



Scottish Affairs Committee

Oral evidence: [Creative Industries in Scotland](#), HC 332

Monday 2 November 2015

Ordered by the House of Commons to be published on 2 November 2015.

Written evidence from witnesses:

- [Highlands and Islands Enterprise](#)
- [University of the Highlands and Islands](#)
- [Creative Scotland](#)
- [Scottish Enterprise](#)
- [Scottish Government](#)

[Watch the AM meeting](#)

[Watch the PM meeting](#)

Members present: Pete Wishart (Chair); Mr David Anderson; Kirsty Blackman; Mr Stephen Hepburn; Chris Law

Questions 118-222

Witnesses: **Bill Matthews**, Chair, Audience Council Scotland, **Peter Honeyman**, Subject Network Leader, Creative and Cultural Industries, University of the Highlands and Islands, **Charlotte Wright**, Director of Business and Sector Development and **Iain Hamilton**, Head of Creative Industries, Highlands and Islands Enterprise, **David Martin**, Key Sector Manager for Creative Industries, Skills Development Scotland, **Janet Archer**, Chief Executive, Creative Scotland, and **David Smith**, Director of Creative Industries, Scottish Enterprise, **Fiona Hyslop MSP**, Cabinet Secretary for Culture, Europe and External Affairs, Scottish Government gave evidence.

Q118 Chair: Welcome to the Scottish Affairs Committee inquiry in Glasgow today. We will be looking at some of the issues to do with the Highlands and Islands, and the Audience Council; we will have a conversation with Creative Scotland, Scottish Enterprise and the Scottish Government. You are all welcome. You can spend the whole day if you so desire or you could come in and out of the sessions that we are having this morning. It is almost like we are about to perform here, but we are going to try to do our best to get the best from our witnesses this morning and hopefully not be distracted too much. I can tell my Tyneside colleagues here are wanting me to perhaps do a little bit of a performance but we will see if we can resist doing that this morning. First, welcome to Bill Matthews who is Chair

of the Audience Council. Is that right? Bill, would you like to for the record just say who you are and if you have any opening statements you would like to make to the Committee this morning?

Bill Matthews: Thank you very much, Chair, and welcome all to Glasgow. My name is Bill Matthews. I am a member of the BBC Trust, the National Trustee for Scotland, and in that role I get to chair the Audience Council for Scotland. I do not particularly come from a media background myself, but I have been involved both as a member of the Audience Council and its predecessor, the Broadcasting Council, and subsequently as trustee since about 2005, so I am quite familiar with the way that Audience Councils go about their business. If it is helpful, Chair, I can say more about what the Audience Council is and does, but you may want to take me in a different direction to that.

Q119 Chair: It would be helpful if you just add a few sentences about what the role of the Audience Council is, just for the people who are here and for the record, and tell us the contribution it makes to the debate about public sector broadcasting in Scotland.

Bill Matthews: The Audience Council is part of the way in which the BBC Trust informs itself as to what audiences across the UK wish from the BBC. It is part of the role of looking after the BBC on behalf of the licence fee payer. We have one Audience Council in each of the four nations and they are chaired by the respective national trustees for each of the four nations, so I have three colleagues that do a broadly similar role to me with Audience Councils. Audience Councils themselves are made up of a group of 11 unpaid volunteer helpers who have strong, passionate views about public service broadcasting and seek to filter and represent views of the very diverse audiences that we have across the UK. They are an advisory body to the trust and are part of the overall mechanism that the BBC Trust uses to try to inform itself of audience views as it goes through its various deliberations and work on behalf of audiences more widely.

The work of Audience Councils is significantly diverse. It goes in peaks and troughs depending on what the current matter is. We ask about 10 days a year effort from these volunteers, so they have to be pretty dedicated and have a strong view about the matter of public service broadcasting to do it. I have to say that throughout my period as Chair of the Audience Council I have been blessed with a very strong, intellectually thorough group of people from a variety of backgrounds that helps us significantly in filtering some of the views of audiences.

Chair: Great, thank you for that.

Chris Law: I wanted to ask you a little bit more about the Audience Council and how the members are chosen. Secondly, with regards to the BBC, how seriously does the BBC take the work that you do and how much is fed back into their overall programming?

Bill Matthews: Those are two good questions. How do we select Audience Councils? I have been through both sides of that process because I have been selected as a member of the Audience Council and I have also been through running the selection process. In many ways, it is not dissimilar to the public appointments process. Although it is not a regulated appointment, we follow all the rules and style and procedures that the public appointments process does. We have an independent panel that makes the recommendations for the appointments, and we have been lucky for a number of years to have, as the independent member of that panel, which is chaired by myself, the former Commissioner for Public Appointments in Scotland. She very much keeps us on the straight and narrow when it comes to following process.

We try to cast the net wide and we seek to get as many applicants as we possibly can. We will typically run trails on radio and TV—our colleagues in the executive are good

enough to give us a little bit of time to do that—and we will also advertise online. I am pretty sure that we have on occasion used the public appointments website to advertise for candidates. We go through a process that many of you would recognise in the public sector. There is an application form, there is a sift, there is a short list, there is an interview, and then there is a recommendation for appointment. All appointments are ultimately signed off by the BBC Trust.

Q120 Chris Law: Thank you very much for that. I was just looking at your latest report and some of the key issues that have come up in your annual review. One of the clear issues is that there needs to be more responsive content that represents contemporary Scotland. What has the BBC done to address this in response to your review?

Bill Matthews: One of the challenges of chairing the Audience Council is that it represents an audience that has a diversity of views, so I always regard creating the annual review as a bit of an achievement because we have to try to express what is sometimes a diversity of opinions.

Having said that, a theme for some time, where there is I think a consensus among members of the Audience Council, is that portrayal is really important to audiences throughout the UK, but we are speaking about Scotland today. I think it is clear to Audience Council members that the audience members they speak to like to see their lives reflected back to them when they watch television, BBC or otherwise. I think that there have been challenges in achieving that over a period of time. That reflection goes all the way from news through drama and comedy and so on. The Audience Council recognises that.

You asked what the BBC has done about it. I can point to a few areas where there have been changes. Some of you will be familiar with the King report into how news is covered across the UK, particularly devolved news. One of the steps that we made in that regard was the improvement of what I would call labelling of stories, so that it is at least now much more identifiable which parts of the UK network news is talking about. Having said that, perhaps there is further that we can go down that road of making sure that the news is more directly relevant to the area to which it is being broadcast, but the Audience Council spent a long time talking about labelling and the Audience Council I think were one of the drivers behind the King report. In that sense, we can see the output of some of the effort the Audience Council has made.

It is quite clear through this charter review, though, that there is going to be a discussion about exactly how we deal with “nations issues” going forward in the BBC. I think it is good that it has been recognised in almost every piece of paper that I have seen issued on the charter review, from the BBC Trust to the BBC executive to inputs from other consultees and stakeholders. There is always work to be done on this and it will be a discussion about priorities within the executive part of the BBC as well as to how much of that we can afford to do.

Q121 Chris Law: A couple of weeks ago when we were gathering evidence in Dundee I had an opportunity to speak to Ken MacQuarrie. In particular, I wanted to clarify some issues around the biggest event we have had in Scotland for years, which of course is the referendum, and I wanted to know whether or not there was a link between how the referendum was covered and the low level of trust of news and current affairs in Scotland compared with other nations. I think it is currently sitting at 48%. Ken MacQuarrie said there had been some mistakes made. Would you agree with that? What were the mistakes and what are the lessons to be learned?

Bill Matthews: I suppose the question of impartiality, the referendum and many other areas of coverage is probably much longer than you have time for today. I think impartiality

nowadays is much more complex than it was even five or 10 years ago with the advent of social media, technology changing, the diversity and plurality of news and opinion that is available online. I think things have changed. The BBC is more trusted than any other news outlet at the moment still, but that does not mean to say there are not challenges for the BBC in the way that it covers things.

One matter that caught many people by surprise during the referendum campaign was the extent to which the passion for the debate played itself out on social media and I think there is something about all media outlets understanding exactly how best they deal with that. There is an argument that you can ensure impartiality of view by having a very broad input right across the social media spectrum, for example, but typically I think the Audience Council find that people tend to restrict themselves to maybe one corner or one particular view from social media. Impartiality is a big subject. I am sure we will talk more about it going through the charter.

I have to say that I think BBC Scotland tried very hard through the referendum process to maintain impartiality. Impartiality is not easy. I sit on the BBC Trust editorial standards committee and I see the efforts to which the BBC goes to try to maintain impartiality, but it is challenging. It is very, very challenging and it is increasingly challenging in this technologically—

Q122 Chair: Do you understand that there seem to be particular issues in Scotland just now? This is the BBC's own finding and, Chris is right, only 48% said they were satisfied with the way that the BBC reported and covered the nation adequately. We do not seem to have similar statistics or figures for the rest of the United Kingdom. Does the Audience Council start to understand and appreciate that there is something different and distinct that is going on here in the response of the Scottish people to BBC services?

Bill Matthews: I think that the Audience Council recognises that the nature of the debate, a binary debate, causes polarising opinions and I suppose when you have a single axis it is much easier to try to judge impartiality than if you have the multiplicity of axes that you get maybe during a different type of electoral event or you get in the BBC's coverage of other matters. The old days of impartiality being judged on left versus right are long gone. People look at that across a much wider spectrum. The Audience Council, all of whom, of course, would have their own views during the process, expressed in their annual review the concerns that they had about the BBC perhaps, along with other broadcasters and media outlets, not keeping up with the extent to which social media took over the debate. I think that the very nature of the debate made it challenging for UK-based broadcasters to cover.

Q123 Chris Law: One last question: are you aware of Professor John Robertson's work, "Fairness in the First Year?" and some of the conclusions that came out of its reporting? It looked at over 700 hours of footage and it is saying that somewhere between 3:2, or up to two-thirds, was in favour of the no argument and, in fact, there was a consistency of demonisation of the First Minister through BBC Scotland news. I wanted to know what your thoughts were on that because we have heard repeatedly that the methodology was flawed. I have written to Professor John Robertson to ask him if they have said what it is and I wanted to know also if you knew what these methodology flaws were.

Bill Matthews: I am certainly aware of Professor Robertson's work and I have read both his reports. I think that he raises many interesting points in his work. I know that my colleagues in the BBC executive would want to look carefully at the methodology and I think that in the nature of any kind of report there always is, no matter how hard you try, an element of subjectivity in the way that you do that. Thinking through my work on the editorial standards committee of the BBC, we are at the top of the pyramid of the complaint system for

potential editorial breaches. When I look at the level of complaint that reached that part of the BBC, there was not anything in those matters that reached us that caused us any grave concern in terms of the way the BBC was trying to handle the referendum.

Q124 Chair: The reason we are interested in public sector broadcasting in this inquiry is it is the only part of the creative architecture, if you want to call it such, that is reserved to Westminster. There is obviously an ongoing debate about the future structure of the BBC and how that is going to work and the charter review, which we want to come on to. Do you think there are any particular issues that this Committee should look at about the reservation of broadcasting and is there any way that you feel that might be anomalous in terms of all the other things that we are trying to do within growing the creative sector in Scotland, creative industries, building skills and ensuring that we improve the infrastructure?

Bill Matthews: I am certainly not going to get involved in a debate as to whether or not broadcasting should be reserved or not. That is well above my pay grade and I will leave that to others. There is no doubt that the BBC does and should play a significant role in the creative sector in Scotland as one of the major buyers of intellectual property and content and employer of talent and craft. As we look at how the nation is represented across the BBC and elsewhere, I think the BBC needs to be a significant part of that conversation.

One of the things that is quite heartening in some of the submissions from the BBC for charter renewal is the positive and strong language that the Director General has expressed on the subject of partnerships. The cliché is often that the BBC does partnerships to people, not with people, and I think there is a genuine desire to try to do better for the creative sector across the whole UK in working better with some of the really strong partners in the industry. I know that my colleagues in the executive regularly work with Creative Scotland and speak with Scottish Enterprise here to try to ensure that they are not missing any opportunities for what I would call leverage in the wider sector. I do hope that going forward in the charter there is more opportunity to do that and we do more that looks and feels to our audiences as though it is intrinsically made for the Scottish life.

Q125 Chair: Lastly on this subject, we know that you set out your views about the BBC's performance in your annual review, but you have also set out some priorities that you would like to see taken up by the BBC, including more commissioning power for the BBC, which interests this Committee again. We have discussed that with the BBC and other public sector broadcasters when they came before this Committee. How are you going to particularly pursue these priorities as the watchdog of the viewer and listener and audience?

Bill Matthews: The Audience Councils are advisory bodies to the Trust and so we make recommendations to the Trust, which we as trustees then take into account when we perform our oversight activity with the BBC executive. The development of indigenous creation within the nations has been a theme of the Trust for quite some time, so I think that is something we will pursue. For Audience Council members, the important thing is that they see a reflection of their own lives in BBC output. I have to admit that, despite having been around the BBC for the best part of 10 years, I am still not sure I could entirely convince you or myself that I understand the commissioning process in its entirety. I have often talked about the fact there seemed to be three Ps involved in commissioning: it is people, place and product. Perhaps 10 years ago there would be a debate as to whether or not the quality of the output from the BBC in Scotland matched that across the rest of the network. I do not think that debate is valid any longer because I think BBC Scotland is capable of producing top quality, world class output. I think the product is important in our commissioning decision.

The people that are involved in commissioning seems to be important; the network of individuals involved in commissioning does seem to be important. I know previous witnesses

have given you evidence of the fact that people who regularly meet each other are probably more likely to commission from each other, so there is a question about that. I think there has been some evidence that moving a commissioner somewhere else sometimes changes where they are likely to commission. The process—actually that is my fourth P—is the part that should be important and we should have a robust process that does not matter who the people are or where the commissioning is headquartered to provide output that is suitable for all of the UK and addresses not just a particular geographic area. The Audience Council will be keeping an eye on this. I think this is a discussion for charter review and it may well be that there is a new framework going forward that helps us manage this better.

Q126 Mr Hepburn: What impact have the efficiency savings had on the content and the spending on Scottish productions? The second question is: what role has the Audience Council had in these efficiency savings? Have you been consulted? Were your views taken on board?

Bill Matthews: I am not sure there is an easy answer to what impact the efficiency saving has had on the output in Scotland. I think that because of the nature of recent events, the Commonwealth Games and the referendum, it is maybe difficult to unpick exactly what the resource implication has been for Scotland in terms of quality. Audience Council is mindful of the potential impact of cuts to quality and will be keeping a close eye on that over the next year where, perhaps after the events of 2014-2015, there is maybe more room to see any changes. I think 2014-15 was quite a tumultuous year, so we will be mindful going forward.

Pragmatically, a bit of common sense says that you cannot take 20% out of the annual spend of an organisation and continue to do that without ultimately seeing some impact. So there are challenging times for the BBC overall. It does not just affect Scotland; it affects the rest of the UK and I think all Audience Councils will be aware of the issue. Can I put my finger on a Scottish impact? No, I can't, but I think my view of that may be affected by the fact that we have had a very busy 18-month period here.

Q127 Chair: Coming back to charter review, obviously it is the big story, the big issue, when it comes to the BBC. The BBC has told us that this presents several opportunities for BBC services in Scotland. What is your view on that? What are these opportunities that the BBC perhaps has seen and foresaw when we go through this process? What impact can you have as an Audience Council on the charter review as it continues to be looked at and observed and passed through Parliament?

Bill Matthews: I suppose the framework within which the Audience Council provides its advice is through me as the National Trustee for Scotland to the BBC Trust. On an ongoing business as usual basis, that is through a monthly input on behalf of the Audience Council. During charter it is slightly different, in that there are more formal consultation roles involved. The Audience Council has already responded to some of the proposal documents, the Green Paper document and the DCMS consultation document, the Trust consultation document, and those responses, which all Audience Councils have done, will be wrapped up in the final publication that the BBC Trust makes.

You asked me, Chairman, about priorities and I think I would put top of the list as an opportunity there is the opportunity now to look carefully at how we do news and current affairs in the broader context of the UK. That is something that Audience Council, from the days of the King review back in 2008, has been looking at: how we can best provide a news or current affairs offering for the nations—it does not just affect Scotland—that is appropriate and relevant and ensures that the audience are properly informed about matters of public policy.

Chair: Thank you for that. We are going to move on now. I know that Dave Anderson has a question about the proposal to change the structure in the BBC.

Q128 Mr Anderson: Good morning, Bill. We have been advised that the First Minister has said in a speech in Edinburgh that she thinks a distinct BBC Scotland channel should be created. Has your council discussed that?

Bill Matthews: We have not discussed the First Minister's proposal as an Audience Council, but I suppose the theme there is a different provision of content for Scotland so we have discussed the background to that. I am not going to get involved in the debate about a new channel for Scotland or not. I think that is something that will develop as we go through this. I certainly welcome strong opinions and strong views during the consultation process because I think that gives us much more to work with. I also do not think, incidentally, that the debate about channel or not is quite as black and white as that because it is a question of opting in and opting out of services from elsewhere.

Q129 Chair: Presumably as an Audience Council you will be looking to stimulate that sort of debate and trying to get some sort of feedback from your members about how they feel about a possibly distinct BBC Scotland? That is part of your job, surely.

Bill Matthews: I think in the end, frankly, it will be up to the BBC executive to design a solution. We are on dangerous ground if Audience Councils or trustees even try to make editorial and operational decisions for the BBC. I think they are much better qualified to do that. The Audience Council will continue to reflect on the fact that the divergent pace of asymmetric devolution across the UK means that there will be different things required in different nations going forward. You will understand, of course, Chairman, this is a debate that the Northern Irish and the Welsh will be having as well, perhaps at a different pace to us but it is something that is important there, which then means it all factors into ultimately a debate about the funding envelope: how much money does the BBC have to spend on some of this and in what order does it decide to make decisions?

Q130 Mr Anderson: It was that point I was going to come back in on. If it was to be seriously suggested and progressed, if there was not a change in the funding arrangements that exist at the minute, would it be viable to create a stand-alone channel up here?

Bill Matthews: Can I understand your question a little bit better? You say if there is no change to the current arrangements. What do you mean by that?

Mr Anderson: If the financial situation did not change, if the pressures on the BBC did not change, but it was decided to say, yes, you can go ahead and try to develop a stand-alone channel for Scotland, would that be possible in terms of quality supply of programmes? Would you be able to do it within the present envelope?

Bill Matthews: I think I am the wrong person to ask that question of. You would be much better asking Ken MacQuarrie a question like that. Within the funding that is available I am sure it would be possible, subject to decisions being made to not do something else. It is not a decision for the Audience Council either. The Audience Council, though, welcomes the rise of the nations as a discussion point through this charter review and will look upon any formal proposals that emerge with interest.

