



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Culture, Tourism, Europe and External Affairs Committee

**Thursday 21 May 2020**

**Session 5**



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Pàrlamaid na h-Alba

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**CULTURE, TOURISM, EUROPE AND EXTERNAL AFFAIRS COMMITTEE**  
**11<sup>th</sup> Meeting 2020, Session 5**

**CONVENER**

\*Joan McAlpine (South Scotland) (SNP)

**DEPUTY CONVENER**

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

**COMMITTEE MEMBERS**

\*Annabelle Ewing (Cowdenbeath) (SNP)

Kenneth Gibson (Cunninghame North) (SNP)

Ross Greer (West Scotland) (Green)

\*Gordon Lindhurst (Lothian) (Con)

\*Stuart McMillan (Greenock and Inverclyde) (SNP)

\*Oliver Mundell (Dumfriesshire) (Con)

\*Beatrice Wishart (Shetland Islands) (LD)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

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

**CLERK TO THE COMMITTEE**

Stephen Herbert

**LOCATION**

Virtual Meeting



# Scottish Parliament

## Culture, Tourism, Europe and External Affairs Committee

Thursday 21 May 2020

*[The Convener opened the meeting at 10:00]*

### Cultural Sector (Impact of Covid-19)

**The Convener (Joan McAlpine):** Good morning, and welcome to the 11th meeting in 2020 of the Culture, Tourism, Europe and External Affairs Committee. This is our second remote meeting. We have received apologies from Ross Greer MSP and Kenneth Gibson MSP.

Our main item of business is an evidence session with the Cabinet Secretary for Economy, Fair Work and Culture as part of our inquiry into the impact of Covid-19 on Scotland's cultural sector. This is the committee's first evidence session since we launched our call for views. Our inquiry is open ended, to reflect the on-going nature of the pandemic, and we are grateful to everyone who has shared their views with the committee to date.

Although the inquiry is open ended, we need cut-off points for submissions that feed into specific evidence sessions. We had quite a few very late submissions last night. I assure those who submitted evidence late yesterday that the committee will consider their views in future meetings.

I welcome to the meeting Fiona Hyslop, who is the Cabinet Secretary for Economy, Fair Work and Culture, and, from the Scottish Government, Jonathan Pryce, who is the director of culture, tourism and major events, and Simon Cuthbert-Kerr, who is the head of creative industries.

Because of the challenges of managing a virtual meeting, we will take questions in a prearranged order. Once the cabinet secretary has made her opening remarks, I will invite members to ask questions and then invite the cabinet secretary to respond. I will then go back to each member for any follow-up questions, and then go back to the cabinet secretary. Once that is completed, I will invite the next question, and so on, until the evidence session is completed. I would be grateful if questions and answers could be as succinct as possible, and I remind members to give broadcasting staff a few seconds to operate your microphone before you begin to ask your question or provide an answer.

Cabinet secretary, if you wish your officials to speak, please state that and allow a couple of seconds for the broadcasting team to bring them in. I invite you to make a short opening statement of up to three minutes.

**The Cabinet Secretary for Economy, Fair Work and Culture (Fiona Hyslop):** Thank you, convener. I say hello to the committee, remotely. Thank you for inviting me to contribute to this important inquiry into the impact of Covid-19 on the culture sector.

As you heard last week from my colleague Fergus Ewing, clearly this is the biggest challenge of modern times and we are all having to face up to very difficult circumstances. The restrictions that we have had to put in place for the country have had a significant effect on everybody, but I want to acknowledge that the situation has been devastating for the culture sector. Almost overnight, culture venues have had to close. We were looking forward to experiencing our festivals, theatres and music, but so much of Scotland's culture had to stop overnight. The demand collapsed completely and immediately.

I put on record my thanks to people in the culture sector for responding so rapidly. They undoubtedly saved lives by closing when they did. The Government's focus has been to help save lives, and we have had to put restrictions on everybody to do that.

The Scottish Government and the United Kingdom Government moved swiftly to try to support sectors. That was challenging, and the swiftness meant that some areas were missed out in the initial support. We have tried to move as quickly as we can to rectify that with new funding measures.

Government officials and I have regular dialogue with the sector, and I have held several events to speak to stakeholders and understand their concerns. As we can see globally, there is no immediate answer to some of the challenges that venues and events face, but we want to work with the sector to find a way to come through the crisis, when we can.

The most important impact is probably that on creativity, art and artists. There is still creativity in Scotland, and art and music are still being expressed by individuals. I hope that the committee's inquiry will touch on the professional aspect of individuals' lives and their artistic wellbeing as well as the functional aspects of support that can be given.

I am keen to hear what the committee has to say and contribute. As we track our way through the crisis, we will have to work collaboratively and co-operatively. Holding the inquiry now is an extremely good way of gathering people's views

and ideas about how we can do things. As we ease physical restrictions and work our way through the crisis—the First Minister will publish a route map for that later today—I am conscious that, if we believe, as I certainly do, that culture is the lifeblood of Scotland, that we are a creative nation and that we have fantastic talent, we have to find a way to support individuals and organisations. Along with my Government officials and the relevant public bodies, I stand ready to provide support.

**The Convener:** Thank you for those opening remarks. I will begin with two questions and we will then move on to the deputy convener, Claire Baker.

As you indicated, and as Fergus Ewing said last week, although the crisis is devastating for all areas of the economy, culture and tourism are probably the hardest-hit sectors, as they had to close earlier and it is likely that they will be affected for longer than other areas of the economy. As many of the submissions point out, there is a large number of freelancers in the culture sector, which poses its own challenge. As the committee's previous inquiry established, those people are already in an insecure position.

I again thank everyone who provided a submission. I cannot mention them all by name, but I want to highlight a couple of submissions from the theatre sector. The Federation of Scottish Theatre and the Citizens Theatre asked us to look ahead and to provide a route map on the way forward for their sector. I was particularly struck by what the Citizens Theatre said about the difficulties that theatres face. It said:

"Social distancing measures will reduce available seating such that we would only have around 25% of seats available to sell. This is not financially viable—we would only be able to stage performances if we could sell an average of 70% of capacity per performance."

What work have you done on how we can make the theatre sector and the performing arts sector work with social distancing, if that is going to be with us for a while? Do you have any plans for future funding streams to capitalise on and develop the move to digital that we have seen with some theatres and performing arts generally?

**Fiona Hyslop:** On the latter point, funds are already available. Creative Scotland has established a digital support fund to support artists, particularly in the immediate period, in developing additional skills. A key issue, which I think the committee has looked at previously, is how to monetise digital streaming and ensure that there are incomes from the new age of digital transmission of performances. Additional support is also available from Scottish Enterprise.

As part of the recovery and restart, digital will be important not only to culture but across all sectors. With all sectors, we have been trying to find ways of bringing people together to work through, in the first instance, what activity is safe in particular workspaces, and we will shortly provide guidance for some of the first sectors that will be coming back. As you said, the culture sector was one of the first to be hit, but it will probably be one of the last to come through the crisis, precisely because of the points that she made.

