OFFICIAL REPORT
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Constitution, Europe, External Affairs and Culture Committee

Thursday 9 September 2021

Session 6

The Scottish Parliament
Pàrlamaid na h-Alba

Thursday 9 September 2021

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CONSTITUTION, EUROPE, EXTERNAL AFFAIRS AND CULTURE COMMITTEE
3rd Meeting 2021, Session 6

CONVENER

*Clare Adamson (Motherwell and Wishaw) (SNP)

DEPUTY CONVENER

*Donald Cameron (Highlands and Islands) (Con)

COMMITTEE MEMBERS

*Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP)
*Sarah Boyack (Lothian) (Lab)
*Jenni Minto (Argyll and Bute) (SNP)
*Mark Ruskell (Mid Scotland and Fife) (Green)
*Sue Webber (Lothian) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Steve Carson (BBC Scotland)
Barry Dallman (Musicians Union)
Paul McManus (Broadcasting, Entertainment, Cinematograph and Theatre Union)
Leigh Tavaziva (BBC)

CLERK TO THE COMMITTEE

James Johnston

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Constitution, Europe, External Affairs and Culture Committee

Thursday 9 September 2021

[The Convener opened the meeting at 09:00]

Interests

The Convener (Clare Adamson): Good morning, and a very warm welcome to the third meeting in session 6 of the Constitution, Europe, External Affairs and Culture Committee. As a result of Mr Harvie's ministerial appointment, he has stepped down from the committee. I thank Mr Harvie for his contribution during his—albeit brief—time with us. His place has been taken by Mark Ruskell, whom I welcome to the committee. We look forward to working with you, Mr Ruskell. I invite you to declare any relevant interests.

Mark Ruskell (Mid Scotland and Fife) (Green): Thank you very much, convener. I look forward to the work ahead. I have nothing to declare.

The Convener: Thank you.

Decision on Taking Business in Private

09:00

The Convener: Agenda item 1 is to decide whether to take item 4 in private. Do members agree to consider our work programme in private following today's public meeting and at future meetings?

Members *indicated agreement.*

BBC Annual Report and Accounts

09:00

The Convener: Under item 2, we will take evidence from Steve Carson, director of BBC Scotland, and Leigh Tavaziva, chief operating officer at the BBC, on the BBC's annual report and accounts. I welcome our witnesses to the meeting and invite Mr Carson to make a brief opening statement.

Steve Carson (BBC Scotland): Good morning, convener and members of the committee. It is a pleasure to return to give evidence at the Scottish Parliament to this new committee with culture in its remit. I am sorry that, once again, we are speaking via video rather than meeting in person, but I am pleased that joining me today from Pacific Quay in Glasgow is the BBC's group chief operating officer, Leigh Tavaziva.

The period covered by the annual report and accounts saw the BBC as a public broadcaster find itself at the heart of the global pandemic, not just in that we served audiences in Scotland, but in that we continued to operate and ensured that our teams were safe in delivering critical public services at an unprecedented time.

Like other industries in Scotland, the broadcasting sector has continued to adapt and change at speed. In BBC Scotland, we produced daily educational content on television while schools were closed; increased our news coverage; televised religious services while places of worship were shut; and commissioned lockdown-specific content from the sector, including working in partnership with the National Theatre of Scotland and Screen Scotland.

The on-going shadow of Covid impacted greatly on broadcast production in the year covered by the accounts. Many productions that were planned for filming last year have only recently restarted. "Swashbuckle", a major children's series, had to stop production in March 2020. I am delighted to say that it is now back in the studio. Two series of "Shetland" are shooting back to back this year to make up for delays last year.

The impact of not being able to film regular and planned content for a number of months is clearly seen in the accounts, with a drop in network spend below the target level that was set for us for Scotland. We expect that to be a one-off impact in the year of Covid, with spend returning to meet or exceed its target in the current year and beyond.

That snapshot of what was paused from March 2020 onwards in a way serves to illustrate the momentum that has been building in the screen industry in Scotland in recent years. Since launch, the BBC Scotland channel has established itself as the largest digital channel in Scotland, ahead of many household names. It has just been nominated as channel of the year at this year's Broadcast Digital Awards, and BBC Scotland content has picked up several significant industry awards over the past year.