Q131 Chair: What we are trying to get with some of these questions is just the characters of BBC Scotland, the Scottish content, the fact that there are also issues to do with regional quotas that are in place. We are going to come to specifically ask you about lift and shift, but as an Audience Council there must be feedback that you have and conversations that

you have about how your council observe the Scottish content as part of what they receive and secure from the totality of BBC services.

Bill Matthews: The Audience Council is very keen to see more portrayal of Scotland and Scottish output. They want to see more Scottish content. As I said at the top of the session, there is a diversity of views in the Audience Council because they are reflective of a wider body of public opinion. We cannot say that they all would argue one way or the other. Where they do move in the same direction is simply expecting to see a little bit more reflective of Scotland in the coverage they get from the BBC.

Q132 Chair: What has emerged in some of the evidence that we have secured and the conversations we have had with public sector broadcasters is that it is a hot debate just now when it comes to BBC services. There are a number of issues. We have been delivered this plan from the First Minister and the Culture Secretary and we want to ask her about that this afternoon. As a council, what I am hearing from you is that there does not seem to be an intention to drive this debate forward to engage to ensure that as much as possible you are trying to secure an audience response to some of the big debates and themes that are going about there. Could you satisfy this Committee that you are doing more as the Audience Council to secure the views of the audience about some of the big debate that is going on around BBC services just now?

Bill Matthews: Hopefully I can reassure you of that. The Audience Council has an ongoing programme of audience engagement. We do not just sit in a room of 12 of us and consider each other's opinions. We go out on a much wider basis. The last couple of engagement sessions I have been part of were in Elgin and in Falkirk and those are, as I am sure you will imagine, Chairman, quite robust sessions because we get a wide variety of people from a diverse group of backgrounds, often with very strong opinions on the BBC. That is an opportunity for us to shape our views of what audiences are telling us and as we go through the rest of the charter process there will be a number of further engagements with audience to try to encapsulate our views. Some of those will go directly through the Trust. The Trust is running a series of seminars around the UK to try to capture audience views, but the Audience Council will be going out and engaging. The next couple I think are in Glasgow and Edinburgh with wider groups of audience to try to formulate a wider view.

That is not to say that the Audience Council simply express their own views in meetings. They are there to reflect the wider view of audiences, their networks, and often they have to represent views that maybe are not their own, based on what they hear at an audience engagement event. We spend a significant amount of time talking to audience members and, as I say, those are frequently robust conversations.

Q133 Kirsty Blackman: I had actually written down to ask about the public meetings. It must be an unenviable task trying to put together all of these wide views. How many public meetings do you have during the course of a year and do you have more of them when it is charter review time?

Bill Matthews: We run those, I would say, on a broadly quarterly basis in normal times, because they do take a bit of organising. We need to then distil the information that we get out of them and reflect that back to the Trust. Our consultation activity has stepped up a couple of gears because we are in charter review and trustees and Audience Council members are much more fully engaged in that now than they would normally be.

Q134 Kirsty Blackman: Do you get many representations outside public meetings? Do people write to you or email you? Do you get a lot of input in or do they just contact their local member of the Audience Council?

Bill Matthews: I have found that simply expressing a connection with the BBC seems to solicit unwanted input and I think Audience Council members find the same. You know that they are volunteers. We really appreciate the effort they put in on our behalf and they are not there to represent the BBC, but they will often face quite strong opinions as somebody who is associated with the BBC.

We seek opinions everywhere. I am going through a programme of meeting with a number of stakeholders. We recently engaged with the BBC Trust chair and Creative Scotland, for example, so we have an ongoing programme now that seems to be accelerating and seldom a couple of days pass now where we are not engaging. Yes, people do write to us. The Audience Council also gets to reflect on a summary of complaints that come into the BBC so they can see what the wider audience is raising. Other information goes into the BBC Trust. The BBC Trust has a panel of 10,000 people that it uses for online and telephone polling. That is slightly skewed so the sample is slightly bigger in Scotland. I think that provides us with great data, which the Audience Council can then chew on. There is a variety of input, but one of the criteria we look for when we recruit these Audience Council members is the ability to distil quite a large amount of information into something that is easily explainable and can be summarised in an appropriate position to reflect a diverse audience with different views.

Q135 Kirsty Blackman: Thank you very much. That is really useful. I have a couple of questions on two totally different subjects. One of them is about Gaelic. You mentioned Gaelic in the annual review and that you were pleased that there was another series coming back on but that it also had to reflect the non-Gaelic speakers. Can you let me have a wee bit of the Audience Council's point of view on Gaelic?

Bill Matthews: First, the Audience Council is delighted with the success of BBC Alba, which sustains a reach much greater than you would expect from an indigenous language service. The Audience Council would like to take a little bit of the credit for being persistently behind the promotion of BBC Alba on Freeview, which I think has been a major contributor to that. If you listen to colleagues from MG Alba, they run that operation on a tight, efficient budget. They have adopted a strategy of offering both Gaelic content and content that is readily accessible by non-Gaelic speakers. That is a philosophical approach they have taken, which I think has been highly effective. I know it causes debate in the Gaelic community as to whether or not that is what BBC Alba was meant to be, but—I am expressing a purely personal view here—I think that it has been highly effective in building a brand for the channel. It has been highly effective for bringing people in and I certainly know the Gaelic word for penalty.

Q136 Kirsty Blackman: The last question is about Scotland-specific content. You had expressed that the Audience Council is behind having more Scotland-specific content. The BBC does have requirements on the Scotland-specific content that it provides. Does the Audience Council feel that those requirements are fit for purpose or do you feel that there could be tweaks made to those to make them better and to make Scotland better represented in terms of the content?

Bill Matthews: Are you talking about Opt or are you talking about network production in this context?

Kirsty Blackman: There is a quota in terms of the percentage that they need to have created in Scotland and things like that.

Bill Matthews: Our acronym for that is NSR, network supply review, within the BBC and that goes back to the days of Mark Thompson as DG where he quite famously set a floor not a ceiling for output created in Scotland. That was output that was designed to be broadcast

on the network. If we look at the metrics, that has achieved what it set out to do and I think last year about 9.2% of output came from Scotland. That is above the 2016 target of 8.6%, which is great. I think that putting those key performance indicators in place has changed a type of behaviour.

I can see the Chairman anticipating pressing his red button to switch on his microphone to ask me whether or not that has supported better portrayal of Scotland and Scottish life, Scottish culture, Scottish politics to Scotland. I think you can see some places where it has and you can see some places where it has not. I don't but people like to use the term "lift and shift" and, having gone down the road of network supply review, I think the economic benefit to Scotland of moving production is obvious. We are starting to build a talent base here and a set of craft skills, which is great. We need to make that sustainable.

The second part of it is ensuring that that is done in such a way that the portrayal part of it works as well. Was NSR, network supply review, a good thing? Yes it was, because it has taken us in the right direction and it has moved production to Scotland. Can we do better? Yes, we can and I think it is important—again through charter review because NSR finishes at the end of 2016—for us to look at how we best institutionalise that decision-making process.

Chair: I know that Dave Anderson had a question on lift and shift.

Q137 Mr Anderson: Can you give us some idea of how big an issue is what I see as being basically an abuse—companies who are effectively pretending to be based in Scotland but are not?

Bill Matthews: Not being specifically involved in the commissioning process and not working directly with that, I am not sure how well I can answer that question. I don't think there is—no, it is not I don't think, I know that there is no desire within the BBC to try to play the system in that sense. You have heard from Ken MacQuarrie. It is in the BBC's interest in Scotland to try to build a strong indigenous cultural sector and creative sector here. I think the original set of metrics, focusing as they did on a financial metric, mean that we can now look back on some of the decisions made and say, "That was maybe a strange decision to move that programme because it is not entirely clear why that would necessarily have a positive impact and portrayal." However—

Q138 Chair: To put it as bluntly as possible, just a cynical attempt to get around what has been imposed on the BBC about regional quotas—is that not how lift and shift is actually working?

Bill Matthews: I don't think it is and from the conversations I have with the independent media sector in Scotland I think that they absolutely believe in some form of encouragement to ensure we do the right thing to help build the sector here. Could we have done it better or differently? Yes, I think we could, but when you go back and look at the numbers, the production in Scotland has grown significantly over the last 10 years. We have to accept that network supply review has been part of that. We may not think that some of the output has necessarily reflected Scotland hugely well, but it has brought jobs and economic activity to Scotland and that cannot be a bad thing.

Q139 Mr Anderson: Is it in line with what it should be doing? We heard from Pact, who said that most productions are largely taken up by in-house production of broadcasters or companies without a permanent base in Scotland in order to access the nations and regions quotas, so that would be a way to explain, I can only use the word "abuse", because it appears to me they are trying to get round the fact that they should be based here and they are not.

Bill Matthews: This is a question that broadly I think is quite far outside of Audience Council remit but I will answer it with my trustee hat on, if I may. I think that what we have

seen over the last 10 years is major consolidation within the independent TV sector and some of the small independents that the BBC started working with 10 years ago are probably now owned by companies bigger than the BBC itself. Some of that has come through a mergers and acquisitions process. I know that, moving forward, the BBC Trust is very keen that we build on this issue of portrayal where content is distributed around the UK to provide both economic benefit and appropriate portrayal of local audiences.

Q140 Chair: Thank you. I have a couple of questions to finish the session. You are the Audience Council of Scotland but presumably you will go around the world and observe nations that are roughly the same population size as Scotland. I am thinking most notably of Denmark that, even having a non-English language and television sector, has made impressive and huge steps about selling their product internationally. As an Audience Council, what is it that they are doing right that we are maybe not getting quite so right here in Scotland with the same population, with an immensely talented workforce, skills here, infrastructure here? Why are they getting something right and we are not?

Bill Matthews: If I knew the answer to that question, Chairman, I would probably be running an independent TV company, not sitting on the BBC Trust. I am afraid that the Audience Council's annual budget does not stretch to overseas trips, but you are right to prompt the comparison. When you look at something like "The Killing", which was exceptional drama, absolutely brilliant drama—I have to say brought to you by BBC Four—it is fantastic that a country like that can produce drama like that and I think it is something that the BBC should aspire to. I do not think it is a uniquely Scottish question. I think it is a UK-wide question. I know that the DG is very keen that we spend a little bit more of our focus on trying to create world-class drama. It is an open point. The Audience Council remark on it. We do not have the levers to pull to commission, but I think it is an interesting comparison and something that through the next 10-year period I hope that we improve.

Q141 Chair: So do we, but even just making that international comparison or making a comparison within the UK, Scotland was second to London and the south-east in terms of output and quality of service. We are now behind the Bristol/Cardiff city region and behind Manchester. Something is not working. Something is going badly wrong. We are going in the wrong direction in Scotland. We are not catching up to the Denmarks of the world. We are falling behind the Cardiff/Bristol city region. Do you have any views at all about why we are in this period of decline when it comes to these things? Is there something that we need to think more radically about on how we start to address some of these issues? This is why we were asking you about the model that was proposed by the First Minister and the Culture Secretary. Do we have to start to look at really radical solutions now to ensure that the public sector broadcasting and the BBC do something different, so that we do not fall even further behind?

Bill Matthews: Personally, my view on this is that we need to think carefully about commissioning. We need to think how the commissioning process works. We need to ensure that we have the appropriate quality of indigenous sector, and that is not just the BBC, that is the wider creative and cultural sector. Creative Scotland and Scottish Enterprise have a role to play here. We talked about lift and shift earlier. Things like "Waterloo Road" provide a superb boost to an area that perhaps needs it. It creates a lot of talent. We need to take opportunities like that when they do arise and we need to try to build, for the longer term, a sustainable commissioning process that distributes the wealth of the BBC and everything that it gives across the UK and removes any centrality that there may be.

Chair: We are out of time. I thought that was a fantastic session. Thank you ever so much for coming along and giving us your very clear views on a range of issues and subjects.

We do not have time to take a closing statement, but please write to the Committee if there is anything that you felt that we missed or anything that you felt that you would want an opportunity to go into in any sort of length at all again. It is an invitation to give us that information. Thank you very much for your attendance this morning.

Bill Matthews: Committee, thank you very much.

Examination of Witnesses

Witnesses: **Peter Honeyman**, Subject Network Leader, Creative and Cultural Industries, University of the Highlands and Islands, **Charlotte Wright**, Director of Business and Sector Development, Highlands and Islands Enterprise, and **Iain Hamilton**, Head of Creative Industries, Highlands and Islands Enterprise, gave evidence.

Q142 Chair: Good afternoon, gentlemen and lady. I think we have had a late addition with Mr Hamilton joining the panel this morning. You are most welcome. For the record and to be helpful to the Committee, please tell us who you are, who you represent and if you have any opening statement, though we are inviting brevity when it comes to opening statements. We will start with you, Mr Honeyman.

Peter Honeyman: Good morning. My name is Peter Honeyman. I am Head of Creative and Cultural Industries at the University of the Highlands and Islands. I do not have an opening statement for you, so I will leave it at that for now.

Charlotte Wright: Good morning. I am Charlotte Wright. I am Director of Business and Sector Development with Highlands and Islands Enterprise. We are delighted to have the opportunity to talk to the Scottish Affairs Committee today and grateful that you have had the opportunity to come to Scotland. Creative industries is a key part of what we do in the Highlands and Islands. It is really important in terms of its culture, but we also see a significant opportunity for business and development there, so we are delighted to take this opportunity to tell you a bit more about what we do as the economic and social development agency for the northern half of Scotland.

Iain Hamilton: I am Iain Hamilton. I am the Head of Creative Industries with Highlands and Islands Enterprise.

Q143 Chair: What we want to explore with you in the hour that is available to us is that obviously we are looking at the creative industries throughout the United Kingdom and a number of the bits of evidence that we have secured thus far have suggested that there are issues between what is happening in the UK and what is happening here in Scotland. What we have heard from your evidence, which makes this session quite compelling and something that we want to try to pursue a bit further, is the suggestion that the creative industries in the Highlands are radically different from what is happening in the rest of Scotland. You could probably speak for hours about some of those differences and what make them remarkable in the context of what else is happening, particularly here in Glasgow, Edinburgh, across the central belt, but could you perhaps just in a few sentences help us and just say what the major differences are in supporting the environment of the creative industries? What is required in order to support them and what things might Government policy be able to put in place in order to help you a bit further?

Charlotte Wright: Creative industries, like many of the sectors that we work with within Highlands and Islands Enterprise, is made up of a number of micro and small businesses. That is pretty much the business base that we work with in the Highlands and Islands. In many ways, what we see with creative industries is similar to the whole of the business base. What is different in relation to the way creative industries work is that

individual entrepreneurs and small businesses will join networks, form networks and develop in that networking approach for particular opportunities.

What we have done in Highlands and Islands Enterprise, through the creative industries strategy that we have put together and the work that Iain here and his team do, is particularly focus in on a range of opportunities that really make the most of what the Highlands and Islands have to offer. Our focus is around screen and broadcast, fashion, textiles and music, and writing and publishing. In supporting those, we have developed an approach through working with trade industry networks and we have found that that approach has developed a lot of results and we have been able to measure and record those impacts through some work that we have done through Ekos. That has led the way forward to develop it even further.

Chair: Thank you. Anybody else?

Iain Hamilton: The one thing I would put in on that is that the work that HIDB did initially and then on to Highlands and Islands Enterprise in supporting cultural activity also has fed in quite significantly in that a lot of the areas of strength particularly were supported as cultural activities and then have moved in now because of the economic impact that they potentially offer to the region.

Charlotte also mentioned the industry networks that we have developed, which obviously are intended to work in a similar way to the industry itself so that you have this collaborative approach and you engage with the businesses. We also have at the core of the networks our own business-to-business conference and showcase, which is about bringing buyers and creative businesses in the wider industry into the Highlands and Islands so that it is not a case of always having to leave and go somewhere else to find these contacts. It is about how you can bring them here and build up that wider network and create new opportunities.

Peter Honeyman: If I could just add to that, I am not sure how much you know about the University of the Highlands and Islands but it is a university federation made up of 13 partners all over the Highlands, from Argyll, Perth and all the way up to Shetland, and it is very rooted in local communities. We work very closely with the kind of networks that Iain and Charlotte are talking about but we also see ourselves as another network for nurturing and supporting creative businesses and creative individuals. Just as Iain says that businesses do not have to leave the region to pursue their business, we are looking at providing opportunities for students to stay in the region if they want to and develop their businesses in situ. We have established the infrastructure that can support them in that as well.

Q144 Chair: I was interested in something that Mr Hamilton said there. Again, it is in your report and your strategy that goes forward. It is the crossover, which is perhaps a bit more pronounced in the Highlands, where the cultural enterprise begins and the creative industry perhaps ends. It seems to be this is more of a feature of what is going on in terms of the Highlands and Islands. Would that be a fair representation to make?

Iain Hamilton: Yes, it definitely would be a fair representation. We are very fortunate in HIE in having the dual remit of the cultural and social remit as well as the economic development remit. That has given us the flexibility to work across the two areas and also to spend a bit of time with people helping them to decide what it is they want to be, whether it is something that is done for a cultural reason purely because they enjoy it or whether this really is a business proposition and something that they would like to engage with. Obviously their ambitions may be different, even if some of the practices are not necessarily.

Q145 Chair: We are going to get into micro-businesses as we go through and we will ask you some questions about that, but I want to ask you a question about something that has

perplexed this Committee since we started looking at it and we also looked at the report from the Scottish Parliament Committee. That is around the methodology, like what is being used to account for the creative industries, about how many people work and how many businesses we have, how many people it employs. There seems to be a great variance in some of the figures. We explored this when we were in Dundee with some of the people that came in front of the Committee. Do you have any views on whether we could get some way to knowing what we are talking about? One of the things that we are determined to discover is the scale of the enterprise here. I do not know whether any of you have views about that. Charlotte, it seems like you have.

Charlotte Wright: For Highlands and Islands Enterprise it is often a challenge that we find in getting the right kind of data to be able to show some of those figures for a number of our sectors that we work with. What we do tend to do is undertake some specific studies for the Highlands and Islands so that we can drill into what the actual picture is within the Highlands and Islands. The latest work that we have does go back a bit to 2009, but that set out a baseline of 16,000 jobs and a turnover value of £793 million. Recognising that that is now looking a bit out of date, we are going to undertake a further baselining study to see how we have grown since that time and where that sits against the national data. I certainly take your point that looking at what data is available nationally does sometimes present a bit of a confused picture. For the work that HIE does it is important that we are clear what we can do to support the activity that takes place within the region that we represent.

Q146 Chair: Does it have any impact on the University of the Highlands and Islands to make its footprint across the Highlands in terms of methodology in assessing the size of the sector? Is there any issue for you as an institution?

