, whether that is Germany or Belgium or Canada or wherever.

They are a bit less good about knowing the strengths in the home market. That is my experience of them. SDI is better at that. I think that Scotland is just a better size and you can know what the emerging future companies will be, where the future opportunities will be and where the future companies will come from that will internationalise. There is a real synergy between what SDI does and what the DBT does which, when it works, is impactful.

The Convener: Catherine Reeves, can you hear me? Do you want to say anything?

Catherine Reeves: I missed a bit of that, convener. But, yes, I was hoping to come in, so if that is an invitation to come in, then I will happily take it.

I think that there are areas where Scotland does things particularly well. I think of the example that you raised, Mr Harvie, of the under2 coalition. Clearly, Scotland's goal to achieve net zero is five years in advance of the rest of the UK, so that is an area where we can be particularly proud of the pace and the leadership with which we are taking that forward. Some of the particular things that Scotland has pioneered in thought leadership on loss and damage, for example, are now taking off in a big way across Europe and Germany has committed significant amounts of money. That stemmed from Scotland raising it on the agenda at the Conference of the Parties in Glasgow.

10:30

I think that it is true that there are areas where we can specialise or where our thought leadership or the natural resources that we offer can be a differential advantage. On that wider point on relationships with UK Government colleagues in an embassy context, they are very collegiate. I was speaking to the ambassador only on Monday about the success of our St Andrew's day event

and one of the first things that the UK ambassador to Germany did before he took up post was to visit all the devolved nations including Scotland. He met the research sector and the hydrogen sector. From that point of view and given that, obviously, we are operating in areas of devolved power, whereas the UK takes responsibility for those areas of power that are reserved, I think, as Nick Leake says, that we are able to stay in our lanes and I think that relationships at official level tend to be collegiate, as I said.

Patrick Harvie: I wonder whether I can follow that up by asking colleagues to explore a certain scenario. At UK level, the main Opposition party in Parliament is seeking to repeal climate legislation, and there is a political party polling very strongly for the next election whose policy is led by outright climate change denial and conspiracy theory. To what extent would the Scottish Government's international offices still be able to adequately function and deliver the Scottish Government's policy in that area if a UK Government came in that was pursuing the polar opposite agenda?

Nick Leake: I will have a go at that. It is our job to represent the Government of the day—and, in this case, the Scottish Government of the day—within the law. If our ministers wanted us to take a more activist role in such an area, we would try to do that, but we would need to do so within the terms of the Scotland Act 1998 and the concordat.

We could not suddenly go absent without leave and talk about matters that are correctly reserved, but we could—though I hope that we do not have to—adopt a more robust attitude with the UK Government. I think that that would make things harder, given that it is much bigger than us in every area that we work in. In any case, it is more impactful for Scotland when we work collaboratively. However, if ministers wanted us to go down that route, we could do so, provided it was within the law.

John Devine: Going back to Mr Harvie's original question about the relationship between the Scottish Government and the UK Government in this space, I just wanted to give a positive example from the economic and trade side. Since the new Canadian Government came in under Mark Carney, one of its stated public aims has been to diversify the Canadian economy away from an overreliance on the US and, as part of that, the UK and Canadian Governments agreed an economic and trade working group over the summer.

I sit on the FCDO platform—to use the jargon—in Canada, which means that I work within the UK high commission. No more than a few feet away from me sits the UK head of trade for Canada; I speak to her regularly, if not daily, and she is ensuring that this is all being looked at through a

Whitehall lens and that she is bringing in not just my views from a Scottish perspective but the views of our devolved Government colleagues in the Welsh Government and Northern Irish Executive who are also in Canada. There is a good level of co-operation on important issues with good outcomes for the Scottish economy.

Patrick Harvie: Thank you.