The challenge is not unique to Scotland or the rest of the UK—it is international. We are already monitoring the response in parts of the world that are easing restrictions earlier than we are, because they entered the crisis earlier. There is no easy answer, but there are two initial stages: the response stage and the reset stage. In the response stage, we are looking at providing grants, and the reset stage is about trying to establish what safe work looks like. The third stage is the restart phase, which is what your question focused on. That is about not only how people can physically return but how that can be done in a way that makes sense for profitability and income generation, and how it can be aligned with the welcome extension of the furlough job retention scheme by the UK Government to ensure that people have a continuing income.

It is challenging for theatres to achieve a balance in deciding which members of staff can be brought back. Other workplaces could probably segment the workforce and decide who comes back at what time and when, but that is more challenging for theatres. That was one reason for challenging the UK Government to extend the job retention scheme in the first place, and I am pleased that it has done so. I am also making the case for a longer tail for the sectors that will take longer to come back, such as hospitality and tourism—as the committee heard from Fergus Ewing—as well as the wider leisure and culture sector. That is the biggest challenge.

It is not only about saying that customers and staff can, on paper, come back; the return needs to be done in a way that means that there is a future and that great work can be produced, because that is what we want from our theatres. However, we want them to do it in a sensible way. We need a combination of those things.

As we speak, we are delivering a phase of funding that is part of the four-point plan for economic recovery of response, reset, restart and recover. We are delivering the final stages of some initial grant funding that was given during the first phase. However, because of the sheer requirement for speed, we moved very quickly in the first phase, and I am acutely aware that we now need to think about tailored and bespoke

support for different sectors. However, I cannot give you promises about what the resources might be, because those are live issues in my regular discussions with the Cabinet Secretary for Finance.

**The Convener:** You spoke about tailored and bespoke solutions for different sectors within the cultural sector. That issue was reflected in the submissions that the committee has received. As well as the theatre sector, the screen sector has asked for tailored solutions as to how it can move out of the current situation and work safely. When might we have workstreams for different cultural sectors to consider advice on how to work safely?

I want to flag up some of the submissions that we have had from organisations in the screen sector. We have had an interesting submission from Screen Facilities Scotland on some of the challenges that its members face. It complains about what it sees as a lack of response from Screen Scotland when it approached that body for help. Satisfaction levels in that sector are not high. Everyone is in a difficult position, but Screen Facilities Scotland has raised a lot of issues about Screen Scotland and feels that its response has not been as good as it could have been.

**Fiona Hyslop:** Obviously, you can take up those comments with Screen Scotland, but I have heard what you said and have seen some of the evidence that has been submitted.

Screen is one of the most challenging areas. A number of regular programmes, such as “River City”, have already had to stop. Broadcasting is an essential service and, as people can see on their screens, activity has continued. However, any of us who has taken part in radio activity or worked remotely will know that that world has changed completely.

10:15

If the committee is not already aware of this, it will be interested to know that television companies have come together as an industry to establish safe guidelines. The Government has been clear from the start that we want a sector-by-sector approach. We already have different guidance workstreams for 14 sectors. The initial meetings for the culture and creative sectors are identifying how to marshal or organise what is a disparate area that includes photography and film studios and other areas, some of which might sit better with the work on tourism. We already have guidance for the food and drink and construction sectors. Those are among the essential services and workplaces that remain open.

We are going through those issues systematically. I have made it clear that I want industry sector leads to work with trade unions, so

that people are confident about going back to work. There is real ambition and impatience from those who can get back to work and want to do so, but there must also be reassurance for those who are expected to work in those places, and also for customers in places such as theatres.

It is important that we take that forward on a discrete basis. The situation is more challenging for the creative industries than it is for other areas, but that does not mean that it is insurmountable. We need practical, inventive and creative thinking. That is happening in other sectors, and I am keen for it to happen in the creative sector. I have also had discussions on events, which we might talk about later.

We want to look at what the television sector has done collectively, and then at what we can do with the film sector. Screen Scotland can speak for itself and can respond, but it moved quickly, as did Creative Scotland—probably more swiftly than has happened in some other areas in society—to support freelancers in particular. However, I know from the evidence to the committee that that is not always working. For example, it has not been working for screen writers and other individuals. That is why the Government has created a hardship fund for the creative, hospitality and leisure sectors. The aim is to support people who cannot get grants elsewhere. I will not dare to use the word “unprecedented”, but there has been a staggering change in activity and in the pace of responses. It does not meet every need, but everyone is working very hard on that.

You are right that screen is one of the most challenging areas, but it can be done. I have talked to people about the impact of that. We do not want to impact on the art of storytelling by having every part of what is filmed showing people who are remote from each other. We must protect the lifeblood of storytelling while working safely. Safety comes first. As we come to understand the science, we know that one challenge comes from the presence of the virus on hard surfaces. Anybody who works regularly with hard surfaces faces that issue.

We must also think about space and how we use it. That is where creative thinking might help. We know that there will be far more home working and that a lot of companies will want to continue that. That will lead to vacant spaces. There might be a way to replicate activity by using spaces that have become available. There is an issue about how to support the infrastructure aspects. If space is at a premium, we will have to work differently.

Equipment is also an issue, particularly in the screen sector. My colleagues and I are looking at the infrastructure spend. It is clear that work on infrastructure and construction will help to kick-start our economy. If we can redeploy

infrastructure spending that has been delayed in other areas, and if we can think smartly about what that might mean, that might be important for the culture sector. I am thinking of those in the screen sector who need physical space and equipment. I am keen to work with the committee to identify capital spending on infrastructure. The committee has talked previously about digital spending, which covers a range of areas. I want to work with the culture sector to develop new ways of working and, potentially, to identify new spaces so that people can go back to work safely.

**The Convener:** Thank you. The committee will take note of that and we will be happy to work constructively on it. I also thank you for raising the issue of screenwriters, because we had quite a few submissions from screenwriters, who felt that they were falling through the cracks. They will be heartened to know that you have noticed that and that you are taking action.

**Claire Baker (Mid Scotland and Fife) (Lab):** A few weeks ago, I asked about grass-roots music venues. At the time, you suggested that they could access a pot of money through the pivotal enterprise resilience fund. Since then, support has been announced for newly self-employed people, who were not meeting the terms of Her Majesty's Revenue and Customs scheme.

Those two support packages are welcome, but I am looking for assurances about them. Scottish Enterprise and local authorities are delivering those two pots of money, but do you have oversight of where the money is going? Are you confident that it is reaching the cultural sector? When will we find out who has received the money? Is the distribution of PERF being monitored? Is there an awareness of how many cultural organisations or music venues are benefiting from it? How long are the pots of money expected to last the sector? If people are fortunate to get money from PERF, is that meant to tide them over for two months, three months or—as might be more realistic for many in the sector—until next spring?

**Fiona Hyslop:** That is an important area in terms of the funding support. Three streams of funding are available. As Claire Baker indicated, the first stream is the newly self-employed hardship fund. The second stream is the creative, tourism and hospitality enterprises hardship fund. We have increased that to £40 million, although the level of demand is challenging and we cannot help everybody. *[Fiona Hyslop has corrected this contribution. See end of report.]* The third stream is the pivotal enterprise resilience fund. The money in that fund was initially £45 million, but we have increased it to £120 million. The money comes from the consequentials that we have received.