Peter Honeyman: We work very closely with Iain at HIE and it is difficult. No, I am not sure. We are really conscious of the figures that HIE come out with, but we have to balance that with the students we have and the market research we do on programmes. I am not sure that answers your question. I am not sure I understood the question properly.

Q147 Chair: We are just having a sense about the different methodologies that are being used. We know there are different figures from the Scottish Government and DCMS. We want to know if it is an issue particularly when it comes to the higher education institutes. We heard some stuff from Abertay that there may be difficulties in trying to assess the size of the sector and the things that the sector is doing.

You have identified this as a growth sector and I think we have seen some pretty impressive figures about the people that you say now work in the creative sector throughout the Highlands area. I was interested in your remarks about the subsectors, particularly with fashion and design. Can you talk a little bit more about how you are supporting the particular sectors within the sector? What are the priority areas for you and where do you see the main developing starting to emerge from?

Charlotte Wright: I think Iain will come in in a minute and probably add a bit more detail, but our approach is in a number of ways. First, and in common with all of the sectors that we work with, we will have a group of businesses that we support through our account management approach. They are those that have the greatest growth potential and we will support them in a number of ways with finance, advice, mentoring and support. Alongside that, we also have the trade industry networks that I referenced earlier, which provide specific professional networking advisory support and a number of other things into those key subsectors, including, as you mentioned there, fashion and textiles. What we recognise with creative industries for the Highlands and Islands is that while the overall baseline is pretty good, we feel that there are significant opportunities for those to grow. That is really why we

want to focus our attention on that because we see the capacity and potential for businesses to grow and add value and internationalise and export. I will let Iain, if he wants to come in, add a bit more about the work that the trade networks do.

Iain Hamilton: Yes, for a very brief canter through that. We have established a group of networks, each one with a manager, looking at specific subsectors that we had identified as being ones that offer potential to give returns in the area, which we are proactive on but we would be reactive to enquiries from any sector. We have established now to the point where we have a programme for young people so that we can introduce them to the kind of skills and knowledge that they would require to get through this and particularly looking at how they engage with digital media, cross-platform working, and also how they pool their skills with other creatives. It is not just a case of a musician talking to other musicians; they need to be talking to filmmakers, app developers, a range of other skills that could be useful to them. These then are fed into our trade networks, the main body there, and Expo North, our big conference event, and they can then access all of our international partners or national partners and local partners. So there is a range of support that can be offered, including actual development of new business opportunities in the context you would require, everything from helping to source funding, helping with contracts, really a broad range of stuff but very much focusing on increasing the industry and business knowledge that the businesses require to take steps forward.

Q148 Mr Hepburn: You have some very ambitious targets for growth and turnover over the next five years. How feasible do you think those targets are and how are you going to achieve them? How do those targets compare to other regions in Scotland for the creative industries obviously?

Charlotte Wright: As an organisation, we do like to set out any strategy as being ambitious to start with. Certainly the sector itself is ambitious for that level of growth, so I think perhaps you would have more to say to us if we did not set out some ambitious targets to start with.

In order to achieve them, it is that two-pronged approach of being able to work in depth and in detail through account management support to individual businesses and make sure that they grow and that brings in the whole wealth of support that we would give to any business to be able to do that. But the added dimension is really what Iain has explained about the trade industry network, the focus on professional interaction and building networks and developing those opportunities. However, that is not the whole story either. We would probably say that the most important project that Highlands and Islands Enterprise is involved in at the moment is delivering next generation broadband for the Highlands and Islands. That connectivity is the thing that will make the most significant difference, not only for this sector but for the region as a whole. We are leading on a £146 million investment and without that public sector investment we would not be able to see the level of coverage to the Highlands and Islands given, as I am sure you have recognised, that some of our communities are in fragile and island areas that are hard to reach.

Chair: We have a couple of questions about plurality and digital infrastructure and Dave Anderson has them.

Q149 Mr Anderson: The evidence you supplied us from your organisation, Peter, said that there are key differences between the remote and rural areas and the urban areas. Can you spell out in detail what are the key differences?

Peter Honeyman: We were talking before we came in about the difficulties in travel, for instance. If you are a business in Shetland, accessing central belt Scotland or London is hugely expensive and time-consuming. Broadband there again is absolutely key, but if you are

making physical products—and we are talking about textiles and we have a successful textiles degree in Scotland, on Shetland, which is producing working textile artists—allowing them to find global markets is a real problem. It is very expensive. That goes for most of the remote and rural areas; you always have that geographical barrier before you get to the markets.

Listening to Iain talking about the fashion textiles and film, for us providing an opportunity for students in rural areas is very expensive. If you have three students on an island who want to study textiles you can't build a whole textile department for them, so we have to look for ways of networking courses and UHI has built itself on the idea of distant learning network courses. That is more difficult for creative industries because there tends to be an element of hands on and facilities. So we are looking at ways to make that work through things like residential and short courses.

Just talking of fashion textiles, we have recently taken on a chair in creative industries based in Shetland for that very reason, to look at developing Shetland as a sustainable creative community but also with the remit to look at research and knowledge exchange throughout the Highlands. One of the areas he is looking at is textiles. He has been to Stornoway and he is working with the guys in Shetland, and that post is part-funded by HIE and Shetland Islands Council.

Q150 Mr Anderson: In terms of the overall funding for what you are all involved in, a lot of this is done either on a local basis or a Scotland-wide basis. I understand completely what you said about the difference, but do the bodies that you are dealing with understand those differences and do they make allowances for, as you say, three people on one island who might want to do this and without additional support they won't be able to? Is that understood and is any leeway given to try to allow that to happen?

Peter Honeyman: You would probably need to speak to someone higher up in the organisation but, as far as I am aware, student funding is the same. I don't think there is an island allowance or anything like that in SFC funding.

Q151 Mr Anderson: In trying to help you to help the people who are out there, is there anything we can do or is there anything you think the Scottish Government or other agencies can do to recognise this reality and try to allow things to flourish in the way I think we would all want to see?

Charlotte Wright: The majority of support that goes into the sector from the key agencies tends to be through Scotland, through Creative Scotland or through Highlands and Islands Enterprise. The fact that Highlands and Islands Enterprise exists—and it is our 50th anniversary this week—is to reflect those whole differences in the rural and island areas. So we are here, we exist because there is a different need and a different set of communities and a different business base in our part of Scotland. We do work with UK agencies and representative bodies, thinking across the board. There are organisations like Innovate UK, for example, that are important in supporting innovation across the board and we do make sure that we have close links with them and that they understand what the challenges are for the Highlands and Islands.

Q152 Chair: We had a report in our last session, which you have probably looked at, called “Borderlands”, which looked at some of the challenges, issues and difficulties in the Borders area of Scotland. If you read that report you would probably recognise a number of the features that emerged in the “Borderlands” report and we are awaiting a response from Government to see if we go forward with some of the recommendations made. But one of the key features that came out of “Borderlands” and one of the themes that we are hearing from yourself is connectivity and things to do with broadband connection. Just how central is that

and how big a difficulty feature is it for your ability to connect with the creative industries and ensure that it is supported?

Charlotte Wright: Having next generation broadband, having good connectivity, is as important as having electricity or water. We absolutely recognise that. Not only that fixed broadband but also having good mobile connectivity absolutely needs to be addressed as well. The programme that we are running that I mentioned earlier, the £146 million, makes a difference between what commercial rollout would have delivered for the Highlands and Islands and taking it to 86%. We also run a national programme, Community Broadband Scotland, which will go that extra mile. Our ambition is that 100% of our communities in Highlands and Islands will be connected. Community Broadband Scotland is a national programme as well, so areas like the Borders can benefit from that too.

We have recently met with mobile operators to see what they can do to support getting not only 3G but 4G into Highlands and Islands. It is exceptionally patchy, as I am sure you would appreciate. It is as important to have access to good mobile connectivity as it is to have fixed broadband. I think this is an absolute game changer.

Q153 Kirsty Blackman: I have got a couple of questions that are probably best for Peter from UHI and then one that is maybe best for Iain.

In terms of UHI, the evidence that you provided talked about a distributed hub of creative practitioners. Can you explain a bit more about this and can you let us know how the industry, how creative talent has fed into this?

Peter Honeyman: It is in its early stages, I must say. We concentrate on building local partnerships so we don't duplicate facilities. If we are looking at running a course in Orkney we wouldn't build a facility if there was already one there. So we work with the Pier Arts Centre, Taigh Chearsabhagh and North Uist, Shetland Arts and so on. That adds sustainability for them. On the project for the distributed hub, distributed city, creative campus—there are lots of different names for it—we have a research bid into the Royal Society of Edinburgh at the moment, which is a collaboration with GSA, the Glasgow School of Art, to look at the distributed city idea in the Western Isles.

So it is in its early stages, but I was just going to comment on the last point there. UHI, as I say, 15 centres but 70 learning centres, all of which have high-definition video conference kit in them. So just about everyone in the Highlands is within 20 miles or so of a video conference link and our local area network. That established network is something we look at, how we can use that more effectively in service of the industry. That is the basis of the creative campus idea, but it is in the early stages.

Q154 Kirsty Blackman: I look forward to seeing that coming through, I think it is really interesting. In terms of UHI's involvement with the creative industries—this is a similar question that we asked to Abertay—how do you decide what to teach people? How do you decide that it is going to be relevant and it is going to provide us with creative people that are fit for work in the future?

Peter Honeyman: UHI has been delivering degrees for about 15 years and at the beginning it was a very organic growth. It was based on local priorities, so we had some big degree courses built in local centres, so Perth for music, Moray College for fine arts, Shetland for textiles and so on. In the last five years or so—we have been working much more closely with HIE and their strategy—we have formulated our own strategy so we are now looking more into the kind of areas that Iain was talking about: fashion textiles; we have a new filmmaking programme coming up; there was a gap in the curriculum. So we are looking at the gap analysis of what we do and how that articulates with HIE strategy. It is fair to say that probably did not happen for the first 10 years or so but we are now in a position where we can

do that and we are starting to look at where we can lose courses that are not succeeding for various reasons. So we are taking probably that more strategic view now.

Iain Hamilton: Just to follow on from what Pete was saying, we work very closely with UHI and we have done for a few years now. We would make sure that we help by bringing in industry to the different colleges so that there are real links with the students. Of course they have industry links themselves but it is again about trying to introduce them to the networks that we have so that we can make sure that these courses are as joined up with our own activities as possible. Also, where we can, we offer placements and opportunities to work at Expo North and various other things for the students, so that we try to retain contact with as many of them as possible when they finish.

Q155 Kirsty Blackman: Lastly, probably Iain, maybe Charlotte, how important is it that people have higher education training in creative industries?

Iain Hamilton: There is a bit of a mixed answer there, depending on what people are looking to do, in all honesty. I would accept that higher education is probably not for everybody but it is very valuable and a very useful thing to have. First of all, to give you that basic grounding and knowledge of how the different parts of the creative industries work, but also just as a fabulous place to start building your own peer network. Apart from the learning experience, what a fantastic opportunity to spend a few years with a group of likeminded people developing ideas, thinking about how you can achieve things. So I would suggest it is very valuable overall.

Charlotte Wright: If I can maybe add as well, one of the programmes that we have developed over recent years with the ironworks in Inverness is a youth accelerator that has brought young people in and helped develop those skills. As Iain says, it is not at HE level but helps them develop that in a technical way and also helps develop social and life skills along with it. That is part, I suppose, of our strategy of recognising that to develop the creative industries we also need to develop and support the creative individuals.

Peter Honeyman: I was just going to come back on the networking. Again, it is one of the issues with distributed students. How do the students get access to peers for that kind of networking that is so important in the creative industries? We have to look for ways of doing that, either digitally through video conference or face to face.

The other point I was going to make is that there are different levels of higher education and what is important is to have different exit points. For instance, we do technical theatre but we do not do a degree in technical theatre; we do an HND because that is an entry point into the industry. Not everyone needs a degree, not everyone needs a Master's; there are different stages.

Q156 Chair: I should have declared an interest given that I represent Perth College UHI and spoke at the graduation ceremony this year. I was very familiar with the students who came past and the wide degree and variation of students that we have in the creative industries. What struck me, though, was where are the students in digital media, for example? How are we keeping abreast of the changing nature of the creative industries in the creative sector? What support are we giving to the entrepreneurs, the innovators and the inventors when it comes to these things? Are we doing enough—this is probably a question to Peter—to identify where we are going to in the future with this ever-evolving sector, a wonderful sector, the creative industries? Are we keeping up the pace with what we need in terms of skills? Are we doing enough to make sure that is going to be addressed?

Peter Honeyman: Can I just say yes? We have just started a new degree in interactive media, digital media, so that is games, animation and all the rest of it, which runs from Moray College and is going to be networked throughout the UHI network over the next couple of

years. We work with Skills Development Scotland; we are conscious of these reports. We do our own market research whenever we do courses. We did a lot of market research in the build-up to the chair in creative industries as well. In terms of destination statistics, it is never easy for creative industries because a lot of the students will be part-time for several years after they leave; they will be pursuing their practice and doing other jobs. The HESA statistics are very positive for us and a very good percentage of our students are in work that is related to their courses.

Charlotte Wright: Could I add a couple of things? You mentioned entrepreneurship. Highlands and Islands Enterprise runs a programme with the Massachusetts Institute of Technology in Boston to support entrepreneurship and that is open to all of our businesses. In fact we have Chris Young from Young Films and Sky going to the next week-long entrepreneurship development course that takes place in Boston every year in January. Supporting entrepreneurs and entrepreneurship is something that we think is absolutely vital. You also mentioned digital skills. I think we would probably say that is the No. 1 skills challenge probably for Scotland as well as for Highlands and Islands. With SDS we have developed a regional skills plan and that came out as one of the strongest strands that needs attention and really is the flipside of what I spoke about before in supporting the rollout of broadband and mobile. That means nothing if you don't have the skills and the businesses and the people taking advantage of what that has to offer.

Iain Hamilton: Sorry, just to finish that point as well, in terms of making sure that we are up to date with the knowledge of where we should be and what we should be looking at, through our Expo North programme and through the networks that we have developed, we are working with a number of world leaders in their fields working throughout the creative industries. They are working across the world so we are in a good position to get information of what the trends are, where people are moving to. Also we have worked and developed a partnership with Pixel Lab, which looks very specifically at cross-media, cross-platform working and how to use the digital technology in new and different ways, how new products could be developed for that and distributed. This year we hosted the lab course for the first time in Scotland and hope to be doing the same again next year.

Chair: Thank you. Chris Law has a couple of questions on public sector agencies.

Q157 Chris Law: I was looking at some of the evidence you put forward about your broader public support network and how you work very closely with the Scottish Government and obviously the local authorities through the Scottish Creative Industries Partnership, and also what role and experience you have with the Creative Industries Council that is currently covering England only. A couple of things came up two weeks ago when we were taking evidence in Dundee. Professor Gregor White made it clear that Scotland's Creative Industries Partnership had a very strong focus on public sector support and there was no membership or partnership from the industry. Is that your experience as well and how can that be improved?

Iain Hamilton: Perhaps I could answer that one briefly. The intention of the Creative Industries Partnership when it was set up was to allow the public sector agencies to talk to each other, to find a way of making sure that we could discuss issues that we were facing, how we were going to work more closely together, and to share and pool knowledge of what we were doing and what the results were. It was not intended as a wider partnership on that one. Maybe there is a requirement for a wider partnership. I know that has been discussed, but SCIP itself was intended to allow the sharing of information between the public sector agencies and the ability to talk about what worked and where we had problems and difficulties, without necessarily sharing that to the wider industry.

Q158 Chris Law: The second question was regarding the Creative Industries Council, which of course is with England only. I want to know if there is potential to improve working relationships with creative industries in Scotland. Perhaps should we have a body like that in Scotland?

Charlotte Wright: I think we should always have a look at closer links. Obviously that is a body that is representing England. The rest of the UK is a significant market for our creative industries businesses so working together there and also making sure that we can benefit from experience or best practice from either Scotland to England or England to Scotland is something that we should be doing together. I think perhaps it is early days or we don't yet know enough to see what the success of that would be, as to whether we need something like that in Scotland or the Highlands. I guess the architecture here is different anyway.

Q159 Chair: A lot of the evidence that we have had, both written and oral, has been about some of the tensions that are involved in leadership when it comes to creative industries and the Scottish Parliament Committee found that there was confusion about who had lead roles when it came to creative industries—whether that was Scottish Enterprise. I know that you are on SCIP and Creative Scotland has been given leadership when it comes to SCIP. Do you have any views about some of the leadership roles when it comes to making sure that the creative industries are supported? Is there anything that you could suggest that could maybe put that right?

Charlotte Wright: You might want to add, but I think we are quite clear in Highlands and Islands Enterprise about our remit and the way that we work to support both the industry and our broader work through our strength and communities function and Creative Scotland is a really important partner in that. We find that the partnership working is beneficial and brings a lot to add value to what we both do by working together.

Chair: Does anyone have any more views about that?

Iain Hamilton: I would echo what Charlotte said there. Again, one of the values of the SCIP partnership is that ability to make sure that we have regular meetings and can talk and catch up. We have regular contact with Creative Scotland, who would be one of our main partners in this, in how we are developing the activity in the Highlands and Islands and we are pretty clear on what their remit is as opposed to ours.

Q160 Chair: In that response, then, you are suggesting your relationship with Creative Scotland when it comes to leadership is pretty clear as far as you are concerned. You have your job and you know what SCIP is doing. Scottish Enterprise does not apply to the Highlands and Islands areas? It is exclusively HIE, isn't it, that takes the main role when it comes to that economic support, shall we say, to the creative industries?

Charlotte Wright: Yes, that is absolutely right. Highlands and Islands Enterprise is the first door to any kind of business development within the Highlands and Islands area. We do work closely with Scottish Enterprise and our colleagues and Iain's colleagues in creative industries so that we can share learning and experience together as well. That would be the same across all sectors. There is value in working together, but the reason we have the Highlands and Islands Enterprise is to react differently and respond differently to the needs of the Highlands and Islands.

Q161 Chair: Thanks for that. We were in Dundee two weeks ago now to look at the lessons we could learn from Dundee about how it is emerging as a hub for computer gaming. What we were trying to look at when we were there was what has underpinned that success and why is the sector so strong and why is it world class? They have something going on that

we were interested in unravelling a little bit. Is there something in particular that the Highlands and Islands might have that could make it world class, UK class, European class? One of things we heard from the evidence we had at Dundee was that Chris van der Kuyl, I think it was, said to this Committee that we spread it too thinly and if we were to focus more acutely on one sector where there is strength, we would maybe get more of a return. Is there a particular strength in the Highlands and Islands that could be better supported?