Jamie Halcro Johnston: Good morning. Before I start my own questioning, I want to go back to Patrick Harvie's first question about your role and relationship with Government. Your role as officers is to promote the Scottish Government's priorities and objectives and, obviously, Scotland's interests abroad, but thinking back to the previous evidence session, I wonder whether you have had any guidance from the Government on which of its priorities should be promoted to a domestic audience or to us today.

Nick Leake: I suppose that our audience is primarily the audience overseas, not the domestic audience, and typically, it would be ministers and others in Scotland who would speak to the domestic audience for us.

That said, we work directly for Scotland's domestic priorities, whether they be the First Minister's four priorities or the three themes in the international strategy that I set out earlier. We are not doing anything different in that respect, and we are certainly following the Scottish Government's domestic priorities, but our communications audience is the audience for our posts.

That does not mean that people in Scotland do not read our LinkedIn material. I know that the cabinet secretary is an avid follower of our Twitter feed, which is great, because it means that he is seeing the things that we do and the events that we are holding. However, the target audience for what we do is the people in Brussels, in the EU institutions and, to a lesser extent, in the member states.

Jamie Halcro Johnston: Some of us here might argue that the cabinet secretary would be better to direct his attention to certain other issues that we have been covering today and in previous weeks.

I probably did not make myself clear. Ahead of this session, were you steered at all by the Government or Government officials on some of the areas that you should be focusing on?

Nick Leake: I have in front of me a pack that contains the international strategy; the report on subnational diplomacy that was sent to the committee and which we contributed to; the national outcomes framework and the committee's report on that; your report on your inquiry into the Scottish Government's international work; and

reports of your previous evidence-taking sessions with other heads of international office. That was the material I was given by officials to prepare for this session.

In addition, I have had a couple of meetings with Scottish Government colleagues who work with this committee to try to ensure that we are well-briefed on the matters that committee members have been raising in committee meetings and in Parliament more generally, so that we are in a position to respond to the issues that you raise. However, we have not been told, "You have to say this." It is not some Peter Mandelson-style "This is the line that you must take."

Jamie Halcro Johnston: Thank you very much—

The Convener: I think that Catherine Reeves wants to respond to your question.

Catherine Reeves: I will be brief, because I think that the discussion is moving on. However, just to supplement what Nick Leake said about our comms, I would agree that our audience is international rather than domestic, but when it comes to the impact that we endeavouring to have, I would say that that is targeted very squarely at Scotland domestically. As for how that is governed in practice, we are led by the First Minister's four priorities, particularly, in my geographical area, what we can do on climate and the economy.

Within that, a degree of trust is vested in us to assess and analyse where we can get most bang for Scotland's buck, so to speak, within those geographies. That informs our business planning, which gets signed off via our network management team at senior civil service level. That guides what we do day to day in country.

Jamie Halcro Johnston: Thank you for that, Catherine.

The Convener: I think that John Devine wants to come in, too.

John Devine: I was only going to add, on top of what Catherine Reeves and Nick Leake have said, that any diplomat anywhere in the world is always looking to draw that thread between what they are doing and its domestic relevance. For me sitting in Canada, it is absolutely about the economic growth space and the trading and investment relationship between Scotland and Canada. After all, Canadian pension funds now own Glasgow and Aberdeen airports, as well as a significant proportion of the electricity grid in Scotland, so the relationship with those funds that I speak to, and which colleagues back in Scotland speak to, is absolutely relevant to economic growth in Scotland. That is one of the key messages that we would always want to put across with regard to the

domestic relevance of what we are doing in the international space.

Jamie Halcro Johnston: Thank you for that.

Nick Leake, you represent the Government of the day and, depending on the desires of the Government of the day, there could be a more activist or proactive role. Obviously, one of the Scottish Government's priorities—albeit maybe not one of the people's priorities—is another referendum on independence. How does that fit in with the work that you do? How is that a driver? Have officials or the Scottish Government directly promoted that to you or asked you to push it? Where does it fit within your day job, as it were?