The nominations and awards are a reminder of the important role that the BBC plays in building and growing the screen sector here. In 2017, we appeared in the Parliament to give details of the biggest single investment in broadcast content in 20 years, in a move that created the channel, increased investment in news and current affairs and provided uplifts in network TV programming.

This year, our strategy "The BBC Across the UK" commits the BBC to spending an additional £700 million on screen and radio outside London. We know that we have a role to play here, and our partnership with Screen Scotland has been instrumental in growing the creative sector. Partnership is also at the heart of our Gaelic services. We are delighted that, alongside MG Alba, we will soon launch SpeakGaelic, a multiplatform language-learning course with programming across BBC Alba, Radio nan Gàidheal and other services.

Despite the profound challenges of the past months, this is once again a moment of hope for the sector as we start to emerge from the pandemic. Leigh and I look forward to discussing the annual report and accounts, and associated matters, throughout this morning's session.

The Convener: Thank you very much, Mr Carson. We will shortly be moving to questions from members—and it would be helpful if they indicated whether their questions are being directed to Mr Carson or Ms Tavaziva. First, though, I have a general question. You mentioned the launch of the new channel. Do you feel that it has met its initial objectives? I note that, in April 2018, Ofcom raised concerns about a lack of new programmes and the removal of potential opportunities for independent producers. Will you reflect on that, the channel's other objectives and how successful you think that it has been?

Steve Carson: It is not just our view but the view of the wider creative sector that the channel has been, as I mentioned, a success with regard to audience performance. From a standing start two years ago, it has established itself as the largest digital channel in Scotland, well ahead of other household names that have been established for a considerable time. In the year shown in the accounts, the BBC Scotland channel grew its reach—or the amount of people tuning in each week—to 21 per cent. In other words, more than one in five Scots were watching the channel,

and for an average of one and a half hours a week. To put that into context, I point out that, typically, a successful digital channel has about a 1 per cent share of viewers, with many household names getting less than that. The BBC Scotland channel has achieved a 2.5 per cent share.

The reach of the top five terrestrial channels—BBC One through to Channel 5—is often considerably in excess of the digital channels, but our reach is not far behind that of Channel 5. In fact, on regular evenings, you will find that the BBC Scotland channel has had more viewers across the evening than Channel 5, Channel 4 or even BBC Two.

As far as the creative sector is concerned, the investment in the channel has meant that we have worked with more than 80 production companies, many of which are new to the industry, and we have also worked to bring in investment with other parts of the BBC, Screen Scotland and others that are a big and important part of the sector here. As for the industry's response, the clearest example that I can give is the fact that, at last year's Royal Television Society Scotland awards, the channel was awarded a special jury prize. Obviously, the society is made up of members of the industry in Scotland.

The Convener: Thank you. I now move to questions from members.

Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP): I thank the witnesses for joining us. I am not sure whether my question is for Ms Tavaziva or Mr Carson, but I want to hear your views on the long-running issue of spend in Scotland. We all welcome the fact that there has been more spend on big network productions involving Scotland, but are we not talking about two slightly different things? On the one hand, there is the part played by Scotland in big network-wide productions and, on the other, the discretion that the BBC in Scotland has to spend its money on the things that it feels to be important to it instead of putting that money into something else. Can you tease out those differences, and tell us where we are going with regard to the latter point about local spend?

Leigh Tavaziva (BBC): Thank you for your question, Dr Allan, and thank you for having me here today.

Focusing more broadly on the group, I think that you are right about the choices and decisions that we make on where we spend and invest licence fee payers' money with regard to the productions and TV programmes that we make and the radio that audience members listen to. The group's very clear strategy, which we announced earlier this year, is to continue to shift more money, power and decision making outside London and across the United Kingdom into our nations and English regions. That is critical.

We will be moving £700 million of additional spend outside London over the next five years, which will give an economic benefit of approximately £850 million to the UK. We are also shifting the level of TV and video programmes being made outside London to 60 per cent and video and audio to 50 per cent. Those are significant changes.

We are also moving people across the UK. We continue to support having the majority of our employees in the public service working outside of London and we will continue to work towards that. That includes ensuring that the money that we spend is well and thoughtfully invested.

I am sure that Steve Carson would like to comment more specifically on some of the choices that we are making in Scotland, too.

Steve Carson: I should point out that the BBC's overall spend in Scotland is a mixture of what we call network spend on our network channels, stations and services, and spend that is directly controlled by BBC Scotland, which we use to provide our own services and special programming, including news on the BBC One Scotland channel, our contributions to iPlayer and our digital services, Radio Scotland, Radio nan Gàidheal, and our partnership with MG Alba on the BBC Alba channel.