We have identified additional support for the business sector. I have worked carefully and closely with the finance secretary to identify how we can resource that important area.

The three funds that I described are not available in any other part of the United Kingdom; it is tailored support for Scotland. We knew that, in Scotland, the cultural and tourism sectors would need support, because they closed earlier and would have longer to survive.

On your question about how long the money will have to last, the funding was an initial response to immediately address a cash-flow issue that people had identified; we are now looking to the longer term. I cannot give a definitive answer to what we can do in the future, but we have moved swiftly. I remind members that applications for the newly self-employed hardship fund, the creative, tourism and hospitality enterprises hardship fund and the pivotal enterprise resilience fund opened on 30 April and they are now paying out.

There is oversight to make sure that pay-outs go to those who apply from the creative sector. We put together a team to do that; although Scottish Enterprise leads it, Highlands and Islands Enterprise, South of Scotland Enterprise, VisitScotland and Creative Scotland are involved in developing the scheme, and the oversight of it, to make sure that there is geographical and sectoral balance.

You asked about the number of organisations that would benefit from the support. We cannot answer that yet, because we are in the middle of making payments—most of the pay-outs and grants are being delivered this week.

About a quarter of the creative, tourism and hospitality enterprises hardship fund is for the cultural sector. About a fifth of the pivotal enterprise resilience fund—which is for all sectors—is for the creative industry sector. I am not saying that there will be an absolute read-across on the amounts of funding from the schemes that will then deliver to the cultural and creative sectors. People have been applying for different amounts and they have been realistic about what they need. The funds—particularly the creative, tourism and hospitality enterprises hardship fund—were aimed at those people who had not been able to get funding from the initial phase 1 grants, which were driven by their access to and eligibility for the small business bonus scheme and rates relief. Many cultural organisations and individuals will not be supported by the initial grants, which is why our funds are there.

I can reassure Claire Baker: I understand the key interest for theatres and music venues that have received or are about to receive funding, and



I am giving particular interest and oversight to that. Rather than have something bespoke, the approach that was taken was probably the quickest and most effective way to get funding at scale and to many people. Because I believe that the cultural sector is as important as many other sectors in the economy—if not more so—I was keen to ensure that those venues benefited from the mainstream funds.

I hope that that gives the member some reassurance. As for the distribution of the funds, I cannot name names: as of today, people might not know whether they will receive funding or not. There are people who will be disappointed; I understand that, but there is a limit to the resource that we have. We are trying to be smart with the funding that we are distributing, and the scheme that we are using is unique to Scotland.

I will keep a keen eye on what is happening with music venues in particular, but I am not saying that that is the end of the story. I think that that is what the member is asking about. It cannot be the end, because we know that there will be a further period when it will be difficult to trade. As yet, however, I cannot give an immediate answer. We are examining our Scottish Government budget, and I am having regular calls with UK ministers. I particularly want to find a solution that keeps income going. We are now at the stage where we have to consider the needs of individual businesses and of the cultural sector. A broad-brush approach has taken us to the current position, but I am conscious that we need to be a bit more responsive to individual needs when we can be, and to give advice.

As a politician, Claire Baker will know that politics is about priorities, as we cannot do everything for everybody. However, we will see what we can do for this area. People will want to enjoy their music. As she has indicated previously, there is also the matter of growing talent. I am concerned about how we retain the talent that we have and how we help people to exercise their artistic ability. What about people with new, emerging talent? How do we support them in the time ahead? They will not necessarily have the platforms that their predecessors had. I am very interested to talk to Creative Scotland about that.

**Claire Baker:** Thank you very much for that helpful response.

I turn to the museum sector. You will know about this week's #MuseumsSparkJoy campaign. We have had submissions from representatives of the industrial museum sector, who are very concerned about their future. The money that was previously announced—a pot of £700,000—has been very welcome, but it is very difficult for the industrial museums in particular to survive. They do not expect to be able to open until next year,

and they are missing a lot of their peak season. It is a varied sector, and there was financial pressure before the start of the coronavirus crisis. Will more support be announced for the museum sector? Is there recognition that museums will take a while to open, and that they will need a bit more support in order to survive?

**Fiona Hyslop:** That is obviously a key concern. Within the whole cultural sector, the museum sector has reach across the country. What we did as a Government right at the beginning of the closure—probably so quickly that people might not have realised that we did it—was to provide £400,000 to Museums Galleries Scotland. That has helped to support MGS with what it is doing, and to enable the provision of immediate, reactive support for nationally recognised museums. That has caused some issues, because not all museums are nationally recognised. However, if we have a limited pot, we have to recognise and support those collections where we can—and that is what we are trying to do through Museums Galleries Scotland.

I am not sure whether the committee is planning to do this, but it might want to consider the repositioning of what the national lottery funds have done. In particular, the National Lottery Heritage Fund is ensuring that it can provide a significant amount of funding, which people can apply for. It might be worth looking into the combination of the available funding streams.

You are right to identify that there have always been challenges for the industrial museum sector, given the sheer physical space and the fixed costs of industrial museums. I am aware of that, as we have provided significant additional funding from—[*Temporary loss of sound*]*]*—to the National Mining Museum Scotland. That is a real challenge.

Any difficulties that museums had before the Covid-19 crisis might have been compounded by their experience to date, so there has to be sensible thinking around what they might want to do.

10:30

As to when museums should reopen, I will not speak for the sector. There will be a health aspect to those decisions, and institutions will need to think about what they can do and when they can do it. Creative work could be done in museums that have wider spaces available to them.

Looking at how we are conducting ourselves in supermarkets and retail spaces, I would have thought that it is not beyond our wit to come up with a scheme collectively with museums and galleries. I would not be the one to say that museums will have to remain closed until next year, but some of them might have looked at their

finances and decided that hibernation is more appropriate.

That brings me back to the point that the convener raised at the beginning of the meeting. For example, the issues for theatres involve not just the practicalities of being able to space people out but income, which is the biggest challenge for the sector. I am therefore keen to look at the longer-term future of the sector.

We have limits on what we can do with our finances. Yes, more borrowing would be helpful and effective, but in this area the answer is not necessarily to accumulate more debt. As a country and as a Government, we can decide what we want to do with borrowing to be more effective, although the UK Government obviously has greater capability to provide fiscal support. However, there is an issue with funding people through borrowing and debt at an institutional or individual level when there is not necessarily any prospect of recouping that money any time soon. Therefore, for the cultural and heritage sector, we might need to look at financial instruments that operate over a longer timeframe.

When the crisis began, the sector lost its income immediately, and that income will not be replaced. Even when museums and galleries reopen, it is unlikely that they will reach their previous levels of income any time soon. Rather than thinking about immediate solutions such as grants, they will—like other sectors of the economy, and other businesses—need to look at tools that operate over a longer timeframe. Endowments, for example, might be a tool that they can use, if we can work out how Government funding might underpin that mechanism over a longer period.