Iain Hamilton: What I would suggest on that one is that the very small businesses, as you will know, share the marketplace with major multinationals, so what is it they have to offer that allows them to survive in that marketplace? It is the local colour, feel, sound, taste; it is the things that are unique that come through the area, whether they take a traditional form or a very much more contemporary form, and those are reflected in the areas that we have been proactive in. Whether it is the textiles and crafts that are particular strong, whether it is around music or screen, these things certainly reflect our area.

The other thing I would say is that we have had some exciting results in terms of how people are collaborating within these sectors and across other ones. The fact that we now find that several organisations in other countries are looking to adopt the model that we are using for this suggests that there is something going right with it and that we have found at least one of the strengths that we should be encouraging.

Q162 Chair: Interesting. I am glad you mentioned music because of a personal interest. Some of the things that are going on in Highlands and Islands do seem to be particularly exceptional—I am thinking of Plockton, for example, and what is happening there. Is that the sort of model that you would look to further develop when it comes to the activities in the Highlands and Islands?

Iain Hamilton: Plockton is certainly a great model and anything that is bringing together and encouraging the talent is very valuable. I think the other part to it is around our own networks. It is about making sure that the creative talent is also supported to get access to industry and a bit wider industry for those who want to continue on as a business. When you look at how things are changing, particularly with the importance of streaming, the fact that the prices will continue to come down, which obviously reduces the amount of money that is going to the artist, we need to look at how we encourage secondary rights usage. Again, some of the stuff we have been heavily involved in is synchronisation, which is about putting music into film, into television, into games, into advertising, and things like that have been particularly successful with our partnerships with Expo in Hollywood and various other organisations.

So we need to continue with that focus. It is about how we encourage the talent at a local level and then how we can introduce the talent and the skills and innovation they have at that level into a wider marketplace.

Q163 Chair: I know for Glasgow London is a long way away, but if you are Caithness or Sutherland it is even further away. Is there a sense that you are being supported and your issues are understood by the representative bodies throughout the UK? Last week we spoke to UK Music; we are looking at the British Film Council. Is there an engagement with them and is there an understanding of some of the difficulties and challenges you may have just because you are relatively so far away?

Iain Hamilton: We have been very lucky that we have a very good relationship with the majority of the UK bodies. Most of them will come up and attend Expo North in June to meet business and also to do presentations to certain panels, so there is a wide representation at that. Obviously it is beneficial to them because there is a chance to meet a lot of people in a shorter space of time, but it certainly works for us to be able to do that. The ability for them to

meet wider industry as well has been appreciated. I think what has happened now is that in some instances we are finding that their knowledge of Scotland takes on a Highlands and Islands perspective, which is a nice position for us to be in.

Charlotte Wright: That challenge of distance from market is something that is common with every sector that we need to deal with. What we have done through some of the work of Iain's team, for example, with Expo North or Go North as it was previously, is bring the industry to the Highlands as well. We facilitate that and that event in itself has grown exponentially over the last five years and has brought massive benefits to the industry for the Highlands and for Scotland.

Q164 Chair: I personally think Expo North is fantastic, and credit to your organisation for delivering it. I hope it goes from strength to strength and if there is anything that this Committee could do to help encourage and stimulate further interest from the London sector, we would be more than happy to do that as we go forward.

Charlotte Wright: Iain is just going to bite your arm off, I think.

Iain Hamilton: Apart from coming up to see it, tell everybody about it would really be the answer. PR is always a good thing.

Q165 Chair: We will most definitely do that. That brings us to some of the UK-wide issues because we are a UK Committee, as you know, and whereas most of the issues you will be dealing with are Scottish Government, there is still a large swathe of responsibility that the UK Government has. We want to explore a few of these with you if that is all right. One of the things that we are going to be looking at in the course of this inquiry is how we can best support the creative industries, those involved in the sector, through further tax relief. I don't know if you have any particular views about that and how that would apply in a much more rural situation, where there are issues to do with this market. Charlotte, do you have any views on that?

Charlotte Wright: Yes, I think it is interesting to see what potential that could offer. My initial response is to see what has already been put in place, to see what actual benefits that brings and I suppose if we are putting that through the lens particularly of the Highlands and Islands, to what extent that helps us meet our objectives of people creating, sustaining and developing businesses there. Potentially there is other wider support that can be brought to bear there. For example looking at the fuel tax is something that feeds into the wider challenges of working within that rural environment, because even if we do have everything working in relation to broadband, people still need to travel, so the cost of travel itself can be a bit of a barrier.

Q166 Chair: This question is for Peter. Another issue that has emerged and something that has come up in nearly all the evidence is immigration policy from the UK Government, being able to hold on and retain the brightest and the best. As the local Member of Parliament, I know there have been issues to do with Perth UHI. Is this proving to be a disincentive when we are looking at bringing people from all around the world to participate in the creative industries? Is this something that we need to look at further in order that we do get the best and the most able in Scotland?

Peter Honeyman: I don't think I am really qualified to comment, to be honest. At the moment we have no international students studying creative industries at UHI. They are in engineering and other fields. We do have a deal with a Chinese university coming up where their music students are going to come and do fourth year, but that is three years down the line. So I don't think I am qualified to comment.

Charlotte Wright: Maybe just a wider talent attraction is something that is massively important for the Highlands and Islands. So whilst the depopulation that brought about HIDB 50 years ago has been reversed, we still do have skills gaps and challenges, and attracting people to the region is part of our objective. The fresh talent initiative, for example, was really helpful in providing mechanisms to do that and I guess things like post-study work visas are perhaps an area that could be looked at.

Q167 Chair: It might interest you that probably the next inquiry this Committee will be doing will be around the post-study work visa because it has become such a feature in the evidence on this and also on the work of the Committee.

The other area that the UK Government is responsible for is intellectual property, the Intellectual Property Office, and of course intellectual property rights underpin so much of the activity that goes on in the creative industries. Has this been an issue for you? Is there even enough of an understanding about the value of IP and how much this is a real central tenet when it comes to how we monetise the creative industries so that those who are involved get something back for what they have created?

Iain Hamilton: Just to give an indication, it is clear that a lot of people still need a lot more information than they have to hand currently. But what I would say is there has been a huge change in the level of interest that we are getting around IP and how to exploit it better, and also how to protect it, how to monetise it more effectively. To put it into some kind of context, when we started doing the workshops, for example, with the Performing Rights Society and Mechanical Copyright Protection Society in Stornoway, we would get maybe five people turning up; now we are getting about 40 coming to the event. We also see now the number of people who went into the panel sessions at Expo North has doubled at each of the panels that are on. So there is a real demand for greater information and people are engaging much more effectively with that. That does not change the fact there is still more to do and we want to keep on encouraging that interest but it is significantly different to where it was a few years ago.

Charlotte Wright: I think Iain is right; awareness is increasing. It is also about being sure that individuals and businesses look at their wider intellectual assets, so early-stage ideas as well as those things that can be registered and gain IP and how they leverage the benefit from that.

Q168 Chair: I think there are more fundamental questions of why IP is important. It helps to monetise the creative endeavour that people are producing. Is there a sense that people can make a living and a business out of being involved in creative industries in the Highlands and Islands, particularly all the different range of issues and challenges? Is it something that you would encourage people to look at and set up and say, “This could make you your million if you did it properly”?

Iain Hamilton: Absolutely. When you mentioned a million, I can think of two offhand that are sitting in that one. Jointly with Publishing Scotland and Scottish Development International we brought in rights buyers from international publishers and I know one of the Highlands and Islands publishers is well on his way to having done £1 million-worth of deals on that licensing. Also on a joint mission with SDI with crafts, designers and makers going over to Paris, there would be in excess of £1 million-worth of business that was being looked at. I am not suggesting for a minute that everybody who works in the creative sector will be a millionaire by any means, but there is certainly a living to be made out of it.

Charlotte Wright: I think your point is really important in that it is how we equip the creative entrepreneurs and individuals with everything else that they need to make sure that their business can be successful; quite often you will find somebody who is good at the thing

that they do but not necessarily good at business. That is where HIE and the trade industry networks need to come in and make sure that all of that support is there so that people have the best chance of getting whatever scale of business they want to make out of what they can do.

Q169 Chair: Lastly, just about the profile of the sector in the Highlands and Islands, there is a presumption that much more of that is going to be micro-business, one or two individuals working possibly individually, throughout the whole Highlands and Islands area. What are you consciously doing to ensure that is identified and then after that supported? Is it a right characterisation to say that there are probably more of these micro-businesses in the Highland and Islands area than there would be here in Glasgow?

Charlotte Wright: Yes, certainly that characterises the business base for the Highlands and Islands. It is absolutely that, in the creative industry probably more so because of the nature of the way that the industry operates, which can be individuals who will collaborate for specific ventures. As we spoke about earlier, that is what makes some of it quite hard to track to be able to establish some of the baseline data. We feel that through our own organisation we do have good routes into what is happening but, as I think I mentioned earlier as well, we are going to revisit that sort of baselining work so that we can try to drill down as much as possible to what is there and how we develop it.

You mentioned also identity. I think it would be fair to say that people would associate a strong cultural identity with the Highlands and Islands as a region. In any work we have done with young people, we found that is one of the positive factors for them, in having a sense of pride and coming from a region like the Highlands and Islands that it has a clearly identifiable cultural tradition.

Chair: Thank you all ever so much. That was really helpful and useful to the Committee. Is there anything that we have missed or anything that you feel would be helpful to us in this inquiry about the Highlands and Islands that we have not managed to touch on with the questions that we have asked? Well, the last thing is to thank you all very much. If there is anything further that you think of as you go out the door, please write to the Committee and we will be more than happy to accept any further evidence you are prepared to submit. Thank you very much.

Examination of Witnesses

Witnesses: **David Martin**, Key Sector Manager for Creative Industries, Skills Development Scotland, **Janet Archer**, Chief Executive, Creative Scotland, and **David Smith**, Director of Creative Industries, Scottish Enterprise, gave evidence.

Q170 Chair: Welcome to the afternoon session of our creative industries inquiry. We are pleased to have you all along this afternoon. May I just ask people in the back, can you hear me all right now? We have now fitted speakers; I know there was great difficulty from members of the public who could not hear quite what was going on, so I think we have resolved that this afternoon to your satisfaction. I am seeing lots of nodding and agreement, so I am presuming that you are hearing everything perfectly. Can I also say to our guests that in response, if you press your red button, it goes out to the PA so people can hear you and also for our record. That is the red button on your microphones in front of you. Just one last thing: now that the members of the public can hear us, we are hoping you might tweet about your experience at being here for the Scottish Affairs Committee. We have a hashtag and everything for you: the hashtag is #CreativeScot, and if you would be so kind to include this Committee in any tweeting that you would be prepared or compelled to do, we are

@CommonsScotAffs, so please, if you hear anything that you find particularly interesting, stimulating or downright disagree with, please use the hashtags handle when it comes to that.

Can I, first of all, welcome our guests? What we will ask is that just for the record you say who you are, which organisation you represent and if you have anything by way of an opening statement. We hope that will be as brief as possible, but we will start with you, Mr Martin.

David Martin: Good afternoon. I am David Martin, Key Sector Manager for the Creative Industries at Skills Development Scotland. Skills Development Scotland is the national agency for skills development; very clearly it says what it does on the tin. Essentially we are known for three key things: providing careers information advice and guidance, delivery of the national training programmes and working strategically with industry. I hope to unpack that as we go through this session.

Janet Archer: My name is Janet Archer. I am the Chief Executive of Creative Scotland. Creative Scotland is the body that looks after the arts, screen and creative industries. We were set up in 2010 and last year we produced a new plan called Unlocking Potential, Embracing Ambition. It is a 10-year plan for the arts, screen and creative industries. Underneath that, we are looking at each of those areas as three discrete areas that are interlocking gears. We produced our film strategy last year. We have just produced our draft creative industries strategy and it is out for consultation at this point in time. That will be swiftly followed by our arts strategy. As I say, we see them as absolutely integral to each other. We have organised ourselves around four areas of function: we fund, we advocate for the arts, screen and creative industries, we are a development agency, and we see ourselves as being absolutely accountable to ensure that all of the intelligence and knowledge that we hold is available as widely as possible for others to work alongside us to invest and support in those areas.

David Smith: Good afternoon. My name is David Smith. I am here in my capacity as the Director for Creative Industries for Scottish Enterprise. Our particular focus in the creative industries is on working with high-growth-potential companies and also working alongside our partners in the Scottish Creative Industries Partnership and industry to look at opportunities to invest in areas of the creative industries that both deliver high-growth economic impact for Scotland.

Q171 Chair: Great, thank you, and thank you for being so brief in your introductory remarks. Can I just kick things off? We are very keen to try to get some sort of sense of the size of the sector in Scotland and we are hearing various figures that have been bandied at us from various witnesses about the size of the sector. There seems to be a great divergence in the numbers that we are securing and I think there are some numbers we received from Skills Development Scotland and some from Creative Scotland; I am not so sure about Scottish Enterprise. The UK Government and the Scottish Government seem to use different methodologies when it comes to assessing the size and scale of this sector. Have you any idea how many people work in it, how reliable and robust are some of the figures that we have been presented with? Can everybody please come together and ensure that we all know what we are talking about and perhaps use the same methodology throughout the UK, so that we in this Committee can try hard to assess the size and the contribution of this sector? We will start with you, Mr Smith.

David Smith: Certainly across the organisations that you see in Scotland, there is a high level of consistency of understanding around the numbers we refer to within the creative industries. We are all very clear that on the latest available information the creative industries here in Scotland deliver a GVA of around £3.7 billion to the Scottish economy, employing around 68,000 people and reach a combined turnover roughly approximating £6 billion. There

are some minor differences in the methodologies and the classifications used in measuring the size of the creative industries at a UK level and at a Scottish level, but there is a high level of consistency across the figures that we understand and use here in Scotland.

Q172 Chair: Thanks for that. Before we hear from Ms Archer, it was raised with us by the video games industry when we visited Dundee a couple of weeks ago that research commissioned by Creative Scotland had totally undervalued the size and scale of the video games industry in Scotland. I would just characterise it as us being a little bit upset about the size of the figures. Can we ensure that nothing like this happens again when we are trying to assess the size of the sector? What do you have to say about the various methodologies that we have?

Janet Archer: We acknowledge that in 2012, when that report was produced, we did not account for the full extent of the scale and size of the games sector in Scotland. We have addressed that since that point and I think David would concur that we now have a fuller picture. Games is critically important to us. We are about to embark on a review of the games sector. We have begun to have meetings with the sector to look at how we might approach that and we are confident that we are in a stronger position in terms of our understanding and our commitment to the games industry in Scotland.

Q173 Chair: Are there any particular views about the different methodologies? DCMS, for example, seems to use a different range of criteria when it is looking at the creative industries, where we seem to use something different. Are there any conversations that you have with your counterparts in England about how we could shape this up and at least know what we are talking about when it comes to the sector?

David Smith: What I would add to what has already been said is that two main approaches have been used here in Scotland. The Scottish Government approach method uses the standard industry classification codes and TIGA, the industry body, uses a combination of data and survey. Both of those approaches provide fairly similar figures, they provide a good picture of the industry currently here in Scotland, so the best of the corroborating data gives us a great deal of confidence that the numbers that we now have—and have had since the corrections to the report in 2012—are fit for purpose. We have had very good data collected here in Scotland since 2013

Janet Archer: I think essentially what Scotland did in 2012—and I should point out that that was pre my appointment to Creative Scotland—was that it looked across the piece at what it was achieving in the creative industries and it recognised that heritage, craft, textiles and cultural education were all critically important in the overall ecosystem that made up the creative industries, so it made a decision to account for those areas in a fuller way than are being accounted for elsewhere. That is where the discrepancy sits. We are now trying to work closely with Government colleagues from both Governments to ensure that when we categorise and when we account for subsectors, we do it in such a way that it is easy to see like for like, perhaps more so than we were able to in 2012 when that initial study was done. We are working hard to look at how we can align our data, so that we can make a direct comparator across.

Q174 Chair: Great, thank you for that. Just in the way of introductory comments, in some of the evidence that we have secured thus far from various organisations across Scotland, what has been picked up is a little bit of a tension in terms of the leadership of the creative industries sector between particularly Scottish Enterprise and Creative Scotland about who has ownership of the leadership role, the value of the Scottish Creative Industries Partnership and how that was put together as a body to try to co-ordinate the activity within

the creative sector. Could you reassure this Committee that we have these things resolved, that there is clear leadership and we know there are defined roles about taking this sector forward and that there is general peace and wellbeing among Creative Scotland, Skills Development Scotland and Scottish Enterprise? We are looking for the reassurance that there is a clear understanding and defined roles.

David Smith: The short answer to that is absolutely, yes. Hopefully the Committee will appreciate, and I am sure you understand, that the creative industry is quite a wide and diverse collection of subsectors and it ranges from bodies with a highly commercial focus to those who are trying to push through cultural excellence. That diversity requires and asks for, to some extent, a diversity of organisations with particular remits to complement and support that body or the breadth and diversity of the creative industries. But we are very clear that the enterprise agencies lead on business support, Creative Scotland lead in relation to the overall screen sector and overall cultural support, and Skills Development Scotland take a lead on screen, and we all work together under the chairmanship of Janet Archer in Creative Scotland to ensure that all of our activity is co-ordinated.

Q175 Chair: Just to clarify for this Committee, the leadership is obviously Creative Scotland when it comes to offering the leadership to SCIP and Scottish Enterprise supply the economic activity and development side of things; would that be right? Is that a fair representation of where we are?

David Smith: I think it is important to emphasise that this is always about a partnership approach. We sit down and discuss how we can support each other's lead, but when it comes to aspects of taking the lead around business support, it is the enterprise agency, so Scottish Enterprise, working in partnership with Business Gateway, and obviously in the Highlands with Highlands and Islands Enterprise, to ensure that the business support landscape is optimised to the needs of business in the creative industries. Clearly we do that working in partnership with others.

Janet Archer: I would add that what is absolutely essential, from my perspective, is that we co-ordinate. Clearly there is an element of dispersed leadership, because we all have different functions and different remits in respect of what we do, but it is absolutely critical that we co-ordinate, so that we can together utilise public resource in the best possible way and ensure that we do not duplicate and ensure that we do signpost—to use jargon—in ways that are useful for people who both want to start up businesses and those who want to sustain and grow and to profit. It is important that we understand, first, what each of us can offer, and secondly, that we properly guide people to the right place for the right support, whatever it is that they want to do.

David Martin: There are two very recent examples that exemplify the Team Scotland joined-up approach. One is the development of the Skills Investment Plan for Scotland's creative industries, which we launched in June this year. We had significant contributions across the sector, but critically also with the public partners, so that did specifically include Scottish Enterprise, Creative Scotland, Highlands and Islands Enterprise and Business Gateway. More recently, another example of that has been the emergence of the draft Creative Scotland creative industries strategy, where that engagement has taken place both with us individually and we will come together collectively at SCIP, which is due at the end of the week. But I also attended two particular sessions, one in Dumfries and one in Glasgow, with contributing businesses in the development of that strategy. It is a very deep and rich relationship between us.