It is fair to say that Scotland has been leading on increasing the amount of co-commissioning between different parts of the BBC, including, potentially, other nations such as Wales and Northern Ireland, or with those network services. We have seen a sharp uptick in co-commissions between ourselves and network services, and that will continue to be an important part of our strategy of delivering across the UK.

One example of that is "Guilt", the BBC Scotland channel's launch drama, which was co-produced with funding from BBC Scotland and BBC Two. I am delighted that "Guilt" will return to our screens this autumn with a second series—it, too, was delayed by Covid. Other examples are "Murder Case" and "Murder Trial: The Disappearance of Margaret Fleming", and some other big premium factual titles. Such co-commissions and co-productions enable us to use the resources that we have and tap into other investment to create projects of scale and impact for our audiences in Scotland and, through iPlayer, across the UK.

Dr Allan: You mentioned some of the economic benefits of the dispersal of work. I am interested in the point that you made about the cultural benefit. For example, one of the long-running questions about broadcasting in Scotland is what can be done to commission more drama here. I seem to

remember hearing a rumour when the new BBC Scotland channel was established that we were going to get a dramatisation of Sir Walter Scott's "Waverley"—I live in hope of that.

What can you say about new writing and a focus on drama? Everyone looks back to programmes such as "Tutti Frutti" as great examples of new writing and drama. Does the BBC in Scotland have discretion to produce something like that?

Steve Carson: As I mentioned in my opening remarks, I think that a momentum has built in the creative sector in Scotland over the past number of years.

On our ability to support new writing and drama, I very much see BBC Scotland as working in partnership with others to create a series of pipelines to nurture and bring through talent. We have our own discrete digital spaces and channels. For example, in comedy, we have short comedy development in the form of "Short Stuff" on Facebook. We have the social—a digital platform—which is targeted at bringing in new talent and young people. We also have pan-BBC initiatives such as BBC Writersroom, which enables us to support the development of new drama, scripted comedy and scripted writing. A current example of that is a short series on iPlayer called "Float", which is co-funded with Screen Scotland. That came from an initiative through the BBC Writersroom, and I think that it was the first broadcast piece for the writer, Stef Smith.

We very much see ourselves as having the ability to try new things, experiment and bring things through from our digital services on to platforms such as the BBC Scotland channel, which has a strong remit to experiment and innovate, and, through the rest of the pipeline, to co-commission projects that can go to network services and beyond Scotland and the UK.

The upcoming drama slate, which was partly interrupted by Covid, features season 2 of "Guilt", which I mentioned, and "Vigil", which is a network drama that is on air this week. Further, "Control Room", another drama, is currently shooting in Scotland. The comedy slate features "The Scotts", which I was delighted to see on Monday on BBC One Scotland. That came out of an initiative that we ran last year to pilot new situation comedies, and it was the one that went to series. That, too, was delayed, but it is now on air.

If you look forward six months, you will see work coming through that has been done over the past three years on the development of that pipeline.

I take your point about "Waverley". We will look at that.

Dr Allan: Thank you.

Steve Carson: The BBC Scotland channel is very much focused on modern Scotland, but there is room to cover a range of subjects.

09:15

Sue Webber (Lothian) (Con): I will ask some questions—I think that they are probably for Mr Carson, but I am not entirely sure—to dig into the issue of the BBC Scotland channel's value for money. You said that it is the largest digital channel in Scotland, but how do you define that?

Steve Carson: We have two main metrics for looking at the performance of services. Share is the share of the audience watching during broadcast hours aggregated across a year. BBC Scotland's share of viewing is now 2.5 per cent. As I mentioned, other digital channels—I can talk about BBC portfolio channels such as BBC Four or BBC News—have shares of around 1 per cent or so. Channels outwith the BBC have shares of between 1 and 2 per cent. Therefore, 2.5 per cent by audience share makes us the biggest channel in Scotland in the year to date.

Reach is the other thing that we measure, which is the amount of people tuning or listening in to a service across a week or a month. The annual reporting account shows that our reach for the BBC Scotland channel is 21 per cent. That is just one of our services on TV and iPlayer—we also have BBC One Scotland and BBC Alba. So, by reach and share, it is the largest digital channel in Scotland. We are not allowed to discuss other channels' performance, but that reach figure is close to those of terrestrial channels, and that is very unusual for a digital channel.