I am open to creative thinking, and I will engage with not only the culture sector but the finance sector. If we can get a mechanism by which we can support people over the longer term, we will certainly do that. I am not saying that there are any easy fixes—there are not—but I know that people love their museums. I remember going to a museum in Rothesay, where I spoke to an 11-year-old boy. I asked him why museums are important, and he said, “Because it’s where we keep the memories of our people.” I know that, in every single community across Scotland, there is love and passion for our museums, and I hope that local responses can be taken forward in addition to what I can try to do nationally.

**Oliver Mundell (Dumfriesshire) (Con):** I want to ask the cabinet secretary, as I asked Fergus Ewing at last week’s meeting, about the National Trust for Scotland. Is there any update on the Scottish Government’s communication with the NTS? I am concerned about some of its sites in my constituency, and the idea that it is cutting staff at a difficult time, despite the fact that the furlough

scheme is available to it. In particular, I am concerned that it may cut staff at outdoor venues, which are likely to attract significant numbers of visitors and will be key to restarting tourism.

**Fiona Hyslop:** The matter is very serious indeed. The National Trust for Scotland is an important institution, but it is an independent charity that makes its own decisions, and it has taken a very harsh approach to tackling the current issues. It has already issued, or is planning to issue, redundancy notices not just to a few staff, but to 400 staff overall, which is a really significant change.

I understand that the NTS has particular challenges to do with its make-up and its financial arrangements precisely because it is a charity. When the situation was brought to my attention, I immediately asked for the advice of my officials and asked to meet the organisation.

I met—virtually—the NTS’s chair and chief executive last Friday, and it was helpful to get more information about what they are trying to do. However, the closures that they are proposing would be significant indeed.

I understand that everybody is facing hardship in these difficult times, but we expect national institutions to provide leadership. Across the tourism sector, people are having to take tough decisions. We know that we are in difficult times, but nobody has done what the National Trust for Scotland has done. Everybody else has at least tried to keep their workforce in employment and to use the very welcome job retention scheme. It is very concerning that the NTS moved on to redundancies even though it was clear—although it had not quite been announced—that the UK was going to extend the period that the job retention scheme would cover.

Claire Baker mentioned that the museum sector did not expect to open until next year. I understand that the NTS might also be thinking in those terms, too. I am not pretending that there are not any problems—I know that Historic Environment Scotland, for example, is likely to lose £21 million in income, so its income has also dropped dramatically.

When I met the NTS, I agreed that we will bring together Scottish Government officials and people with expertise in charity law. I know that Scottish Enterprise has already spoken to NTS about its operations and what we might want to do. NTS is asking for a significant amount of funding from the Scottish Government to spend on a number of different areas. I have made it clear that it is not at all tenable for the Scottish Government to provide funding to it when it is—and wants to continue—making its staff redundant on the scale that it is talking about. I will try to work with NTS, and I will

try to come up with a solution, but I have made it quite clear that I have not been impressed by how it has gone about this.

On your point about the need for open spaces when we have come through this period and ease out of the lockdown, I am probably one for wanting people to enjoy those areas. Your point about tourism in your constituency, which applies in other parts of the country, is important. When we get to the stage where we want to welcome people back, we want to welcome them back to places that can provide them with a breadth of scenery and of experience. If we were to reopen our tourism sector without places for people to go because they are closed, that would not be helpful.

I know that those are harsh words, but that is a result of what we are having to live through. There is a lot of hardship—we have to think of those who, sadly, have died and about their families; we have to think about experiences of those in the health service. People are trying to chart their way through a difficult situation. However, I do not think that the National Trust for Scotland has thought about taking people with it. I think that it is being quite hard-nosed about what it is doing, and I appeal to the NTS, as I did when I met the body, to work collaboratively and co-operatively, and to work with its staff—to actually talk to its staff. I will be talking to Prospect, the union that represents the majority of its staff, on the issue.

That was quite an extended answer, but I know that people want to hear what the Government is doing or trying to do. For many issues, there is an instant solution, but given the NTS's particular make-up, we might need to see what we can do for it in terms of technical support and its financial underpinning.

It is an independent charity, and it can decide to do things on its own. However, if an organisation is so big and important to Scotland, its duty and responsibility is not just to the bottom line in the accounts—it is to our heritage and to our people, whether they are visitors or staff.

**Oliver Mundell:** I am exceptionally grateful for that answer, and I do not think that your words are too harsh. There is a chance to give people a bit more time—at least until October—to see what happens. I hope that the trust is listening and that it will take up the offer to work with the Scottish Government.

The other question that I want to ask is about support for the local newspaper industry. Obviously, Parliament's decision on rates yesterday was welcome, but is the Scottish Government considering any other measures, particularly for local newspapers that train journalists? I am thinking of examples such as the

Dumfriesshire Newspaper Group in my constituency, which does an excellent job in that regard. Will there be any support for local newspapers when you are looking at the tailored provision of support?

**Fiona Hyslop:** We are trying to support the sector through advertising. My colleague Kate Forbes, the Cabinet Secretary for Finance, has spoken to the Scottish Newspaper Society, and I have been liaising with her, because it is clear that newspapers fall into the creative industry space in terms of responsibility. The society was not that keen on the support that was suggested in relation to training journalists.

I think that you are referring to the future news programme—that might be the programme that your local newspaper is involved in. There is merit in that, and support for journalism and journalists is really important. A number of our newspapers are owned by major conglomerates—in some cases, international conglomerates. That includes a number of local newspapers. Indeed, there are very few traditional, independent local newspapers now. They are part of newspaper stables.

As part of our discussions up until yesterday, the provision from the Scottish Government was an agreement that we would pay for an additional £440,000-worth of advertising, for two purposes: to help the newspaper industry itself, and to use that advertising to help to get across many of the messages that we have to get out about Covid-19. That £440,000 was specifically targeted at local newspapers.

In addition to that, we agreed to provide other support for the newspaper industry because independent journalism is really important. Whether or not we like what journalists write, it is important for a healthy democracy that we have a strong media sector. That includes the newspaper sector as well as broadcasting. Last week, we agreed £3 million of support in the form of pre-purchasing advertising through the year, because we knew that some of that funding might be needed sooner rather than later. That was the funding that was provided.

On the rates decision yesterday, we will need to have an understanding of where that can be funded and resourced from, but that is more likely to support the major national titles. If Oliver Mundell is keen to support local newspapers, I do not think that the decision yesterday will necessarily be the best thing for local newspapers. I think that they would have received more from the £3 million of support for advertising.

I have always been interested in support for individual journalism programmes, and I was keen to pursue that, but the Scottish Newspaper Society was not that interested in the idea. The feedback

that we got was that it was more interested in the advertising funding, because newspapers are trying to replace income as opposed to supporting journalism. It does not necessarily always have to be an either/or issue, but we discussed a series of things with the society. We will have to reflect on the finances aspect, but more money for national titles might mean less money for local titles, and it might mean less money for other parts of the creative sector.