Chair: It all seems perfect harmony and cross-co-ordination and all the other nice words we like to hear, but let us hear some more questions.

Q176 Mr Anderson: I hear what you are saying and it does sound like you work in harmony, but evidence that we received from the University of West Scotland said, “There has been considerable disquiet within certain sectors for several years concerning the inability of the leading agencies, namely Creative Scotland and Scottish Enterprise, to effectively work together”. Then the Scottish Parliament Economy, Energy and Tourism Committee said, “The separate and distinct remits of Scottish Enterprise and Creative Scotland are acting as a barrier to working cohesively to effectively support the film industry”. Are they wrong or were they right and you have put things right? If you have, how have you done it?

Janet Archer: It is probably the latter. I think we would all admit, looking at the two Davids, that perhaps things were not working as effectively as they could have done, and there was confusion in terms of who could go where for what. What we have been proactively doing over past months, it is probably fair to say particularly so in the last six months as we have been working towards our creative industries strategy, is looking at how we can generate a stronger sense of how we can deploy our resources in a way where they can be best made use of. I think there has been change.

David Smith: We have been working day in and day out for many years now in partnership and we share a real passion and ambition for the creative industries here in Scotland. By “we” I am referring to the working relationships we have with Creative Scotland and with Skills Development Scotland and with other members of the SCIP partnership. We are aware, though, that we can always do more. We are conscious also of the perception that has been generated and exists that we need to do more, particularly to articulate and help people to understand where we can do more together in partnership. That is why we have been working together to develop a partnership agreement, which we will shortly be in a position, I am sure, to share. We are just finalising that partnership agreement and that will help.

Q177 Chair: Is this a partnership agreement with Creative Scotland and SCIP?

David Smith: Yes, with Creative Scotland. That will help to demonstrate and help to show some of the areas that we want to do even more work in. We want to, for example, work together to do more around helping companies to get access to finance and also to further develop the performance framework and the economic impact evaluation framework together for the creative industries here in Scotland.

Janet Archer: Can I just respond to that point with one further example of how we are working together? We worked with Dr Tom Fleming, who is a recognised creative industries consultant, who advised us for a short period of time. We wanted him to give us a reflection on his perspective of how Scotland was working from an outside point of view. One of the things that he observed is that in Scotland, there is a lot of support for the creative industries across the piece from a lot of different places; it is not always so easy to find it. What we have pledged to do with Scottish Enterprise and other SCIP colleagues is to look at that map, unpick what is available and where, and make that much more visible and public. We are doing that initially for film and for screen, and once we have worked out how that works, we have every potential to roll that out on a wider basis, offering that signposting so that people can quickly move to the right place to get the right support for the things that they want to do.

Q178 Chris Law: I wanted to look a little bit more at the Scottish Creative Industries Partnership. A couple of weeks ago in my own city, Dundee, we took some evidence and Professor Gregor White was saying that it is very closely focused on public sector support, but there was no membership or partnership from the industry. Would you agree with that, and how does SCIP engage with industry representatives?

Janet Archer: SCIP is a public sector partnership. It was set up to bring together the different public sector agencies and public bodies in Scotland that are involved in the creative industries to ensure that best use of public sector resources is always in effect. Each of us as individual organisations have relationships with individual subsector industry groups and that is right across through software, electronic publishing, computer games, film and video, fashion and textiles, advertising, architecture, visual arts, performing arts, music, photography, radio and TV. There are individual groups in each of these areas that we connect out into through the day-to-day course of work. There is a question around whether or not we should formalise that engagement through industry being part of the wider SCIP membership and that is certainly something that we have discussed and will continue to discuss.

David Martin: To add to that, the specifics of that around the Skills Investment Plan, we have established the Creative Industries Skills Forum, which is an industry-led public partnership. In that particular arrangement, we have representatives from the broadcasters, publishing, advertising, graphic design and on. That is going to be very much the home for implementation and monitoring of the impact of the new plan. From the off, we are determined to ensure that industry is deeply engaged not only in the development of the plan itself but also in its application. That is mirrored through, as Janet says, with various subgroups, depending on which subsector you particularly wish to consider.

Janet Archer: Creative Scotland has regular funding relationships with 118 organisations. We fund about 1,300 projects every year across the arts, screen and creative industries. That gives us a direct line into a coherency in terms of understanding what is happening; it gives us a good overview of what is happening on the ground in terms of the arts, screen and creative industries in Scotland.

David Smith: It is also important as we look at our engagement with industry in particular that we organise and coalesce around the needs and desires of industry to work together. Since 2009, for example, we have worked together, all of the agencies represented here and others, with the Digital Media Industry Leadership Group, because that recognises particularly subsector schemes included in there that want to be or see themselves as being part of a wider digital cluster, a digital media cluster, and have been keen to work together and develop strategy and provide advice to us about where we can work and what sort of interventions we can undertake to strengthen the growth of the digital sector here in Scotland.

Q179 Chris Law: I wanted to ask a little bit more, particularly of Creative Scotland. The evidence we received from the Scottish Government states that you go to the UK Creative Industries Council. Most people here might not know about it; it is an English-only body and you go as an observer. What benefits are there to that and what are you learning from it? Is there a need for a body like that for Scotland itself?

Janet Archer: I have attended two meetings. As I understand it, as you pointed out, it is an English focus but clearly some of the issues that are discussed in that meeting are of relevance to Scotland. Whether it be skills development, marketing, finance or IP, all of those are issues that we too are concerned with in Scotland and can learn from in respect of the discussion that takes place in that meeting.

Q180 Chris Law: Just on that point then, because you have brought up several things, the question I have here is: do you agree with the evidence that we received from the UK Government that states that the CIC's remit is England-only because most issues it discusses are devolved? Clearly not.

Janet Archer: I think the issues are shared issues. The implementation of those issues are organised in different ways and that is why we have our own structures in Scotland.

Clearly the creative industries do not just play into UK markets, they play into global markets. From that point of view, it is incredibly important that we are connected.

Q181 Chair: It strikes me that the Creative Industries Council is absolutely important for Scotland. We are looking at issues to do with the tax base and the tax regime that supports so much of the creative enterprise and also, as you touched on yourself, Janet, things to do with intellectual property, and then we are looking at things like the digital single market that we are heading towards, which is absolutely critical for the placement and as a platform for so much of the creative enterprise. One of the things that this Committee will be looking at will be Scotland's exclusion from that. We respect that you are an observer and I am pretty certain you are able to participate in its proceedings, but we have the UK Minister in front of us about this and I think one of the things that we will be putting to him is that, given the range of activity that does go on in the Creative Industries Council, there should be a place for somebody like your good self to make sure that Scotland's creative sector is properly looked after with some of the reserved powers. But would you be prepared to comment on that and support that premise?

Janet Archer: I would support that premise, but what I can also say is that I was very welcome at the last meeting that I attended and I certainly was not made to feel as if I could not participate in the discussion.

Q182 Chair: On some of the shared relationships with the UK, we have the Creative Industries Council and of course there is a very strict definition between Creative Scotland and the Arts Council of England. Do you have conversations with the Arts Council? Do you have regular meetings? Is there a shared best practice that goes on between both your bodies when it comes to these things?

Janet Archer: We do. The UK Arts Councils, in fact, with Ireland, the five nations, meet on a regular basis. I met with Darren Henley, who is the Chief Executive of Arts Council England, about two weeks ago—I have to check the exact date in my diary—and various members of Creative Scotland's team have ongoing dialogue with all of the UK Arts Councils. We also talk to other UK-wide bodies like the BFI or the BBC in different contexts.

David Martin: If I might just step in there, there is obviously a very significant difference here around the world of skills, and that is that Scotland's very distinct education system, its processes, its qualifications and therefore consequently, as you know, skills are fully devolved to the Scottish Government. Therefore, while we would welcome co-ordination and discussion, it clearly should be reserved to the Scottish Government, given those very deep-seated consequences around young people, their growth, their potential and how that links through into work.

Janet Archer: We are very pleased that in Scotland arts and creativity sits firmly on the curriculum through the curriculum for excellence through the expressive arts. I think we all believe that that makes a huge difference to the potential of creativity and the creative industries in a Scotland context.

Q183 Chair: Just one other thing on the UK bodies, we have already spoken to several of the representative bodies in film, publishing, music and we are going to speak to some more of them. Do you feel—and this goes to the three of you—that we are adequately served by the London-based representative bodies, whether that be UK Music, the British Film Council, Creative Coalition, Alliance for Intellectual Property? All these bodies have a clear, defined London role, picking up these things. Have you regular contact? Are you satisfied and happy and content with the service that you get from them? Do they understand particularly Scottish issues? We would like an answer to that.

David Martin: Speaking personally, yes, I do have those relationships with a range of the organisations you have mentioned. I think they do understand where we are and why we are where we are. There is inevitably a constant discussion and a need to reassert and reaffirm why and how things are different, but equally, we recognise, as I said earlier, that Scotland lives and works within a UK context, and from there in an international context. It is important that those abilities to share, to showcase, to celebrate are feasible and possible. As long as they are there, I think we have every hope and optimism for the future of Scots participating in the wider culture and creativity and business of art.

Q184 Chair: Janet, are you satisfied and content with the way that you interact with the representative bodies and do they understand Scotland? Do they get our particular issues?

Janet Archer: I think it is different in every instance. We have a number of very positive, proactive partnerships with UK bodies. For example, with Arts Council England, we have a cross-border touring joint initiative, which enables large-scale lyric companies to tour across the UK. We are also partnering on The Space, which is an Arts Council BBC initiative, with just a small amount of funding that is providing an opportunity for work coming out of Scotland to be represented on that platform. We partner with the BFI around a number of things. Clearly, joint investment goes into screen production in many instances and there are other initiatives that focus on talent and film education, so definitely work going on where joint resources are going into things.

Understanding only comes from dialogue and I think it is important that we continue to have good, honest, open shared dialogue. I just make my point again: I think it is incumbent on all of us who are using taxpayers' money to ensure that together we spend it in the most appropriate way to get the best results for people. That is certainly what we are very focused on at Creative Scotland.

David Smith: With respect to our particular focus and remit, we have very good working relationships with Innovate, with UK Trade & Investment and with Tech City UK. With Innovate, for example, we have worked with them around the launchpad programme, which was initially piloted in London a few years ago, but in 2013 we worked with Innovate and with Creative Clyde here in Glasgow, just down the river, to have a launchpad programme here, which awarded around £620,000 to 10 creative companies here in Glasgow. A couple of quick examples to mention: Imaging, who used the funding to develop some interesting and innovative facial performance capture solutions, whose products are used in diverse areas, including gaming and research associated with facial subject; Distrify, another Glasgow-based company, were able to use the funding to develop a new generation of video on-demand software and solutions. They were one of the companies that were highlighted as an example of successful trade with China just a few weeks ago. The second £1 million launchpad programme on the back of that 2013 experience was recently bid for by CodeBase in Edinburgh, so another launchpad programme will be going forward here in Scotland with up to £1 million of support there.

With UKTI, we work, for example, around the joint promotion of the creative industries. SDI sits on the UKTI creative industries Creative Matters group, which is focused on looking at different ways we can further develop trade and investment. Involvement in this group has allowed us, through SDI, to input to the development and creation of the UK creative industries international strategy. In international trade, SDI has a very longstanding relationship with UK Trade & Investment, and through that relationship, we are able to access the wide overseas resources of UK Trade & Investment to enable companies to benefit from the various different support embassies and consulates overseas. It has also enabled Scottish companies to participate in the very substantial commission and trade programme that UK Trade & Investment undertake.

Q185 Chair: Just on that, I think we have some questions on UKTI and the relationship, but do they really give that sort of support? Could you give us an example, in your opinion, just how that works effectively and well? Is there anything that you can think of about what UKTI has done to make sure that we have that platform for Scottish creative and cultural talent?

David Smith: With regard to, for example, the company Distrify, UKTI have certainly helped our team out in China to help the company develop relationships in China that are now resulting in the Chinese using some of the Distrify products. In broader terms—and I am now using some of my previous memory banks—when I used to work in the SDI division, UKTI regularly host, in some of the embassies and offices and facilities overseas, events for Scottish companies. They have hosted business networking events in their facilities and embassies around the world, for example in Paris where I took part a number of years ago.

Janet Archer: I just wanted to add that Distrify is an example of where Creative Scotland initially put in a small amount of funding. I think we put two small grants into Distrify before they got taken up by SE, and the impact, as we have heard, in respect of £25 million of Chinese investment has come through. That is one example of something that has benefited from support through a number of different places in Scotland. The other agency that I did not reference there was the British Council, who we work with, particularly around showcasing Edinburgh international festivals and a delegate visitation that we jointly support called Momentum, which brings promoters from other parts of the world to Edinburgh during festival time to encourage export of Scotland and the UK's arts and creative industry companies.

Q186 Chair: Thank you for that. While we have you, Janet, we are very interested in your creative industries strategy and we have had a look at it in draft form, and a very ambitious document it is too. I particularly like the line that says, “We will set out the ambition for ensuring this sector continues to grow and flourish, understanding what works well at the moment and addressing areas where collective improvements are required”. It is a very ambitious document and you are right to be as ambitious as this. How do you see taking this forward? I know you are out for consultation just now and it is quite a robust document that you have thus far. Where do you see this going in terms of what you are trying to achieve and secure in the way of a strategy? Have you any idea of the themes that are going to emerge from that?

Janet Archer: Just as a bit of context, Creative Scotland began the process of producing this strategy at the beginning of this year. We appointed a Director of Creative Industries, Clive Gillman, who started with us in June this year, and he worked hard to produce the strategy that we now have by August, which we discussed in some detail at our last SCIP meeting. Since then, we have worked very closely with our public sector partners to make sure that what we have put out for consultation is something that broadly we all feel comfortable with. I think that in itself is an indication of a new joined-up way of working across the public sector in Scotland that, if I might say so, is quite unique and potentially very special indeed.

Next steps is to pull in all the feedback that no doubt we will get. We are expecting a lot of responses, as we have had from other pieces of strategy that we have put out for consultation. We will analyse that, we will take that and discuss that with SCIP but critically with Creative Scotland's board, who have the responsibility of owning the strategy, and obviously with Government. At the moment, we are predicating the strategy on four areas that are very closely aligned to the Scottish Government's economic policy, and those are outlined

in the strategy as growing sustainable creative businesses, so we are interested in sustainable businesses as well as businesses that are predicated towards high growth.

Q187 Chair: Just on that, one thing: there does not seem to be much focus on the individual sectors. Thinking of AV, what is available in publishing support for computer games? We spent a lot of time in Dundee speaking to the sector there. Is that going to come in terms of the consultation? Are we going to see specifically what you will be doing for the various sectors in Scotland and will you be talking about resource allocation, for example, to support the specific sectors?

Janet Archer: Not at this stage. What we have said at this stage, the timeframe for this first step of our creative industries approach is not very long, so we are looking at the next year and a half, two years, before we reset and look at what is next, so it is not a strategy that is predicated on a sum of money for games or a sum of money for fashion. That does not feel like an appropriate way to work at the moment. It is absolutely focusing on growing sustainable creative businesses, growing investment, innovating for the wider economy, a focus on place, which is clearly set into our 10-year plan, so regeneration through place-based working and international positioning. It is looking at how we can lift Scotland and all of its achievements into a spotlight that drives opportunity from the wider world and connects into this place in a meaningful way.

Q188 Chair: These sorts of things happen and are achieved and secured by allocating resources. I think this is what we are trying to get at here. For example, Chris van der Kuyl came to our Committee and gave us quite compelling evidence a couple of weeks ago and his view is that public support is spread too thinly across all the different sectors. According to your own evidence to the Scottish Parliament, you said that support is limited because of lack of resources. What consideration have you given to taking a more targeted approach, such as selecting one or two industries and providing them with a bit more focused support? That goes for all three of you.

Janet Archer: We are currently looking at three areas. If you look at what we are currently researching, we have just completed a literature and publishing piece of research and we are completing a visual arts sector review too; we are looking at animation and we are looking at games as four areas of scrutiny at this point in time. In terms of resource allocation, what we need to do is to look at the whole piece across Scotland in terms of what is being generated, and before we make specific decisions about individual areas of budget allocation, understand what the totality of that is. There are some very good and strong examples of new resources being found for the creative industries in Scotland. Some of that is through private investment. CodeBase in Edinburgh for example, I think I am right in thinking, have generated something like US\$500,000 over the last year and a half through inward investment into Scotland for tech-based companies. That is a terrific story.

You may have heard this morning from HIE about their partnership with Glasgow School of Art, which has generated about £10 million, I think, into creative industries investment over the next few years. There are a number of things like that that we need to understand before we start pushing in on identifying specific areas of strategic investment for the future.

David Martin: On the Skills Investment Plan, colleagues will know that it is a strategic high-level document, looking at what are the core issues facing all of the subsectors, and that essentially is the story of digital need, and bringing in young people with a greater sense of what is required in terms of applying skills into the reality of the workplace or work-based learning is a major theme of that particular document. However, having said that, in parallel to that, Skills Development Scotland has undertaken significant investment in, for

example, Scottish textiles, where we worked very strongly in partnership with the Funding Council, colleagues at Scotland Enterprise, Highlands and Islands Enterprise supporting the Scottish Textile Skills Partnership, which is an industry-led initiative. You heard from Alasdair Smith from Creative Skillset about the great success of modern apprenticeships in textiles in the London session.

That has been driven very much by that particular investment, where we have seen particularly two organisations or two companies, Johnston of Elgin, become a very significant player in terms of attracting young people to weaving and knitting in Moray and in Hawick; the Scottish Leather Group, which provides high-end leather manufacture for automotive and aviation uses, has taken on board an entire skills academy to developing its workforce. These are examples where we have significant change in a very significant key subsector of the creative industries and we predict that that will carry through in other areas. However, the story still remains that in order to support and extend the vitality and the economic growth of Scotland's creative industries, digital technologies, digital economy and the digital context is very much a major theme.

Chair: We will hear from Janet first, then Mr Smith.

Janet Archer: We welcome the fact that culture and creative industries are also woven into a number of City Deal bids coming through from various bits of Scotland and that is exciting. I suppose I learnt about cultural regeneration when I was working in the north-east, where I worked for 16 years, and we saw some tremendous transformation of a number of places. It is great to see that feeding through in Scotland too. Place-making through creative endeavour has generated significant impact in many different ways across the UK.

Chair: Thanks for that. I am just reminded that we are running out of time, so if you do not mind, Mr Smith, we have one question from Chris Law and then Kirsty Blackman.