Sue Webber: You said that the share is 2.5 per cent, but what is the number of actual viewers?

Steve Carson: It depends on the programme. We can get audiences of more than 100,000 on the channel and we can get smaller audiences. That is partly what the channel is online for. In relation to audience value, we are not necessarily always talking about, as a publicly funded broadcaster, mass audiences. We can have smaller audiences that highly value the content—we also find that in relation to channel content on our other services such as BBC Alba.

You should bear in mind that the channel viewing figures are only one part of the consumption. The channel also has its own dedicated space on BBC iPlayer, and since the channel's launch in 2019, requests to view BBC Scotland-commissioned content on iPlayer have more than doubled. In the year that we are talking about—2020 to 2021—we have had 70 million requests to view that content on iPlayer. A significant number of those come from Scotland, but they also come from other nations of the UK.

Sue Webber: That is not 70 million people; it could be a smaller number of people accessing—

Steve Carson: Seventy million would be a significant number of people—I do not think that it is one person making 70 million requests to view.

Sue Webber: No, of course not—I am being a bit ridiculous. I am trying to get a sense of whether the channel is good value for money and what the cost per viewer is of the £34 million that we are investing in the digital platform.

Steve Carson: If you consider the overall investment that the BBC makes in Scotland, that is part of it. It is important for serving audiences. It is also important for the creative sector that we have a dedicated service on TV and iPlayer for Scotland. It is a complementary service to the rest of the BBC portfolio. I mentioned "The Scotts", which premiered on BBC One Scotland, and we have important news programme such as "Reporting Scotland" on BBC One Scotland, so the BBC Scotland channel is part of the overall mix.

I have to say—and this is the industry view—that having gone from launch to a position in which the channel has established itself as the largest digital service in Scotland has been a real achievement. For the creative sector in Scotland, the investment announced was a challenge. Could the creative sector in Scotland rise to making a significant volume of new programming in a host of genres from comedy-drama to documentary? I think that that challenge has been met, which is a real tribute to the sector in Scotland.

Sue Webber: Digital viewing is at 2.5 per cent, which is higher than the figure for other digital channels, but what is your ambition? What are you trying to achieve over the next three, five or 10 years?

Steve Carson: The ambition is to be creative. We want to help to establish and grow the sector in Scotland, and to make great programmes for audiences in Scotland and throughout their distribution. We also want to have co-commissions with network services across the UK. We are public broadcasters; we are here to serve audiences, and the way to do that is to work with our teams in BBC Scotland and elsewhere in the wider creative sector. As I said, we work with more than 80 suppliers to make great content. We want to make sure that enough people are watching the channel. As I said, some programmes might not have high audiences, but if they are very highly valued, that is also important.

The Convener: We move to questions from Sarah Boyack, who joins the meeting remotely.

Sarah Boyack (Lothian) (Lab): I will ask two questions, one of each witness. The first question follows up on the issue of commissioning the programmes in Scotland. Steve Carson talked a bit about rebooting after coming through the pandemic. You have different types of new projects, such as drama, comedy and factual content. Can you give us the numbers as well as a sense of how you are retaining and increasing employment opportunities not just for actors but for all the staff who are involved in making new content?

Steve Carson: I will take that one first. As I said, production for a number of planned pieces was paused last year. Scripted productions, such as comedy and drama, needed an insurance underwriting position to allow them to happen. That has now gone through, so production is returning in those sectors. Specifically when the pandemic hit, BBC Scotland and the rest of the BBC introduced a number of measures to support the wider creative sector and the crafts and skills that Sarah Boyack cites. The small indie fund, which is operated by the BBC, more than doubled and 18 Scottish indies were supported through that. Directly through BBC Scotland commissioning, we got a number of Covid-specific productions—mainly in the factual entertainment area, including "Socially Distant with Susan Calman"—up and running. There was a desire to serve audiences but also to get cheques to writers, artists and performers.

There were a number of sector supports from Screen Scotland, which put a freelance bursary stream in very early. However, the best support that we can give is working with people to get productions back safely. Again, I pay tribute to our teams in BBC Scotland and other independent producers for working out ways to get productions back safely. One example is "Scotland's Home of the Year", a very successful title that came through the BBC Scotland channel and was made by IWC Media. They managed to work out production protocols so that the programme could be made last year, and I pay tribute to everyone who worked through ways to do it safely.