Nick Leake: The formal answer is that the constitution is reserved, so independence is not an issue that Scotland House Brussels pushes—and we do not. I do not run events on independence, and we do not go around talking about it. That does not mean that we are not asked about it, and, when we are asked about it, we try to give factual and clear responses.

It is not a huge part of what we do. To be effective and impactful in Brussels, you need to focus on the issues that matter to the European Union, because that is what people are dealing with daily. They are stuck in working groups—I have been there myself previously—arguing about article 12 of whatever directive they are talking about. If we want to get a Scottish priority, whether it is in the growth economy space or the net zero climate space, we need to keep at it. We need to be present. We need to keep talking about it. We also need expertise, and we need to bring that expertise from Scotland to come and meet the relevant people in the European Commission or other parts of Brussels.

Just while I have been back these past two days, I have met Scottish Financial Enterprise, Universities Scotland, the Scotch Whisky Association, the Law Society of Scotland, Prosper and the chief scientist for health. Those are all key Scottish Government priorities that we promote in Brussels, and we are pretty busy doing that. Those are the areas where we have the most impact for the Scottish Government and for the domestic priorities that the Scottish Government pushes. That is where we focus.

Jamie Halcro Johnston: So, you answer questions on independence but it is not necessarily on the agenda for the conversations you are having with—

Nick Leake: We do not do anything proactively to promote independence, but we are asked about it sometimes.

Jamie Halcro Johnston: An area that is very important to my region is fishing, and there is

obviously a relationship with the EU on fishing matters, which we are seeing at the moment. Do you have discussions with European colleagues on that? How do you work with the UK Government on what is a very important issue?

Nick Leake: It is a very important issue for Scotland. Scotland has a huge fishing industry, including as a proportion of the UK's, so we are disproportionately important in that area for the UK Government.

I think that the UK Government involves us in the annual fishing negotiations. We have had issues on sand eel closures and marine protected areas, in relation to which Scotland has had to defend its own decisions to the European Union. The UK Government has allowed us to do that, and we have been able to do that quite effectively in both cases.

10:45

We have a very close relationship with the colleagues who deal with fishing in the UK mission to the EU, but that has to be founded on an understanding on their side that, although Scotland is a certain proportion of the UK economy, Scotland's fishing sector is a much bigger proportion of the UK's. Therefore, we feel that we should have more influence over policy in that area, and we encourage our UK Government colleagues to take that properly into account.

Jamie Halcro Johnston: Following on from the previous point—you said that you are not looking proactively at independence—obviously, the Scottish Government's position is that Scotland should have more of a role in that, and ultimately, in the future, a full role in that. However, within Europe and within the common fisheries policy, you have not had any conversations about Scotland's future membership of the common fisheries policy. That is not a proactive or responsive role that you are taking.

Nick Leake: No, we have not done that.

Jamie Halcro Johnston: Can I ask one last question? As I said, I represent the Highlands and Islands, and we have lots of small businesses with a very entrepreneurial spirit. How do you ensure that smaller businesses are covered? Is that done through the existing bodies that you are working with in Scotland? We often see larger companies with big deals, but those small businesses are actually really important in terms of growth for our area as well. How do you make sure they are covered?

Nick Leake: Yes, it definitely is. On the UK-EU side, there is something called the domestic advisory group, which includes a number of those bodies, and we try to make sure that Scotland is

properly represented there—for example, the Scottish Fishermen's Federation is a member of that group. The group very regularly makes representations to us about the interests of small businesses.

The SPS agreement—the agriculture, food and drink agreement between the UK and the EU, which we have been really active in trying to promote—is a response to a message that we have had that, whether you are a fish processor or an exporter of agricultural products from Scotland, the extra bureaucracy is really problematic. If that agreement takes the extra bureaucracy away, that is definitely responding to the representations we have had on behalf of smaller Scottish businesses in those sectors.