Q189 Chris Law: My constituency is Dundee, which has gone through a rapid regeneration, in particular a cultural regeneration. When we were taking evidence a couple of weeks ago, there was a general feeling from the video games industry that things were not happening quickly enough. In actual fact, the words used were, "We need a champion of the industry". Is there any possibility or are you looking to that just now—a champion between Scottish Enterprise and also through Creative Scotland to make that particular sector grow? In fact, I think it was Chris van der Kuyl who said it is a drop in the ocean and we have a wonderful opportunity to create not just a huge industry in Scotland but for the world.

David Smith: First of all, it was brilliant to hear Chris, an industry leader, speak so positively and enthusiastically about the potential of the games sector and the digital sector here in Scotland. We would absolutely echo the potential and in fact the success to date that Scotland has had in the digital and games sectors. We have two of the only four unicorns here in Scotland outside of London—unicorns being of course companies with an IPO valuation of £1 billion—Skyscanner and FanDuel. Both of those are terrific examples of companies being able to thrive and grow here in Scotland. Chris's own company, 4J Studios, of course has produced Minecraft for all the console versions and I am sure he has told a number of us how they topped the Christmas charts and continue to do very well. We have Rockstar up north, the producer of Grand Theft Auto, a product that holds seven Guinness Book world records. That is just a few examples of the tremendous potential that we have here.

We have recognised over a number of years the potential that exists in the digital media sector, including games here in Scotland. We have worked together in partnership to put in place specialist services, like Interactive Scotland. We have worked with Edinburgh University and others to put in place Informatics Ventures to help provide advice and support to companies. Throughout the years, that work with Informatics Ventures has helped companies raise almost in the region of £100 million to 2008. Indeed, we are taking Engage

Invest Exploit, which is the brand that we use around Informatics Ventures, a service that helps early-stage investors develop their business propositions. That is going to London later on this month, so some of our leading companies, including Mallzee and others, can promote their products and their wares down in London. We absolutely share Chris's enthusiasm and ambition for the digital sector here in Scotland.

We have been working with the Digital Media Industry Leadership Group, which contains many members of the games sector—including Kenny Mitchell, who was at your first panel, and Chris van der Kuyl was a former member of that group—because we recognise the fantastic growth potential of the digital media sector here in Scotland. Along with Janet and our colleagues, we will continue to consult and discuss with the Digital Media Industry Leadership Group and others whether or not there is more we can do to strengthen industry leadership in games, in the digital sector.

Janet Archer: I know Clive Gillman, who is somewhere behind me, will be wanting me to say that he will be championing the games sector, that he has already met with representatives from the games sector.

It is interesting to note that six of the folk who came to that first meeting were women, which obviously is very important to me—that we see a balanced approach in terms of gender in respect of the people who are driving the games industry. So there is more to come on that.

Q190 Chair: I think for us, and I am sure my Dundee colleague will back me up totally in this, something good is happening in Dundee and we are seeing a world-class sector emerge. We went there to try to find out a little bit more about how they created that environment for that success—the collaboration with academic institutions, with Abertay. Is there not something in what Chris was trying to say in terms of focusing on the success and building it into a world-class enterprise? If we are to spread resources thinly, is there not a case that Chris Law's constituency could benefit a bit more and make sure that we can make more out of our creative industries, backing them a bit more?

David Smith: Sure, absolutely. We would agree with the premise and practice of putting the focus where there is the greatest potential opportunity. In many ways, what guides or steers our approach to the partnerships across Scotland, we look to better understanding with industry where the major growth opportunities lie. We clearly work and focus a lot of our work on high-growth potential companies as well as high-growth potential sectors. I think we also have to be open to having as broad and deep an understanding of all the opportunities that exist across the creative industries sector and work in partnership to do what we can to maximise the potential, but without a doubt there has to be a degree of focus and our approach has to be proportionate to the size of the opportunity.

David Martin: May I come in on that? Chris will be pleased to know in particular that SDS is launching BBC Make it Digital in Scotland, and Dundee and Angus College is one of the key providers. There we will be bringing in 12 local unemployed young people to acquire first level digital skills, employability skills and undertake work placements with local businesses. It is the first of the beginning of Young Creatives, which we mentioned in the Skills Investment Plan, which is about ensuring that the industry's young people and communities have a much closer, deeper engagement and opportunities are shared wherever and however.

Q191 Kirsty Blackman: I have two questions, first for Creative Scotland and then for SDS and Scottish Enterprise. The way that Creative Scotland was set up was that it had a remit for arts and screen and also a remit for creative industries. In terms of your remit and the way that you are set up, does that constrain the way that you can allocate resources, and if it does, what are you doing to make it more fit for purpose?

Janet Archer: Our budgets are essentially inherited budgets, so we allocate the largest proportion of our budget to the arts and a proportion of our budget goes to screen and the creative industries, which we very much see as a partnership approach. That is why SCIP is so important, because we know that investment for the creative industries comes in through a variety of different routes across Scotland. Our role in respect of the creative industries is very much focused on first understanding how the arts, screen and creative industries interconnect and feed and fuel each other, how we can draw on our overview and intelligence to be able to inform the work that everyone who is working in the public sector, in the creative industries, can operate in the best possible way.

We do not see ourselves as directly providing the same level of funding that we would provide to arts organisations, who are reliant on public subsidy in order to do what they do. Our creative industries strategy is very much focused on sustainable business, and indeed, when we consulted with our sectors, that is what they wanted us to do, to help them become sustainable, to perhaps be able to access some financial support through loan finance or other sorts of investment routes. We are certainly not hearing—and we will see what comes through the consultation process—that people are looking for sustained ongoing subsidy in the way that the arts sector requires.

Q192 Kirsty Blackman: That is useful; thank you. For both SDS and Scottish Enterprise, in terms of your organisations' resource allocations, both time and financial, towards the creative industries, how big a part is it of what you do?

David Martin: It is 100% of what I do. It is definitely my job role. However, within the organisational budget, £214 million annually, we are responsible for very large-scale deliveries. We are providing careers information, advice and guidance in every Scottish secondary school. It is delivered through 42 city and major town high street sites. We have an online offer, My World of Work, which has 130,000 unique hits monthly. That is just an idea of the scale of what we do right across the Scottish economy. However, specifically within our core service, our national offer, to date 315,000 modern apprenticeships this year in the creative industries. That has required the support of around about £560,000. We have flexible training opportunities, which are opportunities to invest in small businesses and others around individual skills to meet particular capacity, pressure point issues that the businesses are facing, and we have delivered 76 of them, a cash value of about £105,000. Then there is a small discretionary budget, which has been in the region of about £200,000. All told, it is around about £1 million.

However, the key issue for us is about partnership and tapping into collaborative work. One of the key glories of that has been the launch of the Screen Skills Fund this year with Creative Scotland, which brought £1 million additional to a whole range of training activity across the entire supply chain of film, television and screen industries. That is the way we will carry through in terms of implementing the Skills Investment Plan.

Janet Archer: Just to build on that, screen obviously sits between arts and creative industries in our strategy at least, and clearly screen does require public investment. We are pleased that with the support of the Scottish Government this year we have been able to increase our overall resource for screen, so we have introduced a UK Film, High-End TV and Animation Tax Credit Advance Facility, that is £2 million, and a new Production Growth Fund that is coming in at £750,000 this year and £1 million next year. We are also pleased that through our Open Project Fund we have currently funded 17 smaller screen-related projects, so that is £300,000 that has gone into small projects for the screen industry this year.

Before I stop, I know that you have taken evidence and a comment has been made that Creative Scotland does not think in a broad way about screen. I just want to point out that we

have a Director of Screen, not a director of film, and the remit in that job description is film and broadcast and cross-platform media.

Q193 Kirsty Blackman: What about Scottish Enterprise and what you do?

David Smith: Screen is a very important and substantial part of our activity supporting the creative industries. We do not, in the way we operate, ring-fence particular sums of money to any particular sector, but what I can tell you is over the last three years, we directly invested over £20 million in the creative industries. We have also a number of different cross-sectoral support programmes, including Informatics Ventures, our operations like Co-operative Development Scotland and other operations like that, which obviously provide benefit and support to creative industries as part of a cross-sectoral approach. In the last few years, we have committed £8.7 million to the Victoria and Albert Museum development in Dundee and about £3.9 million to Seabraes Yard in Dundee, which is obviously home—

Chair: Thank you. We want to get in a couple of questions in the last few minutes. Dave Anderson will ask the first of them.

Q194 Mr Anderson: I will be quick, Chairman. Mr Martin, skill development is devolved out of your policy, but Creative Skillset works UK-wide. How does that work in practice and is there any confusion about who is doing what?

David Martin: Creative Skillset is a former sector skills council, and as I understand, the UK Government delicensed sector skills councils across the entire UK economy. Essentially, what it has meant is that we have a changed landscape. However, despite that, we have worked consistently with Creative Skillset Scotland. They were involved very deeply in the development of the Skills Investment Plan. I met both with the national UK Chief Executive and the Scottish Director on three occasions across that process. I also went to the National Advisory Board, which brings together the industry and public agencies on three separate occasions, I believe. That is an active, live engagement. I personally do not see any confusion between the roles. We are the funding development agency and Creative Skillset Scotland is an industry-led body.

Q195 Mr Anderson: You have raised the Skills Investment Plan. What are the issues? Who will you work with to deliver that plan?

David Martin: We will work with a whole range of businesses and groups. Critically, to give you an example of that, we are looking at a project, for example, with NUJ Scotland, which is about providing schools across Scotland with input around media centre hubs, which is providing them with insight into copywriting, advertorial, various aspects of creative function within a digital environment. That then leads to work placements and signposting opportunities for modern apprenticeships in digital journalism, which NUJ has been at the forefront of promoting across Scottish colleges and with employers such as Newsquest and the Herald Group. We do have, in miniature, an entire mechanism. Our intent is to replicate that wherever and however we can. To give you a larger scale around that: I have met with Sky; I have met with Baron Media; I will be meeting with Microsoft. We are looking to create those active dynamic relationships with the industry wherever and however in order to provide opportunity and progression for as many young Scots and others as possible.

Chair: On that, I know Mr Hepburn has a couple of questions on apprenticeships.

Q196 Mr Hepburn: To David again, we are informed that there are relatively few modern apprenticeships in the creative industries in Scotland. Why do you think this is and what comments would you make on Napier University's approach that more modern apprenticeships should be made available to graduates?

David Martin: There are a couple of things to say about it. One is we are responsible for the delivery of 25,000 modern apprenticeships annually in Scotland and we do very well in delivering that, so much so that the Scottish Government has asked us to increase that to 30,000 by 2020. However, the facts speak: 315,000 in the creative industries is where we are right now. The great weight of them are within textiles, a smaller subgrouping within community arts and technical theatre. Interestingly, in terms of creative digital, 30—15 at the BBC, another 15 in the wider public sector where those functions are applied. There is a challenge here and there is a job to be done. That job is being set primarily because, as was already presented to you at different sessions, 98% of the entire Scottish infrastructure is micro-businesses. That presents a particular challenge in terms of how you communicate and deal and support those businesses to come forward and develop young people. The way we are doing that is through intermediaries.

We are working with a range of agencies, whether that be NUJ, who I have mentioned, and Applied Arts Scotland and Craft Scotland are coming forward with a new shared apprenticeship model, which will hopefully provide a bespoke mode of delivery, whereby a group of local businesses will come together and pool experience, whereby a young person can go across a range of businesses. That will overcome seasonal issues; it will also allow depth and a range of skill. The Scottish Textiles Skills Partnership, which I mentioned earlier, is coming in with a shared apprenticeship model, looking at the specific needs of micro-businesses in weaving in the Highlands and Islands, particularly Orkney and Shetland. So bit by bit, I think we will see some changes there in terms of skill, diversity and a range of opportunities for young people.

I think the third big wheel is we have other qualifications coming on board that will be of significant interest to the creative industries sector. Modern apprenticeships in design were accredited earlier this summer; there is another one for digital marketing. I am fairly comfortable, with the energies of our partners and others, that we will see a transformation, a growth of that 315,000 over the next 12 months.

Q197 Mr Hepburn: In general, the Government have said that they are going to introduce this levy on the large employers to fund additional apprenticeships. Have you had any discussions with any bodies about this particular proposal and how do you think it could benefit the sector in Scotland?

Janet Archer: I think the challenge is, as David says, the fact that a large proportion of our 14,000 creative industries businesses are micro-enterprises that employ fewer than five people, so it will be quite challenging for companies on that scale to be able to contribute in a major way to be able to train up young people through apprenticeships. We have not had discussion about that. It will be something that we will discuss at SCIP and it might be that we have to debate and discuss an alternative proposition in respect of how we can skill up young people to be able to move into work.

What we do have at Creative Scotland is Time to Shine, which was funded through £5 million from the Scottish Government two years ago. That is bringing young people together through hubs in different parts of Scotland, looking at skills and talent and content developments in different ways. One of the things that we have going at the moment is Time to Shine Digital and that is looking at how young people can contribute in thinking about how to make work for digital platforms. So there are initiatives like that that are making a difference.

Q198 Chair: Our hour is up, it has just flown, and we are very grateful to the three of you for coming along this afternoon and helping us out. We do not have any time for closing statements, but I think we have managed to cover most of the themes that interest the

Committee. If you feel that there is anything that we have missed in the questions that you were answering, please give us that further information. We are determined to try to make recommendations to the UK Government about how we could further support this sector, create the environment where we can help our creative industries to grow, so we would be very interested in securing anything that you have that you could put forward to us. Janet, you want to say something?

Janet Archer: Before I go, I would just like to say thank you to the UK Government for the £4 million Games Prototype Fund, which we hope very much will contribute towards the strengthening of our games sector here.

Chair: That went down particularly well in Dundee when we were visiting there, as you can understand and appreciate, but thank you all ever so much for coming along this afternoon.

Examination of Witness

Witness: **Fiona Hyslop MSP**, Cabinet Secretary for Culture, Europe and External Affairs, Scottish Government, gave evidence.

Q199 Chair: Good afternoon, Cabinet Secretary, and welcome to the Scottish Affairs Committee. I think you are the first Cabinet Secretary we have had in front of this Committee for a good number of years, so you are most welcome and we are glad to see you along with us this afternoon. You know that we are here today to discuss the creative industries. We have heard from all the various public agencies, as well as from UHI and Highlands and Islands Enterprise. You have identified the creative industries as a particular growth area for the Scottish economy and I know that a large amount of resources has been invested into the creative industries in Scotland. Could you talk a little bit, just in the way of introductory remarks, about how you see the creative industries in Scotland, what the Scottish Government is doing to support our creative industries, and your view about the scale and size of this sector, how many people it employs and what it adds to the Scottish economy? We have a number of figures in front of us and some of them are almost contradictory, but we would like to hear your view about the scale and size of the sector and what more the Scottish Government is doing to support it.

Fiona Hyslop: Thank you very much. I am pleased to be in front of the Scottish Affairs Committee again. I have given evidence myself, but in front of the previous Committee on a different occasion. I would like to welcome the Committee to Scotland and welcome your interest in this area.

The creative industries sector is one of our seven key sectors. Reasons why it is important: it is important in and of itself, but if you look at the Government's economic strategy, we are focusing particularly on investment, innovation. Clearly creative industries are absolutely critical to innovation across all the different sectors. Also, in terms of internationalisation, they are, in many regards, one of the most internationalised sectors. Also in relation to innovation, we know those companies that are involved in exporting and international work are more likely to innovate as well, so again that is part of what we are doing. Also tackling inequalities, again an opportunity arises from creative industries in particular to not only supply services but also employ people from a wide range of diverse backgrounds. That is still a problem. We know and we have heard—and I am sure you have had evidence particularly on the digital side—the importance of looking at women and women's roles in different sectors. That is one of the areas where we, as a Government, more generally are looking at gender balance.

Your point about the issue about different stats, in terms of what we use, our argument is that there are 71,000 people employed in the creative industries from 2014, and that again shows growth of over 4% from the previous year. In terms of the turnover, the £5.8 billion figure of turnover for the period 2013 is the most recent figure that we have, but I would say that there is a challenge. We share the same data as the rest of the UK, but the definitions that we use are slightly different.

The good news, however, is that hot off the press, even as of Friday from the British-Irish Council ministerial meeting in Jersey that I attended, one of the areas that we have agreed to look at going forward is how all the jurisdictions—that includes Ireland as well, because creative industries are critical to them—can forward think us to what is going to be most useful in the future, bearing in mind that obviously digital is hugely important as a subsector within creative industries. But everything is going to be digital, and the creative IP that you have in relation to that will transcend all the different sectors, so we have to do a bit of forward thinking. By way of introduction, can I also offer to the Committee that we will send copies of this document? This is the British-Irish Council creative collaboration, the “Creative Industries Sector Report 2014/15” that was launched in Jersey on Friday. Obviously the British-Irish Council is the Irish Government, the UK Government, the Welsh Government, ourselves and Jersey and Guernsey and the Isle of Man, so that might be helpful for your deliberations.

Q200 Chair: It most definitely will, and we are very grateful for what almost amounts to an announcement that we will have this agreement for methodology. A constant theme in the evidence that this Committee has secured is the confusion that exists about numbers, value, how many people are employed, so if there is progress among all the jurisdictions throughout the British Isles to have one form of methodology, this Committee would find that particularly helpful. Do you have any indication about when this may shape up and the sort of form it will take?

Fiona Hyslop: I am not going to guarantee that it will be one form of methodology, because I cannot speak for the Irish Government and I cannot speak for the UK Government, but what we can say in terms of our thinking is it is important for us. We do not want to create an industry out of statistics, but it is helpful going forward as to what we might need. We have to think very hard about the digital agenda, because the digital agenda is for everything. If you are looking at different sectors, the other key sectors, whether it is our universities or even food and drink, if you are looking at exporting, you are looking at the growth of the digital single market—which I think will be absolutely critical—digital is everything. I think that is one of the key aspects of making sure we get a better understanding of how we deal with the contribution that is made, either investment from the different agencies or indeed the support that we have from either the Scottish Government or the UK Government.

You will find possibly in the Scottish definitions more of an emphasis on manufacturing and more of an emphasis on craft. Clearly some sectors have more importance to the Scottish economy proportionately than other areas, but there is a great energy around the creative industries in Scotland. I think a lot of that also is to do with our wider cultural base. The one thing that I would maybe ask the Committee to consider is that although there is very much a focus on looking at value turnover to the economy, you cannot have a successful creative industries sector unless you have a very vibrant wider cultural sector. We are very clear in Scotland that there is a connect between those two.

Chair: That is interesting, and we touched on some of these themes with some of our earlier witnesses too: it is the cultural sector that informs the creative industries and there is this synergy that goes on between the two. I think it is absolutely right that when you are looking at creative industries, you are looking at the talent that sustains and promotes that.