**Beatrice Wishart (Shetland Islands) (LD):** I would like to ask about pay as you earn and freelancers. I understand that freelancers who pay tax through PAYE are not able to access the same support that the self-employed are. I know that colleagues from my party wrote to the UK Government and the Scottish Government recently about the issue.

Those freelancers submit self-assessment tax returns to HMRC, so we know that the data is there. I understand that a significant number of people in Scotland in the television and film industry are in that position. They pay tax through PAYE, and they are falling through gaps between schemes. They will have multiple employers throughout the year as they go from project to project or from shoot to shoot.

The television and film industry is an increasingly important industry, and there is still huge potential for it to grow. What discussions have you had with colleagues and with the UK Government about supporting those PAYE freelancers?

**Fiona Hyslop:** The Scottish Government recognises the importance of freelancers. We saw an immediate response from Creative Scotland in its bridging bursary and from Screen Scotland in particular for freelancers in the screen sector. That was a rapid response, and it has been well received. I think that the committee has had an update and that, in the past day or two, Creative Scotland has set out whom it has managed to support with the initial support that it put forward.

10:45

One of the reasons why we established the terms that we did for the creative, tourism and hospitality enterprises hardship fund was to support those who were not supported by the phase 1 scheme, which was reliant on grants. Obviously, freelancers do not necessarily have property—we would not expect them to have property. The first set of grants was tied into a person having a business property of some description. There will be a potential opportunity for freelancers to access the hardship fund.

The UK Government's scheme for the self-employed has just opened, but it is unnecessarily

restrictive. We wanted it to cover newly self-employed people and to be more expansive.

HMRC's having the information is one of the challenges that we have had in processing things very quickly. The committee will have noticed that the bespoke Scottish Government schemes start to pay out a short time after application. That means that we need to have very robust systems to make sure that there is not, for example, fraud in relation to those accounts. There is something in continuing—I think that Beatrice Wishart said that she and her colleagues are doing this—to impress upon the UK Government that it might want to flex and change the self-employment system to help the freelance sector in particular, particularly if HMRC holds information about freelancers.

That is a UK Government scheme. We have seen that the UK Government has adapted and changed the furlough scheme after it was opened and was progressing. There is not an instant answer or solution but, to be fair to the UK Government, its schemes—like ours—have been very broad brush by nature, because they have to be at scale for large numbers of people. Nonetheless, we should continue to pursue that issue to try to get some change in the rules.

We in the Scottish Government have flexed and changed some of our schemes, and the UK Government has also done that. The committee might want to continue to pursue that. I do not know how rapid this inquiry is and how quickly the committee wants to come up with conclusions but, obviously, it is open to the committee to raise issues at any point in time. The committee might want to raise that issue with the UK Government—as I have been doing—sooner rather than later to try to get it to be a bit more flexible in some of those areas.

**Beatrice Wishart:** I agree with the cabinet secretary, and I welcome the support and flexibility of the schemes that have come out thus far. It has been important to adapt them as we have gone along. However, many freelancers have had a sudden and dramatic loss of income, and no filming is currently taking place. Obviously, it remains to be seen how long that will last.

I know that the cabinet secretary has been keen to do what she can to attract productions to Scotland as well as to nurture our own screen practitioners. What are the Scottish Government's thoughts on how long it might take for the sector to recover?

**Fiona Hyslop:** That is a million dollar question, not least for the types of funding that are involved in media productions. The important point is about planning because, even if we could anticipate a point in time when physical distancing can be dealt

with in whatever creative way, or when there is a vaccine or support that can be provided, that could be some time off.

Planning for major productions to shoot in Scotland and for having the studio space for that means making long and far-out decisions in order to marshal the resources and production requirements. That is the case for any major shoot.

It is difficult to see into the future. We do not even know what the virus is likely to do or how it is likely to behave in the next few weeks; indeed, part of the thinking around the route map is that we will tuck and adjust as we see the experience of relaxation or easing in transitioning out of the level of lockdown that there is just now.

I know that you would like an answer to that question, but I cannot give you one. It is important for those who are making other decisions across Government in relation to planning for when we come through this that we give signals so that those who are doing the planning have some understanding of the required timeframes. I cannot give you an answer to the question just now. We will watch very carefully what is happening in other parts of the world in which the easing of lockdown has happened a bit earlier because they went into the pandemic slightly earlier. We will keep a close eye on that.

I know that you want answers. People want to get back to work. There are great stories to tell, and people want to tell them and produce them. However, we need to think through the planning. I assume that the committee will want to speak to Screen Scotland and Creative Scotland to find out their views, and, indeed, to the industry about the timeframe that it needs for planning in order to get schedules in place. We need to look forward to the films that will be made in Scotland in future. I am with you on that one, and I am sorry that I cannot give you a more definitive answer on when people can start going back.

**Beatrice Wishart:** I suppose that that was a million dollar question.

What are your views on the loss of events, particularly for the music industry, across rural and island areas, where venues are smaller? There is not much optimism that there will be any events this year. Given social distancing requirements, it will be difficult to have a viable event in a venue that would normally hold around 50 to 100 people—that is assuming that people will have confidence to go back to attending such events. Live music events, particularly in rural and island areas, are often run on tight margins, and huge costs have already been incurred because of the pandemic. Considering the new normal, what thoughts have been given to how the music

industry and artists will be supported when live venues get up and running again?

**Fiona Hyslop:** Live music and events are among Scotland's strengths and indeed, music tourism across Scotland is a key part of our economy, culture and heritage. The events sector has, by and large, been so successful that it has managed without coming together in a particular area.

One thing that we are doing with EventScotland is bringing together different events organisers and companies to work through what events will look like in future and how we can help to support people. I have held a round-table discussion with several key people. HebCelt and representatives of other events were part of that discussion. We are going to put together an advisory group on events. Some of that work might be on testing and considering how we can work collaboratively to see what events we could try to put on that could showcase a different type of working and what is required. Another important issue is how we can keep the talent within the events sector.

There might be differences in what we can do on the islands. Beatrice Wishart will know what her constituents want—or do not want. We cannot overestimate the importance of confidence. Many people have been in lockdown for coming up for eight weeks, and things will be difficult for them when they come out, having not experienced interaction with people or gone into places where there are strangers. Much of what we will have to do will be to help to build confidence for people to go back to places. We might have to support that in a way that is not profitable, but we have to start somewhere.

I am keen to work with the sector on what we can trial and how we can support trials, which might not be economically profitable in themselves. We need to think about how we can bring the sector together to come up with solutions. Some of those solutions might be on islands but, as I have stressed before, they will happen only with the agreement of the communities on the islands themselves. At some point—although not right now—we want to welcome people back. We want to be ready to do that, and we want people and communities to be confident that, when people come in, that is happening safely.

**Stuart McMillan (Greenock and Inverclyde) (SNP):** I seek reassurance about theatre funding across Scotland. It is widely considered that the larger theatres will require additional resource, but there are also local theatres, including in my constituency of Greenock and Inverclyde. I seek reassurance that the funding will not be taken from the smaller theatres to go to the larger ones to give them extra security.