We can definitely get better at making sure that the organisations we talk to bring up the interests of smaller businesses. As I mentioned, I went to see the Scotch Whisky Association, and it was not talking about companies the size of Diageo; it was talking about the smaller distilleries and the issues that they face around European Union labelling. If different EU member states have different national requirements for the label on a bottle of whisky, that is fine for Diageo, but it is not fine for a small distillery in your constituency.

It is an area where we are trying to be active in making sure that the EU single market upholds the interests of those smaller players in Scotland. The Scotch Whisky Association told me pretty strongly that we that have to do more in that area, so we will.

The Convener: Catherine Reeves and John Devine want to come in as well.

Catherine Reeves: Yes, just briefly. I would say that the Highlands and Islands region disproportionately punches above its weight in terms of its visibility in Germany because of some of what is on offer there and its interest to the German market. This autumn, we led three back-to-back economy missions: two on energy and one on space. In all three of those, Highlands and Islands businesses and small businesses were prominent players. On the space side, there is the prospect of a vertical launch from Scottish soil, which is of great interest to Germany. On the energy side, places such as Shetland have these nascent offers on hydrogen, as well as well-established offers on offshore wind and potentially on carbon capture and storage. Therefore, the area is writ large in the German context.

John Devine: I just want to come in on Mr Halcro Johnston's point about small businesses, particularly in the Highlands and Islands. One of our key relationships is with the Government of Nova Scotia, and it is mainly around the energy space, tidal and offshore wind—Nova Scotia is

starting out on its own offshore wind journey. One of the really interesting things in all of that is the use of Gaelic, and we are looking at how small businesses in Scotland and in Nova Scotia can maximise their use of Gaelic as a discriminator to increase potential revenue—not just through new trading between themselves, but in a wider context. That is one of the on-going discussions that we are having with the Nova Scotia Government. In fact, I am having a Teams call with them tomorrow, to pick up on that point.

The Convener: Mr Kerr, did you have a question?

Stephen Kerr: Yes, I just wanted to say to John Devine, in Ottawa, that three things have impressed me out of the things that you have said. The first thing is that you obviously have a very long and distinguished diplomatic career, which I totally respect. The second thing is that you got out of bed at some unearthly hour to appear before the committee, which is highly commendable—or maybe not. The third thing, which I think is very important, is that you talked about the integrated working that you enjoy with the representatives of the United Kingdom in the high commission and elsewhere in Canada. I just wondered whether you would give us a concrete example of where that working together produced a win for Scotland.

John Devine: Thank you. I did the sound check for the committee at 3.30, but I am an early riser anyway and I have had a cup of tea, so I am not doing too badly.

As I say, we are—in the jargon—on the FCDO's platform and we work closely. In terms of tangible outcomes, I would go back to the point about this step-up in the trading relationship between the UK and Canada. In the past year, I have seen such an incredible change in Canada, given the international trading context, the context of Canada's relationship with the US and the fact that Canada is looking to diversify its economy away from that relationship.

Mark Carney has said publicly that the two areas where he wants to focus most in order to diversify that economy are the UK and the European Union. I am in regular discussion with the UK Government departments in Whitehall, as are my Scottish Government colleagues in Edinburgh. I think that, through time, that will turn out to be a really significant area of work for the UK—not only for Whitehall, but for all the devolved Governments as well. Part of that is the relationship that we have here, in Ottawa, among the devolved Governments and the UK Government.

Stephen Kerr: Thank you for that. I have a question for Nick Leake, given all the talk about

roundabouts and all the rest of it. The friends of Scotland group is mentioned specifically, and I was a little intrigued—I am making a serious point here. I know that you are quite new in Brussels—I think that you crossed the street less than a year or two years ago.

Nick Leake: It was two years ago.

Stephen Kerr: It is early days. I just wonder what your thoughts and plans are. I believe that the influence of diplomatic efforts, particularly in the creation of the friends of Scotland group, is important. However, the friends of Scotland group in the European Parliament has only 23 members out of 720 MEPs. That is not even one per member state of the European Union. Maybe you can tell us what you will do to change that, so that we can have more friends of Scotland in the friends of Scotland group.