There are issues we want to get into involving that. You mentioned IP and the digital single market, which we want to discuss with you. As the new platforms are beginning to emerge and the placing of the content, I think it is critically important that we manage to secure that. But I know that Stephen Hepburn has a question on the size of the sector.

Q201 Mr Hepburn: You have covered a lot of it in the answer to the Chairman, but can you name any specific policies that back up your statement that you are supporting the creative industries? What additional funding, if any, have you put forward that way?

Fiona Hyslop: Again, it is a broad area, but on the skills area, you will have seen—and I think you should have heard from Skills Development Scotland—there is an investment of over £6 million in skills in that area. In terms of policy, the skills strategy, which covers a lot of the areas I just talked about, digital leadership, inclusion, that is very much part and parcel of the offer, and obviously you know that Creative Scotland are currently consulting on the creative industries strategy, which should be published in a few months' time. An example on spend and the latest figures from Scottish Enterprise for a three-year period is that on average, £6 million is spent by Scottish Enterprise on creative industries in terms of screen, which is a big development area, and again, coming on to issues around tax credits, where the spend on the screen sector—bearing in mind it has been a tough period with the recession and recovery—in 2007-08 was £16.7 million from the public sector in Scotland. It is now £24 million, and that is for the year 2014-15. There have been additional announcements made, for example, very recently for this year, which will be 2015-16, of £1.75 million for production, where again we are trying to help encourage spend in the screen industries in particular. Also we have the £2 million for the loan facility, which is looking at building on the tax credit opportunities that we now have on film and screen in particular. Maybe that is some examples of where we are committed and where we are putting funding and investment and support in.

I think also a very important aspect is how we get different public agencies to work together. That is why, for example, the Scottish Funding Council, who fund our colleges and universities, have co-financed with Creative Scotland the position of a Director of Creative Industries for the first time at Creative Scotland, which again is an important development. These are practical policies, I suppose strategy plans, but also an example of some of the investment areas.

Q202 Mr Hepburn: On the figures, we could make different points. The figures we have been given—and you may dispute them—are saying that the creative industries in Scotland have, at the very worst, decreased and diminished over the years and, at the very least, have stalled. Would you agree with that, and if so, why would this happen?

Fiona Hyslop: From the analysis that we put in, which was based on UK figures from the 2009-10 period, and it was coming through the recession, I think we are seeing a particular growth. I thought it was quite interesting—again, we can follow that up with actual stats—that in the Highlands and Islands there was a particular growth in creative industries at the time of the recession. What seemed to be happening is that people may have been taking packages and being made redundant but then going into an area of interest, as well as, if you are now looking at new companies coming through and if you look at the explosion of CodeBase, for example, some of the digital areas in Scotland, you have development in different areas.

I would be careful: I think a lot of the analysis of what happened was of the period during the recession. Again, that is UK-wide, and if you look at what has happened since then is the growth sector, which DCMS also agree with ourselves—creative industries are growing at a much faster rate than the rest of the economy. It has had challenges, like all sectors have,

but if you bear in mind, if you think about it, the creative industries employ more people than oil and gas—obviously an industry under pressure just now, as we understand. It employs more people than oil and gas and provides a greater turnover and contribution than life sciences. These are two other of our seven sectors, but people don't necessarily think of creative industries in that scale and size. If your Committee, along with the work that we are doing here in Scotland, can add the voice of the importance of this sector and the sheer size and scale of it and the opportunity, I think that would be a great service.

But there are lots of different areas, like festivals developing and growing, and that is part of the creative industries as well, where you are seeing strength. It is not just about value to the national economy, but in small towns across Scotland you are seeing lots of developments of small festivals. That makes a difference, bringing tourists in, particularly just now in the autumn. Certainly in Perthshire the Amber festival is very successful; Aberfeldy, for example, now has a successful festival. The Edinburgh festivals add £250 million to the economy. I have just been to an event this morning launching Scot:Lands. If you come to Scotland on 1 January, we have as part of our Hogmanay festival an opportunity to try to keep tourists in the city for longer, to spend more money. The contributions from all our festivals to local economies are important, not just what you see in the national figure. For a country like Scotland, with the geography and the real dispersal of rural communities, that kind of festival and bringing people into small towns across Scotland is important, so we should not lose sight of that aspect.

Q203 Kirsty Blackman: Thank you very much for coming before us today. Previously you had responded to the Scottish Parliament's Economy, Energy and Tourism Committee about the creative industries and said that the Scottish Government could do something to improve communication about the suite of services that is available to organisations out there. Have improvements been made to that yet, and if not, what improvements will be coming through? Does the communication that you have with individuals, or that the individuals receive about the suite of services, talk just about Scottish services or does it talk about the ability to get into UK services as well?

Fiona Hyslop: That is really a question for the bodies you have just heard from, from Scottish Enterprise and Creative Scotland and Highlands and Islands Enterprise. The Enterprise and Economy Committee's report from the Scottish Parliament is a very good report and we have responded very positively. There are a lot of recommendations. It would not necessarily be helpful for this Committee to duplicate what they are doing. We are planning an update to that Committee fairly soon, but I will make sure that is copied in to this Committee for your information, because obviously it makes sense that people can focus on the areas of their responsibilities.

Q204 Kirsty Blackman: That would be useful. Financial support for the creative industries comes from a variety of sources. We have heard from a few different organisations today, talking about different moneys that are pointed at the creative industries, and you have given us some evidence already about that. Have the Scottish Government done any work on working out the total amount that is available and the amount of support that goes towards the creative industries? If not, is it a piece of work that you intend to think about doing in the future?

Fiona Hyslop: There is a challenge in identifying all the different pockets of money, because you have skills from Skills Development Scotland; you have the Scottish Funding Council. If, for example, you are looking at some of the work that goes into the funding of Abertay University, you could count some of that within that area, as well as obviously the contributions from Creative Scotland itself. I have cited the figures that Scottish Enterprise

have for their account-managed companies. You also have the Business Gateway, because a lot of the companies—very small companies—are supported through local government through the Business Gateway. I think it is not an unreasonable ask to say, “It would be helpful to have the totality of that investment,” but I am not sure you would necessarily be able to pinpoint that for the other key sectors as well, so if we end up just doing an exercise in stat collection, that is not necessarily helping the companies.

Quite frankly, what people want are programmes and support that is very practical for them—even things of the type that you took evidence on up in Dundee. Both in my role in education but also in culture—I have supported Dare to be Digital in the past to get it to the stage that it is just now. It has grown fantastically well and has a great reputation across the world. That is an important factor in that area. But you are getting increasingly—I think this is the challenge, and it is a good opportunity—read-across between different sectors emerging, so obviously film and television is growing, and screen, the high-end television, film—some aspects of that are very connected—but also some of the really creative stuff that is happening using animation, but in different circumstances, whether it is in health or other areas. Just because it is very complex and diverse, we could spend a lot of time trying to identify stats on it, when instead let us think about artists, let us think about companies, let us think about, particularly with the micro-companies, what we can do to help them.

Q205 Kirsty Blackman: Just on that, one of the problems, I suppose, which is a good thing, is that we have been so successful in embedding creative industries across the board. It is so difficult to disseminate that because of the good work that we have done in Scotland in terms of putting creative industries at the fore of many of our different industries and many of our things that we do. I suppose that is a testament to the success of how Scotland has performed in terms of the creative industries. I am sorry; that was a comment.

Fiona Hyslop: I have talked a little bit about animation and digital. Another area we should think about also, reflecting what you just said, is fashion. If you think about some of the interesting work that is coming on the fashion side, we have helped support Scotland Re:Designed, for example. They have recently showcased in Hong Kong. I have been with them when they were working and showcasing in Paris. What you are seeing is sometimes a good partnership between traditional industries like textiles and some of the cutting-edge contemporary designers—they are working, for example, with Harris Tweed and with Johnstons of Elgin, different manufacturers. Our offer in terms of fashion and textiles is changing and evolving. But if you were to say, “Is that investment therefore, and can you calculate a textiles investment as opposed to what is the fashion element?” then you can see how there is a challenge in that area. But the synergies are very effective.

Q206 Chair: Something that has emerged in the evidence that we have secured thus far is the growth and changing nature of the sectors. This must be a challenge, as the Minister responsible for the resourcing and funding and support for the creative industries. As we heard when we went to Dundee, we all acknowledge now that the computer games industry in Dundee is world-class and something particular is happening there that is underpinning that success. I suppose the temptation, for somebody who is in charge of budgets, is to try to spread that resource thinly across the ground to support the emerging sectors. Is there a case to be made that maybe a nation like Scotland should focus on the stuff that we do particularly well? We have a world-class computer games industry. Why do we not give that the bulk of the attention and support? Then you have talked about the emergence of textiles and fashion. Should that get a bigger slice? How do you do it, as the Minister in charge of these resources?

Fiona Hyslop: It is a similar challenge to that for other Ministers who are taking a keen interest in different areas—do you pick winners, or is the state and the role of the state to

help support emerging areas, or do you subsidise those that are already successful? We also need to be aware that we are politicians. In terms of our public sector agencies, we need to respond to the demands and needs of industry, but with something as fast-moving as that—and you have had evidence on this, particularly on digital gaming—when you have companies that are emerging, re-emerging and reinventing themselves in different formats, you could do your plans, your analysis and your strategy and, as has been expressed to me by digital companies in particular, you would still be behind the curve, because the pace of evolution is so much quicker. Therefore, I think the key aspect—this came through in our discussions at the British-Irish Council on Friday—is that the skill will be how you make sure that the voices of industry are driving the decisions about what we do, as opposed to the synthesis analysis that can lead to paralysis, so that you are several years behind the curve of what you need. That is a challenge for all Ministers in different areas, but I think more so in the creative industries because of the fast pace and movement.

Therefore, what is happening now in terms of the Digital Leadership Group—we are also establishing the Screen Leadership Group—is that we can try to make sure that the funding is where the industry needs it. To give an example in film, John Swinney and I have met regularly with Independent Producers Scotland. One of the things that came out of our discussions with them was the £2 million loan fund to help with tax credits. What I would like to see more of particularly with the digital sector, is that the ask from the digital sector has to be clear. That is a challenge for all sectors, because in all sectors you have differing opinions as to what is required, but I think a stronger voice and ask from the digital sector that can make sure that we are anticipating the future, rather than just reflecting the past, will be the real trick for investment for creative industries in that area.

Chair: Thank you for that. Chris Law has a couple of questions about UK and Scottish Government co-ordination for this.

Q207 Chris Law: It was clear from the evidence that you submitted that you wanted to see a greater engagement between the UK and Scottish Governments in terms of reserved areas. What level of engagement currently exists, how can it be improved on and where?

Fiona Hyslop: Clearly we work with DCMS on a variety of different areas, but we need to have co-ordination in some areas and it is a two-way process. For example, we know that Ed Vaizey, who I think is coming to give evidence at some point, is preparing a White Paper on culture. Some of those areas will be reserved areas; some of them will be devolved. It is important that he makes it clear what is devolved and what is not. But to me, critically some of the areas I would like to see us looking at more closely is tax credits. It is great that there has been improvement. Again, I think a very helpful ask from this Committee to the Treasury would be a good analysis of the impact, because I have absolute confidence that the tax credits will make a big difference for animation and children's television particularly for Scotland—we are very good at that—and also for high-end television, so a better analysis from the Treasury so that we can expand that. But remember, Ireland has now moved from 28% tax credits to 32% and we have 25%, so you can see in a very competitive market the differential of tax credits. We could perhaps really steal a march on tax breaks for digital. If we understand, as the UK, the UK perspective, the value of that, then just as Ireland has done on film, why don't we take a march and take an attack on tax credits to benefit the sector and economic growth and value?

Although I do not feel that the Committee will want to explore this, I do work well with Ed Vaizey. We have both shared responsibilities at the EU Council on audiovisual and I have led for the UK on audiovisual matters, not least the first discussion of the digital single market recently. But one of the areas on which I have real concern is that particularly in relation to the digital single market, we need the UK Government to appreciate the concerns

of the screen sector in particular. Obviously being able to use opportunities to sell their product in different jurisdictions has been a benefit to the sector in the past, to get value and content back into the sector. Anything that diminishes that would be a problem. Obviously, that relates to the IP issues. These are two reserved areas, IP and the digital single market, but the impact of both of them will affect creative industries in Scotland and across the rest of the UK, so we need to work on that. In reserved areas, we have said that we are feeding in the views of Scotland; we are holding a workshop with the Intellectual Property Office with Scottish stakeholders, which will feed in. We think that some of the developments around that will be in 2016, so we need to be ready with our ask about what we need.

In relation to the other aspects, we understand that under the Scotland Bill we are getting some kind of movement on some of the tribunals such as the Copyright Tribunal, but if we get the Copyright Tribunal and all it is is administration and not policy and not law, it is process, it is not making a difference. Scotland could be a powerhouse for intellectual property. It could lead by example, particularly if we can work with the sector. If you look at the areas around digital in particular, rather than just trying to get our voice heard in Europe, wouldn't it be great if Scotland could lead it on the IP aspects? But we cannot do that if we do not have the law on that. The best we can do currently, therefore, is to work with the UK Government to make our case. But tax credits, the digital single market and intellectual property are three areas that are reserved where we could benefit from the co-ordination and the responsiveness. I would encourage working with the UK on this aspect. Any recommendations that this Committee could make in those areas would not just benefit Scotland but the rest of the UK.

Q208 Chris Law: I want to ask a little bit about the Creative Industries Council. We are learning today that it is an England-only remit and a joint forum between creative industries and Government. When the Creative Industries Council is sitting, the Scottish Government goes down as an observer. What I wanted to know is: is it clear to you why it has an England-only remit, and have you considered establishing something similar here in Scotland?

Fiona Hyslop: Creative Scotland attends the Creative Industries Council and we have been invited subsequently to have an observer aspect. I have spoken to the Creative Industries Council, I have spoken to their chair in Scotland and I am speaking at the Creative Industries Federation, I think, when they come to Scotland in a few weeks' time. I am very keen, as I said in response to a previous question, that we align ourselves to the views of industry. I have asked my officials to look at the development of a creative industries advisory group similar to what we have, for example, for financial services in Scotland and also for energy. I would like it to be able to co-ordinate with the Creative Industries Council and that is a discussion I have had with them as well.

What we have to be careful of is that we have so many different advisory groups. We have one now for screen leadership, as requested by the film industry, and also we already have the digital advisory group. There is a plethora of different groups advising and co-ordination of that is required, but it would make sense to have one of those groups. It is something I have wanted to establish for some time and I have tasked officials to look at that.

Q209 Chair: The Creative Industries Council—we did explore this a little bit with our three previous guests at this Committee—considers a number of the issues that you mentioned, Cabinet Secretary, things to do with intellectual property and the UK approach to the digital single market. Would there not be a case that, given that it is dealing with some of these critically important issues to do with support for creative industries, there should really

be a permanent Scottish representative who could feed into what is going on and put the Scottish case when it comes to these issues?

Fiona Hyslop: Yes, there should be. I have spoken directly to the Creative Industries Council myself and highlighted the areas of my interest and concern for the industry in Scotland. That is particularly around the digital single market and intellectual property issues. It makes absolute sense to do that because we are not bit-part players in this; we are key drivers in terms of the economic aspects. Therefore, I think it would be very helpful, but it is not in my gift. They have obviously been established by the UK Government and there is an understanding in the UK Government between the devolved and reserved matters. There is a sensitivity from John Whittingdale and others as to recognising the devolved areas.

You say that they do not cross boundaries but if you think about the EU as a whole, we have to make sure that our interests are heard. I am very keen that we do that. I have raised the issue of the digital single market myself at the last Joint Ministerial Committee on Europe. Sajid Javid was there, who seemed to be reasonably responsive and understanding of some of the challenges. The challenge that we have, and I think Ed Vaizey will also have, is how do we work with BIS so that when they are arguing the case for greater consumer access cross-boundary in relation to the digital single market, it is not to the detriment of our creative industries? We need to get value back to artists. We need to get value back to content and good production.

Q210 Mr Anderson: May I ask you about the possibility of accessing tax reliefs and other incentives? While they seem to be a good thing in general, there seems to be, from the evidence we heard, some resistance. Effectively, because of the nature of the way things are organised within Scotland, they are not as big an incentive as they might be. What assessment has your Government made of any modifications to tax reliefs that could help creative industries in Scotland?

Fiona Hyslop: We have long argued for improved tax reliefs, both for digital and animation and for film, and I am very pleased that that progress has been made. The assessment of the impact of that, in terms of the value added and the Treasury returns, is something that might be helpful. Your Committee could ask the Treasury for the breakdown of who is benefiting from those. Our Government would not necessarily have access to Treasury information on that basis, but perhaps your Committee could be most useful in doing that. In terms of barriers to accessing them, I am not sure quite what you are after there.

Q211 Mr Anderson: In terms of your responsibilities, have your Government or your Department made any approaches to the UK Government about the way that tax incentives are—

Fiona Hyslop: Constantly and with some success, but we need to go further. That is the issue. The more competitive we can get on tax credits in this area—it is clearly an area for growth. For example, children's television in Scotland is very successful. There have been improvements in the last announcements for 2015 for children's television. We could possibly look to expand them or make them better.

It is a bit like my argument about film: it is great having 25% but if Ireland is sitting at 32% tax relief then there is more to be gained. What we need to prove is that the tax reliefs and the tax credits are generating more work. If you have a situation, for example in film, where you have a floor above which you can get access to funding, and if you are looking at the larger blockbusters being able to get it, whether it is high-end television or film, so that the large productions are able to benefit from tax relief but the smaller productions are not, then that is a disadvantage. One of the things you might want to do is lower the threshold. We have

had discussions with the UK Government about lowering the threshold for access for tax credits for some films so that more of them could access them.

Why is that important? You need a pipeline of success. The small indigenous film companies that are evolving, the emerging film companies, could end up being the huge companies of the future. It is the pipeline that we are interested in to help that. Clearly, the circle around the M25—I was speaking to Warner Bros in LA in April, and in terms of the tax credits, there is a lot of use of facilities in that area but a lot of them are high-value films. Yes, that brings jobs but so does growth of the sector.

If there is one message I would give to the Committee about all of this, it is about the sustainability of the sector and potential and growth. That is where the focus of policy needs to concentrate in Scotland, so that we can grow the large production companies in whatever it is, whether it is in animation, film or other areas.

Q212 Mr Anderson: Do you have any thoughts about the approach, whether it was positive, negative, uninterested or just generally—

Fiona Hyslop: Part of that is the degree and level of engagement that we can have. We have a Budget we are all anticipating, some with trepidation in particular areas, particularly around the tax opportunities. We are waiting to hear from that. Another area, touching on some of the reserved areas, which also has an impact—and I am sorry if this cuts across what you said—is that it is not just on tax credits. It is also on visas, which is a big issue. I think you have had evidence as well. I do not want to pre-empt you.