**Fiona Hyslop:** It is important to realise that theatre does not just take place in capitals and in large theatres. There is great passion for theatre in local communities. I make it clear that theatre productions can take place in lots of different spaces. We have to think about the different ways in which spaces can be used and about what can be carried out in them, and how.

I would love to say that I have an enormous funding resource just for theatres. If that were the case, I would want to ensure that the funding distribution was fair between local and national theatres. However, my biggest task just now is to ensure that funding is available to do anything in the sector. That is why we have to be focused on what people need, as well as on why and when they need it.

However, there is something in thinking about physical spaces—galleries, museums, theatres or other parts of venues—in different localities and how those spaces might be used. When people come out of lockdown, theatres might play an interesting role in the wider community as safe places to go for different things without that space being crowded.

Theatres—particularly their seated areas—are, by and large, only ever open at the time of a particular production, and we can think about how those large spaces might be used. We have to think very differently about how we use our spaces in Scotland, which might be one way in which we can help local theatres in particular. Undoubtedly, many of them already have good connections with their local community.

I do not underestimate the power of culture to connect people. The National Theatre of Scotland has been helping the national health service with regard to health and wellbeing, and we know that cultural expression is important in helping people to adapt and change their thinking or their behaviours in a challenging world. The power of culture helps us to reach into the unknown. People are feeling a bit nervous and anxious just now because they do not have control of the future, and culture can help them through that process.

In the short term, we might want to think less about big-scale performances in packed theatres and more about what the art of theatre can bring to wider society as we come through this crisis; we might therefore want to think about how we can support that. There might be something in the bridging period from where we are now to the strong and popular performances on stage that we all want to see.

We need that type of thinking to help us all get through this. However, I am only one person, albeit that I am the cabinet secretary and have many officials, and the solutions will come from

individuals, communities and the theatre sector itself.

**Stuart McMillan:** I want to touch on something that you mentioned in your comments on Screen Scotland and the potential additional space and infrastructure that it might require.

The Covid-19 crisis has highlighted a number of things, including different ways of working. More people will be working from home when things start to get back to a new normal at some point. That will create an abundance of space, including office accommodation, as well as space in some buildings that are being constructed at the moment, which might be repurposed.

Wearing your economy hat, can you say whether, in your dialogue with Screen Scotland, you have given it any criteria to consider when looking at new spaces for filming or production?

**Fiona Hyslop:** I have not had those discussions to date. It will be important to think through the screen sector's requirements for different types of spaces. You are reflecting my point that we have to think about how we can use physical space differently and what spaces might be available.

11:00

Many of the essential infrastructure companies are still functioning. We need to remember that 70 per cent of people are still working, with many working from home. It is now recognised that remote working can be very productive. That is obviously less the case just now, when there is a lot of stress on people, particularly those who are looking after small children or who are home schooling. However, it is beyond doubt that remote working is now recognised as acceptable, so large companies that are still operating might see that they have excess capacity in their office space. They might not necessarily recoup what they would want to in the commercial market but, with regard to their contribution to arts and culture, they might want to think about whether they can help by donating some of their space to wider community needs, and cultural needs in particular.

There is a bit of creative thinking to do around that issue. Some of that might just involve sensible working and opportunities in local communities, and how they can be incentivised and supported. If we have financial resources, I think that the issue is around how to incentivise new ways of working. It will be important that we get advice and ideas from the committee and, indeed, wider Scotland.

**Annabelle Ewing (Cowdenbeath) (SNP):** Good morning, cabinet secretary and colleagues. I will ask about the bridging support funding that is being dispersed via Creative Scotland. I

understand that it gave out some information yesterday afternoon, but perhaps the cabinet secretary can take this opportunity to explain where we are with the funding and whether she is satisfied with the way in which it has been approached. I understand that this is the first tranche and that the second tranche is being looked at. Is an equitable distribution being ensured? Are small outfits and individuals getting a shot, including in Fife, which I have to mention? What are the plans for oversight of the process? Perhaps it will not happen in the immediate future, given that we are dealing with a crisis, but will the process be audited in the normal way in the fullness of time? I am just looking for assurance that that important funding is being properly distributed, with regard to equity.

**Fiona Hyslop:** Annabelle Ewing makes very important points but, obviously, speed has also been of the essence, which is why I think that Creative Scotland's approach to establishing the bridging bursary as quickly as it did should be recognised. I very much appreciate its work. In many areas, it took much longer for schemes to be established, but this was one of the first, which is a good thing.

When the initial applicants were being dealt with, we saw the volume of applicants, so we stepped in and said that we would provide additional funding to help with the scheme. The feedback that we got was that the scheme was working very quickly, was reaching those who needed support, was not bureaucratic and was swift and effective.

However, it is also right to have scrutiny, which is the job of this committee and others. The report that Creative Scotland has just issued—I think that Annabelle Ewing is correct to say that it came out yesterday—set out that about 850 individuals have been supported in the first tranche. I will correct the record if I have got that wrong, as I do not have any notes beside me.

The scheme has reached the people it needed to reach. There may be people who have not been supported for good, individual reasons. I cannot discuss that, but the committee could ask for greater clarity from Creative Scotland on the numbers. This is about individuals, and Creative Scotland managed to swiftly identify that freelancers in particular were facing a significant challenge. As the committee has identified, people often have multiple types of employment to support their cultural work.

Another thing that we did—I have not touched on this yet, but I am sure that the committee is aware of it—was to immediately contact our national companies and those in receipt of grants to say that we did not want them to pull what they were doing. Like Creative Scotland, the national

companies are arm's-length, independent organisations, but I thought that it was important that they understood that. The most important thing, particularly in March and April, was to make sure that people had income in their pockets, so we wanted the companies not to pull resources but to continue to pay people even though performances were not taking place. At least there were publicly funded organisations that could use public funds to make sure that artists, dancers and musicians were still supported. I think that that immediate response at that stage was correct.

I suppose that the most difficult challenge is what we can do for individuals going forward. We have been in the reactive, responsive space where we have tried to make sure that people have the income to keep going, and that is why the repositioning of Creative Scotland's open fund to help people to develop work during this period is so important. This should be a time of thinking and developing. Who knows what creative work is going to come out of what has been an horrendous experience for so many people? The repurposing and repositioning of public grants is really important in that regard.

I appeal to the committee, because I hope that I will have your support for the discussions that I am having across the Government about the fact that we should not take money away from the arts and put it into the health service or other areas just because performances are not taking place. Everyone will undoubtedly want to put resources into the health service, but developing culture and art, keeping individuals' talents and helping them to do their practice are really important, as are other areas that I have already alluded to. For example, having studio space is really important, but how do people pay for that?

We need to think about what support we can retain. Even within the constrained budgets that we have had, we have managed to do some pivoting and repurposing in order to help organisations. The arguments about supporting individual artists, which the committee was very strong on in its previous inquiry, will be really important in helping to ensure that people understand the situation. We cannot just expect to wake up at some point in the future when we can come back to performances and have artists suddenly coming out of nowhere. They have to practise their art, and they need time and financial support to help them in what we might call the fallow period—and that period might be when they are most creative.