Nick Leake: Okay. First, the friends of Scotland group is not particularly different in size to other similar groups, so we are not smaller or bigger than others—

Stephen Kerr: We want to be bigger, though—right?

Nick Leake: It is worth noting that the European Parliament held elections 18 months ago and that, in every election for the European Parliament, around a third of MEPs change. So, we will lose members of the friends of Scotland group as well.

We would be delighted to have more, but 23 members is quite a manageable group. It means that we are able to genuinely respond to the interests that these people have. Some of them are particularly influential. For example, David McAllister is the chair of the Committee on Foreign Affairs in the European Parliament. It is a nice—

Stephen Kerr: You are quite happy with 23 members, then. I thought that I would hear some great plan about how we would increase the membership to at least the number of member states of the European Union.

Nick Leake: When we meet MEPs who have an affinity with Scotland or an interest in Scotland, we always encourage them to join the group, but it is not as though we have set a target for a particular number that we are aiming for.

Stephen Kerr: Thank you.

The Convener: I will ask a final question, as I think that we have exhausted questions from the committee members. The Scottish Government has just produced its new space strategy. Space is seen as a key growth area in Scotland, and the strategy is obviously of interest to my deputy convener, given that it is likely to involve Shetland and Orkney in some of the space ports that might

be planned. How will you take that strategy forward and promote it within the offices?

I ask John Devine to respond first, given that you were talking about Nova Scotia a few minutes ago.

John Devine: Going back to Canada diversifying its economy away from an overreliance on the US, part of the relationship that it is now building or enhancing with the UK is a growth and innovation partnership as well. There is definitely a role for us in promoting the Scottish space sector, particularly around the University of Strathclyde and elsewhere.

Catherine Reeves: It is an area where there is an awful lot of potential to work together with Germany. Indeed, the German Government has just committed €35 billion of funding to space projects over the next 10 years. Therefore, we are already, as you can imagine, leaping into action on that.

Two weeks ago, Aviaspace Bremen, in Bremen—which is one of Germany's three major space clusters—signed a memorandum of understanding with Space Scotland. I have already made mention of the space mission—when I call it a “space mission” it sounds like we went into orbit. We did not go into orbit, but we did go around three federal states with our Scottish space envoy, Daniel Smith. To be honest, of the three missions that we ran this autumn, I think that that was the most successful, and it was the one where the Germans were most struck by the potential of what Scotland has to offer, both on the small satellites front—upstream and downstream—and, very significantly, on the potential for launch.

Nick Leake: Daniel Smith is a busy man—we have had him visit Brussels as well. It was really valuable and really useful.

I think that people are struck by the opportunities that Scotland presents, partly because of the geography that we have, but also because our space sector goes all the way through from research in the universities to building satellites in Glasgow and to the launch sites—there is even a rocket manufacturer. Therefore, we really have every aspect covered.

It is a new area of policy that is developing; therefore, learning and sharing with others is really valuable. It is one of the things that we have lost a little bit from Brexit. When we go to working groups, it is not only the content of the working group that is interesting; it is that you come out and have a beer with the Germans and learn about what they are doing, or you have a glass of wine with the French and learn about what they are doing, or you have a coffee with the Italians and learn about what they are doing. We have lost

a bit of that, so it was useful to get the space envoy to come to Brussels—we did not make him drink beer, wine and coffee all at the same time—to meet counterparts and share that expertise and what we are doing. And they were quite impressed by what we are doing.

I think that it will open up real opportunities, which might not come through Brussels—they might come elsewhere—but that is all right too, because Brussels has not just the institutions but 27 member states and a number of what they call third countries, which also have strong representation in Brussels. We think that we can be quite a good gateway to Asia, for example.

There is a lot in there, and there is a lot that we will pursue in the coming years.

The Convener: That concludes the session this morning.

10:59

Meeting continued in private until 11:07.

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