Q213 Mr Anderson: Yes, you are right. It is clear from what we have heard from a lot of people that the issue around visas and immigration policy in general is, to put it mildly, not helpful to yourselves up here. Do you have real evidence that shows that the rules on immigration at the minute are preventing creative enterprises from accessing the talent that they need?

Fiona Hyslop: We do, and the Scottish Government has established a post-study visa working group that has cross-party representation. That is including the Labour party, Conservatives and Liberal Democrats in Scotland. Interestingly, it is the one area that, as a Minister, I have managed to get everybody agreed on, from the trade unions on one hand right through to the Institute of Directors, from our colleges, our employers, CBI and others, that for Scotland, we need to have more flexibility in being able to recruit and retain. I will give you an example of that. There is the Dare to be Digital competition and now festival in Dundee and I first started going to that five or six years ago or longer. What is interesting is that you are bringing in talent from all over the world. Many people want to come here, study and then stay. It is a recruitment ground for talent and we have to keep talent here.

My understanding in particular on the visa area is that the Government are looking at a technician visa programme. The detail of that has yet to be announced but we have an indication that there will be a fast track, particularly for animation. We are concerned that the fast track so far may only apply to the northern cities or part of the deal that the UK is looking at. It is really important—and again, your help on this would be much appreciated—that this fast-track procedure is not just for what are called the “tech north” regions, that the cities and indeed other areas of Scotland can have access as well. That would be very helpful. That is a very practical ask and something that is very current. We understand that the details of the announcement will be coming in November so, again, that is an area that practically we can have support on.

I will ask my Deputy who chairs the post-study visa working group to provide you with the evidence that we have, particularly in this area. I think that will be very helpful for you and any co-operation and support you can give us would be appreciated.

Q214 Mr Anderson: In your evidence to the Government on this issue, you said that. “The Westminster approach is driven by a desire to reduce the numbers of incoming migrants and it is very much the priority of the south-east of England”, and I would agree with you on that. Do you think that the priorities in this country, with the public, are that much different to the perception in the south-east of England? Although immigration is not necessarily as the case may be in England, it is automatically seen as being a bad thing by some people.

Fiona Hyslop: We are a migrant nation. We have people from Scotland all over the world. All of us have relatives in Canada, America, Australia and so on, and we expect people who come to this country to be treated the same way as our migrants have been treated elsewhere over generations. In relation to the current debate on immigration, yes, you hear voices from all sides of this argument but we understand that for our country to progress we need talented working people to study and stay in Scotland. We used to have an added advantage to the rest of the UK on the post-study work visa and that was a great attraction. We know that we absolutely rely on migrants to come and support our public services. My local children’s hospital—I know it is not a creative industry—would not be able to carry on without our migrant community.

That is political leadership. That is not just ourselves as Government, that is also our Committees and our Members of Parliament. What you might find in Scotland is perhaps a different tenor of debate, where people are prepared to stand up and say, “Migrants are needed in this country” and that, “Yes, refugees are welcome”. We have talented people who are in desperate situations. Maybe not in this area of investigation, but I hope you get a sense that it is not just about what the general public think; the general public are quite aware of the role—the positive role—of migrants in our communities. The contribution of £20 billion from migrants in the University College London report—who is going to plug that gap if all of a sudden we have a decision either to come out of Europe or indeed have migration decisions that are not flexible? You will know my position and our Government’s position: we would like to have the overall powers over immigration in Scotland; but if we can’t have that in the current settlement, having that flexibility would make a difference, particularly in this area.

This is probably a very good example, creative industries, where there is a real need. It is a global industry. I remember I talked right at the start about the strength of the creative industries, that they are very internationalised. People want to work with talented people. Look at particularly working with the States. I have been in Shanghai with Abertay University and I have been in India seeing the sort of work that is happening there. If we want the brightest and best from these countries to come and study with us, yes, we want them to stay but when they go back, if they go back and decide to make careers and create companies in those countries, that means we have that network of collaboration. The creative industries’ strength is that collaboration that takes place cross-border, cross-boundary. It is a very practical issue in this area and I hope the Committee will be able to reflect that in their report.

Q215 Chair: This has been a constant theme that has emerged in the evidence that we have heard—when we were in Dundee we heard that very clearly too from the games industry—saying what is happening with current immigration policy is that they are getting access to the brightest and the best. There is also this feeling that we are training people to this high standard in Scotland and then immediately they have reached that standard, they love this country and they have got to know it, they are getting flung out. It might not surprise you to know that, given the evidence, this Committee has considered looking at the post-study work visa.

We are sort of aware of what the UK Government is suggesting in terms of the technician visa, as I think they are calling it, and allowing a limited amount of people to come

in. Is there anything that you could specifically see that would benefit Scotland, in terms of a post-study work visa or a fresh talent type initiative, that would specifically help the creative industries that the UK Government could do?

Fiona Hyslop: I am afraid we are being blanked continuously. Michael Matheson, our Justice Secretary, most recently raised it with Theresa May as part of our relationship with the new UK Government to try to persuade them in different areas. As an avenue, creative industries as one particular sector, we could try to push and focus on that but it is not just this area. It is very important in the health professions and other areas and it is very important in life sciences. As much as I would like to have a special pleading for creative industries—and we could try that; that might be an opportunity—of course I am a Member of the Scottish Government and we are looking to try and do that in a whole variety of ways. Our universities, in particular, have a real need for opportunities for research staff and so on.

Look at the salary levels you are talking about. The whole point about creative industries is people start off on low salaries and then obviously they find they can provide. Even if you look at our festivals, quite often they have had situations where you can't have artists coming in. That is a real issue. It is a reputational issue if you can't get visas to come in to perform at festivals and so on. It is not just an issue of the practicalities; it is also about how you respect and value artists. There is a double edge. Yes, I would like special pleading for creative industries but it would perhaps be unwise for me to do so.

Q216 Chris Law: I am well aware that there have been calls for a distinct BBC Scotland, a separate channel, and we were talking earlier today about the output that is coming from Denmark on its own broadcasts, such as “The Killing” and “Borgen”. Are those the kind of things you have in mind that might be the potential for a distinct channel for Scotland with the BBC?

Fiona Hyslop: The key here is how you can ensure that public service broadcasting helps support a sustainable creative industry sector, particularly in screen and production in Scotland. That is where the real anomaly currently lies. You have licence fee income of over £320 million and you have a BBC Scotland budget of less than £200 million. The production spend—and I am quite clear here—in Scotland by Scottish companies that are based here is down at £35 million. The issue is that if you want to have a thriving creative industry sector, you have to make sure you have recurring production of programmes. As much as I would like to dictate what that programme schedule would be and whether it is the likes of “Borgen” and so on, that would be up to an independent public sector broadcaster.

We have to get more produced in Scotland. Our suggestions for that are to have a more federal BBC and to have more opportunities for production. That extra production could be realised in a new channel for television or indeed with radio—having a second radio. The channel is less important than the platform for production. People are getting fixated with a separate channel. The idea is to have more production and the space to do that. Certainly having a vacant BBC Three, there is an opportunity in Scotland to use that more effectively. It is about having that production. Currently, we are really losing out. The opportunity to have more spend in Scotland is what is needed.

We think there is a window of opportunity with BBC charter renewal to do this. I am very pleased to have had discussions with John Whittingdale initially. We will be meeting again. There is a huge response to the charter renewal issue, which I have no doubt you will be aware of, but the issue has to be about getting more jobs and a more vibrant sector. The shift and lift, which no doubt you have had evidence of, can boost figures but it is not necessarily one reflecting Scotland to itself or the world. What is interesting about the Danish productions is that they were ostensibly for Denmark but because of the strength of the stories, they were exported and had a market elsewhere. There is no reason why good quality

productions—which the BBC, as we have seen, are perfectly capable of producing—could not be exported if they did more of that.

This is again coming back to that market opportunity for exporting what is best about Scotland. I am very keen for us to pursue that and we are working very successfully. We had an event in this very room where we brought the sector together. Interestingly, this is not just something that the Scottish Government are looking at or are seeing as a way forward. Increasingly, other people in the sector are seeing this as the way forward. This is an opportunity that we should not put to one side.

The challenge is that the BBC, at UK level, do not quite recognise the current status of what BBC Scotland is. I think there is an impression that it is either devolved or federal already. We are not saying that we are demanding huge extra resources. Yes, I would like more resources for BBC spend in Scotland and we are asking for that, but you could achieve a great deal just with transfer of decision making on commissioning and transfer of existing budgets. That is what, in terms of trying to get that understanding, we are currently working with. I have met with James Purnell and with Greg Dyke. We will continue to have those discussions but the outcome we are looking for is more production from Scotland in terms of growing the sector. We have great unrealised potential and that is what we want to try to development with the BBC arguments.

Q217 Chair: It seems to this Committee that as we are looking at the creative industries, broadcasting is the one that remains defiantly reserved. It is quite anomalous, given that that is the state condition. It is the only part of the creative architecture that supports our creative industries that does remain reserved. Does the fact that there does not seem to be that relationship with the rest of the devolved services when it comes to the creative sector create any different and distinct problems in the way that we are able to get the production quotas, the skills and the infrastructure?

Fiona Hyslop: The structure and decision making within the BBC at a UK level acts as a disconnect and a barrier to a sustainable production sector in Scotland. That needs to change. It needs to change in order to help develop talent. We have talented, skilled people but they tend to meet in airports, either going off to film elsewhere in the world or indeed having to travel down south. You have your decision making about casting, commissioning and all these decisions still made in London. That is not a federal structure.

I am talking clearly here. I am not touching on news and current affairs. This is about producing programmes that help with the sustainability. You will not have good public service broadcasting in the future unless you have a strong creative industries sector in lots of different areas. Take some of the brilliant programmes that have been coming out about art, for example, working with our galleries, telling the stories of Scotland that are of interest to the world. However, we are also perfectly capable of telling world stories and using production staff in Scotland to do that.

Q218 Chair: One of the things that disappoints this Committee is where Scotland is in terms of the BBC now. We were second to London and the south-east; we are now fourth behind the Bristol/Cardiff city region and to Manchester, with the movement of the BBC there. Is there something that we could do to increase the fortunes of Scottish broadcasting? Forget about the reserved or devolved issues to do with the BBC. Is there anything more that we could do to ensure that the sector can grow, and that we can start to claw back some of that ground again?

Fiona Hyslop: Making the connections between a vibrant creative industry sector and the BBC, in and of itself, is an important connection to make and can be articulated by this Committee in the work that they are doing. Particularly in relation to value, there is a strong

interrogation of the value the BBC brings to the creative industry sector. Whether it is on skills or whether it is on production, how many jobs are supported in Scotland by this?

Obviously, there has been a growth in quota. Our Government established the Scottish Broadcasting Commission and one of the recommendations was an increased quota. There was an increased quota from the BBC but, as we know—again referring to the previous Scottish Parliament Committee report, a cross-party report—a lot of that was because of what is called “lift and shift”: people coming up, making productions and then going back down again. We need to have a sustainable independent production sector here. We also need to make sure that the BBC itself is strong and vibrant.

There is an issue around BBC studios that you could usefully look into: what will that mean for Scotland? As part of the federal structure we are suggesting, what locus and independence—or even, indeed, devolution—would Ken MacQuarrie and BBC Scotland have for the BBC studios, for example? Would that, again, all be centralised? That would reinforce that commissioning decision. That is an area that you could probably helpfully look at. These are all things that are obviously in flux, in the mix, in terms of our considerations now and our discussions with both the BBC itself at a UK level but also with DCMS. We have some very good creative and positive discussions taking place. We do not have a result to relay but we are working very hard.

Q219 Chair: Thanks for that. Just a couple of questions. I was quite intrigued by something you said in response to Steve Hepburn, I think, on the issue of IP. You mentioned that Scotland could become an IP hub, which is something I found very interesting and intriguing. I do not know if you want to develop a little bit about that. What is your view of the UK Government’s stewardship of IP policy? Do you have access to the Intellectual Property Office? Are you consulted regularly about the many reviews that go on in IP? I am thinking of the Hargreaves review in the last Parliament. I want to talk distinctly about the digital single market in a minute but just in terms of general IP policy, is there anything more that the UK Government could do to support our industry and our sector here, and do you get the necessary contact and conversations with the IPO and Ministers in Westminster?

Fiona Hyslop: The short answer to that is no, and we need to. That is one of the areas where we need to be able to have better access. It is a reserved matter. You talked about my brief; 95% of culture issues are devolved and under my responsibility. Broadcasting is not but neither is IP. IP issues are not, obviously, just an issue for creative industries. They are very important, especially in digital. That is why the link with the digital single market is absolutely critical. If you look at Scotland punching above its weight in terms of innovation in a whole variety of different areas, whether it is life sciences or whether it is others, being able to be quick to market and patenting and all the rest of it, intellectual property is a huge area of opportunity for a country that is so focused on invention in a variety of different ways.

In terms of what it means for creative industries, it is absolutely imperative. This is what concerns me about approaches on the digital single market, if it is all driven by consumers’ access and free access. If you have free access, that does not mean it is free to make—certainly not for the artists involved and certainly not for the musicians. It is very important because of our particular interest in this area. In Scotland that our interest in prosecuting copyright infringements has been particularly strong. We have our own justice system for prosecution, and our Lord Advocate has taken a particularly keen interest in this area in recent years. It is an area that we have paid great attention to. I know from your professional and your parliamentary role in Westminster that you, Chair, have been heavily involved in this issue.

I do think it is becoming increasingly important that in a digital age we make sure that we are not losing value and that we have a flourishing sector. It goes back to the same issue

we had in film, the idea of the pipeline of new talent and how we make sure that they can get value.

Q220 Chair: On the digital single market, this is probably the biggest innovation we have in intellectual property. It is the regularisation of markets right across Europe. You touched again on some of the concerns that have been raised by the audiovisual sector about territoriality and issues to do with portability. Is there anything that has been raised to you or any concerns that have been brought up by our sectors about the way that this has been approached? Have you any particular issues that you think would be of use to this Committee, in terms of where we are going with some of these things?

Fiona Hyslop: Again, some of the areas are cross-border, not just within the UK but also across Europe, particularly in film and screen. I met with the Chief Executive and Chair of the British Film Institute recently. Again, another area you might to look at is whether we are getting our value out of the £26 million that they spend on film. Is Scotland getting its value from that?

Two areas are, first, portability in relation to consumers accessing content and in relation to the copyright issues on that and, secondly, cross-border access and the implications of a single EU copyright production. If you were selling into secondary markets, which is where you get your value from for TV and content, we could have a real diminishing—and also become less attractive for US investments. You can have all the tax credits in the world but if these US television productions cannot sell into each different country in the EU then you have a problem.

My understanding is that Ed Vaizey has become more responsive recently. He made some statements in June that were particularly helpful. Again, that is an area I am sure you will pursue with him when he comes to give evidence. What we would really like is for the creative industry sector in Scotland to be actively involved. Certainly it has been helpful discussing issues with the BFI themselves. I understand they are taking this so seriously that they have a number of people based in Brussels on this particular issue. I have represented the UK already at the first discussion of the digital single market back in the spring of this year, and I am hoping to attend the next Audiovisual Council, which is in November. I am not sure that it is on the agenda—as far as I am aware, it is not a formal one—but it will come back and come back again.

It is of its time so your Committee looking at this at this time is really important. It is a reserved area but it is one in which we could helpfully inform the arguments and discussions. We do need a bit of political leadership from Westminster on this. We will encourage the UK Government at a ministerial level to respond but obviously any allies we could have, in terms of the Westminster MPs, would be very welcome. It is not just an issue for Scotland but you are the one Committee that is looking at it at this time, as far as I am aware. I do not know if any other Committee is.

Q221 Chair: I think we are, and we are going to be speaking to the Intellectual Property Office and to the Minister responsible for delivery of the digital single market. Our concern is just that this is a new placement of content. We are a content-rich nation when it comes to the production and we want to ensure this is done properly, so we are looking forward to having these conversations.

As you currently observe the way that the UK Government is approaching the digital single market, do you think that they are getting the messages across correctly? In their stewardship of the Scottish creative sector, is their approach to the digital single market the right approach just now?

Fiona Hyslop: They are increasingly aware of the concern and the issues and that is why I would refer to the statement that Ed Vaizey made in June, which I think was a recognition of the particular needs of the audiovisual sector. My concern is creative industries may be lower down the importance list than other sectors in relation to access to the digital single market. The digital single market will be particularly promoted from enterprise departments as being an area for other sectors selling in, where actually it is access to markets and access to consumers that is paramount—content and IP less so.

My concern is the importance of the creative industries within the overall UK desire to push forward the digital single market, which is the vision. We know that the presidencies that are coming after the current one will take a keener interest in taking forward the digital single market. It is in Scotland's interest and the UK's to have a digital single market, however not at the price of the creativity and the intellectual property of our artists, musicians and writers. That is a responsibility for all of us, to raise the status of the sector within all these arguments. We can come to something that is satisfactory and the Commissioner, I think, is also starting to respond, but unless you keep driving at it these things can get lost in the bureaucracy of whatever comes out. I really do not want that to happen to our creative industries.

Q222 Chair: Lastly, Cabinet Secretary—I know our hour is up—I would like your view on this: do you get regular access to the UK bodies that are nominally charged with looking after the interests of our creative sector? I am thinking of the British Film Council and UK Music. Could you have conversations about their duties and responsibilities to look after our creative sector? Is there anything you have seen that concerns you or bothers you at all about how they are looking after our sector?

Fiona Hyslop: It is a bit like the BFI. It was very good to see them. I had gone down to London to see them when I was first in post. I know that they discuss things regularly with Creative Scotland, for example, but I have a huge range of responsibilities and I do not think it is the job of a Scottish Minister to have to chase UK organisations for them to necessarily listen to Scotland. I would say gently that while we operate within the United Kingdom and although culture is devolved, if people are getting budgets and funding to represent the whole of the UK then it is important that they do. I would hope that that is the sort of thing that a Scottish Affairs Committee could ensure happens in relation to those activities.

By and large, we work very co-operatively with everybody that we need to. I have met with PRS, for example, and other bodies when I visited London, particularly in this area. It is important that we realise that we care about our culture, our creativity and our creative industries. We are passionate about it and we are very keen that everybody can rally to that cause. The more that you can help in mobilising that interest in the creative industries in Scotland, the better.

Chair: Thank you ever so much, Cabinet Secretary. I have just been passed a note from our colleagues to say that we are all having to get trains down to London today because of the fogbound nature of London airports. I know that people are desperate to get away but we are very grateful to you for coming along. If there is anything we have missed or anything you want to further communicate to this Committee, please get back in touch. We are very grateful for you coming along today and giving us your evidence.