Oversight is important, but sometimes we have to be bold and act quickly. In this area, speed has been of the essence. We now have more time for planning, and I think that the question that Annabelle Ewing is asking is how we can ensure

that support goes to the right people and is not just provided on a selective basis such that certain sectors or parts of the country lose out. I assume that that is where she is coming from with her question, but she might want to come back with some comments on what she believes should be happening in that space.

**Annabelle Ewing:** I thank the cabinet secretary for her answer. I do not think that any of us believes that we have all the answers on how we should proceed as we move from where we are into the next phase of the pandemic. I very much support the cabinet secretary's statement to the effect that, notwithstanding the fact that many things are not physically happening at present in the arts and culture sector, that is not an argument for the redistribution of budgets. Art and culture make a key contribution to health, and particularly to good mental health, and that has to be borne in mind.

Looking to the future, the cabinet secretary has mentioned a number of times the importance of working collaboratively and innovatively to try to get to a different space from where we are now, which is going to be very difficult. What discussions are under way in that regard, for example in Creative Scotland? It had set its budget and it had all its plans for the financial year ready to go, but things have completely changed.

What discussions are taking place within organisations such as Creative Scotland that the cabinet secretary is aware of? Do those organisations recognise that they have to think clearly about the adaptations that they will need to make now and throughout the rest of the financial year to try to address some of the current challenges?

**Fiona Hyslop:** I expect that the committee will take evidence from Creative Scotland, and it can explain what discussions are taking place. I reassure the committee that the organisation moved very quickly and is already looking ahead—it is doing exactly what Annabelle Ewing says it should be doing—to repurpose and change its open funding. Creative Scotland is also supporting the organisations that it funds through its regular funding programme. We would not want funding to be pulled from those organisations, because they should have security and stability. Creative Scotland's discretionary funds support arts and culture, and the organisation can use those funds to pivot and to provide additional support—for example, by using the open fund to help artists develop their work during this difficult period.

Rather than my speaking for Creative Scotland, it should speak for itself and explain the discussions that it is having. However, I was impressed with its speed and its ability to react to

the crisis. Its response meant that it identified what it could do to offer support and adapt its funding streams.

Annabelle Ewing is right to mention mental health. This is mental health awareness week and recognition of the arts within that space is important. Where would we have been over recent weeks without our music, in particular? The arts can also play a role when we consider how to use spaces—for dance, for example. When I have been in public spaces, I have seen what seems to be a collective dance taking place around the 2m rule—there is something there about how people express themselves. It is clear to anyone who saw Peter Howson's artwork on the front pages of a newspaper that inspiration can be quite marked during difficult times. The art that will come through and will be shown and exhibited as we come out of this crisis will be very important.

Annabelle Ewing's points about self-expression, control and having the space to explore yourself, and her suggestion that culture is more important than ever before, are well made.

**Gordon Lindhurst (Lothian) (Con):** I thank the cabinet secretary for coming in—or rather, joining us online—to speak to the committee at this difficult time. I associate myself with the cabinet secretary's comments and those of members of the committee about how important culture and the issues that we are discussing are for mental health.

We have discussed specific venues that have been affected, perhaps, worse than others during the current crisis. You will be aware, not just because of your position as cabinet secretary, but also as a member of the Scottish Parliament from the Lothian region—I am a list MSP for that region—of the heavy impact that the crisis has had in Edinburgh and across Lothian. Concert halls, church halls and smaller live music venues have been closed right across the board.

Is the Scottish Government looking at specific ways that it can help those venues that are particularly impacted, financially and otherwise, by the crisis? In some places, such as London, there are special hardship funds. Is the Scottish Government considering introducing measures in addition to the rates relief and other types of support that are generally available? How are you approaching that issue?

Apart from financial assistance, in what other ways will the Scottish Government and you as cabinet secretary be able to assist venues to come out of the current situation? You will be aware that the Edinburgh festivals have been cancelled this year. I would like to hear your comments on those issues.



11:15

**Fiona Hyslop:** That was quite a broad-brush question that covered many different areas. I recognise what Gordon Lindhurst says about the varying impacts on different venues. Each individual venue will have a different financial set-up. I note that the Department for Digital, Culture, Media and Sport has had some discussions about different ways to support larger theatres in particular. It looked at the Dutch model, which involves the state trying to help theatres to remain financially viable by underpinning or guaranteeing ticket sales, but I do not think that it is seeking to progress that approach. Some of the larger theatres, particularly in Edinburgh, are part of international companies and some may have resources in different areas to get venues through a difficult period, but others may not.

Gordon Lindhurst also mentioned church halls and other community venues. The income streams for such venues often come from a variety of different sources, and all those streams will have suddenly stopped. We could look at something like the third-sector resilience fund, which provides community support for individuals in need. We have had a fantastic response from the third sector to support vulnerable people through deliveries and so on. As we ease out of lockdown and look forward, we will think about how those venues are used and how we support them to continue as community spaces in some shape or form. Not all of that support will be financial—there might be other mechanisms by which we can recalibrate the use of those spaces.

Gordon Lindhurst touched on the cancellation of the Edinburgh festivals, which is clearly one of the biggest disappointments and will have one of the biggest impacts, not just for Edinburgh and Scotland but for the world. We want to see the festivals return. I met very early on—at the start of April—with representatives of the festivals. We have worked closely with them, and my officials are in regular contact with them and with other parts of the sector.

As members probably know, the fringe has particular challenges, and we are working with its representatives to close the gap. It has already received interest-free loans to help it through the current period, and I hope that it will have positive news with regard to some of the funding arrangements.

Gordon Lindhurst also touched on hardship funds. I understand that London has a music venue hardship fund, as do some other areas. As I explained in a previous answer, we have a creative hardship fund, which is unique to Scotland, and there is also the pivotal enterprise resilience fund, which has deliberately been sited to help to support the creative sector. Both funds

have had applications from the creative sector and, as I indicated in a previous answer, a large number of the grant recipients will come from the creative industries—I have made sure of that.

We have to adjust and change tack in how we use our spaces and facilities. We need to look at the premium on spaces and how we can have better ways of funding that than we have had to date. Gordon Lindhurst talked about rates and so on. It is for the Cabinet Secretary for Finance to balance the income that we get in rates from some of these areas with what the expenditure might be. However, we all need to get into a frame of mind that enables us to think creatively about how we might do things differently. I would very much welcome such an approach.

That was a very broad question and my answer has probably been equally broad and general, so I am sorry if I have missed anything. I am happy to answer any other questions that Gordon Lindhurst may have.

**Gordon Lindhurst:** Thank you for your answer, cabinet secretary. One area that you did not touch on concerns the online possibilities. Personally, I enjoy actually sitting in the Usher Hall listening to a concert, and listening to it online is not quite the same experience. However, an online approach is better than nothing, and it may help venues and performers to move forward from the current situation. What funding or support and what encouragement is the Scottish Government able to give on that front?

**Fiona Hyslop:** I think we would all agree that there is nothing quite like live music, whether it is classical, traditional, rock or any other genre. However, we are where we are, and we have to deal with the new realities.

If members have not already tuned in to the Royal Scottish National Orchestra Friday sessions, I encourage them to do so, as I am sure that they will enjoy them. Our national companies have already been making performances available online, as have many other performers and groups.

I also plug the Linlithgow Rugby Club male voice choir in my constituency, which has been making recordings—as have other choirs across the country—in its individual members' homes and then mixing and merging them. If anyone has not watched that on the club's website, I would encourage them to do so.

On the point about online presence, it is really important to keep people with us. There is a role to encourage people who have not used digital for streaming before to do so. I am also conscious of the age profile. In particular, I am thinking of older members of our community who love going to concerts and want to enjoy them. As we ease the

lockdown, we will have to encourage them to do so again when they feel confident about their safety in going back to venues. I am keen to work with our national companies and others to help them to bridge from where we have been to where we will be in the future, using online performances to get there.

I pay tribute to Nicola Benedetti for her online work on music tuition, which is encouraging and helping to support musicians across Scotland and more widely who are benefiting from her fantastic insight, experience, professionalism and enthusiasm for education.

We should not underestimate the online performances that are already there. However, I think that the member alluded to a need for something more structural to help with finance and the bridge that I mentioned. That is why I have tried to ensure that we are protecting our national companies as much as possible. Four of the five are taking part in the job retention scheme, which will limit the effect to an extent. With the committee and indeed other politicians at Westminster, we can try to encourage the UK Government to think about the culture sector and how we can continue to support it in the longer term.

Another point about the Usher Hall and some of the national performing companies—I am thinking of the RSNO and the Scottish Chamber Orchestra—is that, like the film sector, they have a long lead-in time for planning performances. Even though they may physically be able to come out of lockdown, there are issues of rehearsal time, bookings and so on.

I assure the committee that all the national companies have been explicit in supporting people and rebooking them for such time as they can come back. They have made a point of doing that. If there is stability and continuity of income for artists and musicians at this time, it means that they can be creative without a burden of fear and worry hanging over their heads.

**The Convener:** We have a little time in hand, so I will make a few comments and ask a couple more questions by way of conclusion.

We appreciate the focus on individual artists in your responses, and particularly your instructing those who are already in receipt of grant funding for projects that they should continue to pay artists. As you indicated, that reflects the committee's report "Putting Artists in the Picture: A Sustainable Arts Funding System for Scotland". It is good to see that the committee was listened to and that you are thinking along the same lines. That is appreciated, so we thank you.

You will be aware of the submission from the Music Venue Trust, and committee members have raised the issue of live music venues. The

recommendations in that submission deal with venues that have rateable values of more than £51,000. That issue was raised when the committee discussed the tourism industry with Fergus Ewing last week, and he said that he was in dialogue with the UK Government minister about any further support that could be given where buildings have rateable values of more than £51,000. Are you involved in those discussions? Will you respond to that recommendation?

**Fiona Hyslop:** I am conscious of rateable values and rates relief being significant in relation to support for venues and other businesses. The UK rates relief scheme from which we received consequential has a cut-off of £51,000 so, if we went above £51,000, that would have major implications for the spend. We do not necessarily have the space to do that within our funding. However, Fergus Ewing has raised with the UK Government the possibility of extending support for businesses with a rateable value of more than £51,000. There would be consequential from that, which we could use in similar areas.

The issue is whether we could take that approach for only one area, such as music or tourism venues. There is extensive demand for rates relief and for the grant support that is tied to rates from businesses with rateable values over £51,000. All premises are benefiting from the rates freeze that we have in place, but the grants are tied to rateable value. We would like to provide grants for those businesses with rateable values of more than £51,000, but currently we cannot do that.

In my broader remit as cabinet secretary for economy, I have regular discussions with the UK Secretary of State for Business, Energy and Industrial Strategy, the Minister for Business, Energy and Clean Growth and the chancellor. In one of the meetings that I attend involving economy and business ministers from across the UK, I suggested to the chancellor that, if CBILS—the coronavirus business interruption loan scheme—is undershooting in its delivery, some of the resource that has been set aside for guarantees could be shifted in order to expand the rates relief system. CBILS is underpinned by 80 per cent guarantees from the UK Government, although the scheme uses bank money, so the UK Government will not necessarily use the money for the guarantees that have been provided.

The answer to your question is that I have asked for that, but to date I have not received an answer. It is important to say to people in the sector that the bounce-back loan scheme has been extremely successful. Early in the crisis, I argued that there should be 100 per cent guarantees with short, sharp loans for businesses. It is important that businesses avail themselves of

that scheme. Music venues that have not taken advantage of the bounce-back loan scheme should do so, although I understand the issue about taking on debt at a time when it is challenging to find income to service it.

That is an important area. With the UK Government, we need to try to focus on the culture, tourism and hospitality sectors, which will clearly need a Government response for a longer period than other sectors will. I will do what I can on that. Some music venues have been successful recipients of grants from the creative enterprises hardship fund and the other resilience fund, which I hope will support the sector to a degree.

**The Convener:** We have time for one more question, which will be from Oliver Mundell.

**Oliver Mundell:** The cabinet secretary mentioned the importance of continuing infrastructure projects as a way of boosting culture. Is the Scottish Government open to bringing forward cultural projects that are in existing city region and growth deals? An example in my constituency is the star of Caledonia project, which is part of the borderlands growth deal, but there are other creative and cultural projects in city region deals across Scotland.

**Fiona Hyslop:** The member makes a good point about the importance of infrastructure. We have seen that from previous financial crises, and the current crisis is of a scale that we have never seen before.

As economy secretary, I am keen to ensure that we can marshal that infrastructure spend and use it as effectively as possible to restart the economy. I am working closely with Michael Matheson, who is the lead cabinet secretary for city deals. I do not know how many jobs are involved in the project that Mr Mundell referred to, but there is a strong case for bringing forward infrastructure spend and, as culture secretary, I would be keen for a number of them to be cultural projects. I firmly believe that those projects, particularly ones that employ local firms, will be important in kick-starting the economy, as well as being a beacon of hope.

It is important that we support culture. We have challenges with existing cultural venues so, in considering building new venues, we might want to think about the effective use of space and whether to use existing venues in order to support them. We should reflect on the need for a balance between those approaches. However, I absolutely agree that important infrastructure projects will be key to restarting the economy while supporting individual artists.

**The Convener:** That completes our questions and concludes our evidence session. I thank the cabinet secretary and her officials for taking part.

The committee will next meet on Tuesday 26 May, when we will take evidence from David McAllister MEP on the future relationship negotiations between the European Union and the UK Government.

That concludes the public part of the meeting. We now move into private session.

11:30

*Meeting continued in private until 11:37.*

## Correction

The Cabinet Secretary for Economy, Fair Work and Culture has identified an error in her contribution and provided the following correction.

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

*At col 7, paragraph 5—*

*Original text—*

We have increased that to £40 million, although the level of demand is challenging and we cannot help everybody.

*Corrected text—*

We have increased that to £30 million, although the level of demand is challenging and we cannot help everybody.

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

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