More broadly, we support the BBC writersroom, and we have our own talent development initiatives such as "Float", which I have mentioned. Again, iPlayer and the BBC Scotland channel give us a chance to try things out that could go further.

Sarah Boyack: Over the years to come, is there scope for increasing the number of new productions in Scotland?

Steve Carson: Yes. As I said, the direction of travel in the BBC strategy is clear: across the UK, we will move more decision making and spend content being outside London, and we can see the direction of travel—excepting Covid—in Scotland over a number of years. The co-commissioning initiative that I mentioned is across Wales,

Scotland and Northern Ireland, and £25 million-worth of business is being co-commissioned. As I said, BBC Scotland has been trialling how to do that, so that brings more investment from other parts of the BBC into Scotland to create the content.

Sarah Boyack: Yes. It would be useful to get a sense of job numbers as well. Maybe you could write to us with those numbers after the meeting.

I have a different question for Leigh Tavaziva, about what the BBC is doing to address the challenges for different types of broadcasting, particularly the important role of public sector broadcasting, given that viewing figures for private online streaming services have rocketed during the pandemic. What consideration are you giving to accessibility and different ways of accessing BBC products? I am thinking of younger and older people in relation to the costs of accessing services through connectivity and broadband. What is being done about that at the UK BBC level?

Leigh Tavaziva: Of course, the BBC is absolutely clear on its public responsibilities with regard to our universality, because we bring a range of our services across watching, listening and, of course, our news programmes to all audiences across the UK, and that is critically important to us. I come back again to working across the UK and the focus on portrayal. Not only do we move money, power and decision making outside London; we also portray local communities across the UK. As a large public service broadcaster in the UK, the BBC has an ability to do that, which none of the global media organisations has.

We have colleagues in communities across the United Kingdom telling local stories. We need to do more of that and have more of that representation across all our programming and storytelling. That is what makes the BBC unique: it can be distinctive and different and tell these local stories. That is absolutely in line with our strategy and, fundamentally, that is what we believe that our audiences want from us as a public service broadcaster. Putting audiences at the heart of everything that we do and really understanding those needs must drive our decision making and, therefore, where we spend our money in meeting those needs.

Sarah Boyack: What is the impact on your future role of that shift and people's opting out and moving to private sector online streaming services, for example? What will the impact of that be on the BBC? It is hugely important with regard to accessibility. As I mentioned, the viewing habits of younger people, in particular, and perhaps older people as well—not to get into the detail of the licence fee—is an important issue with regard to cost and accessibility.

Leigh Tavaziva: I will use two examples that focus, in particular, on our younger audiences aged 16 to 34. Over the past year—comparing 2019-20 to 2020-21—despite the pandemic, we have absolutely seen a shift in our younger audiences moving from linear television to our digital channels. The growth in iPlayer use among those younger audiences more than offsets the loss of some of our linear TV watching among those younger audiences. However, your point about accessibility is correct and one that we accept: we have a digital divide in the UK. We have audiences who are unable to access those streaming services in the way that many others can.

A good example of our strategy to focus on that is our taking BBC Three back into the linear channels. We recognised the huge success and popularity of BBC Three and, very early on, we moved it to being an online channel. However, we feel strongly that taking it back to being part of linear television enables those who are unable to access streaming and download services through a broadband provider on their mobiles or any other device to access the channel. Bringing that channel back to linear television is an important example of how we are addressing the digital divide and ensuring that we can continue to deliver across the UK for all our audiences.

Sarah Boyack: Access to a digital connection is a crucial issue for people on low incomes and for older people, who might not have access to that. It is important that that is prioritised.

Jenni Minto (Argyll and Bute) (SNP): It is great to welcome both of the witnesses to the committee. I want to make a voluntary declaration that I worked for BBC Scotland—I left 11 years ago.

Steve Carson, you commented on the reduction in spend in BBC Scotland on production last year, which was due to Covid. However, if I have read the figures correctly, I understand that the number of hours of production still hit the target. Therefore, I am interested to know about the mix of commissioning. Were cheaper programmes commissioned in Scotland? You also note in your report—and you have said—that the BBC has committed to exceeding network spending targets in future years. Therefore, can you give us an indication of the programming types and timescales?

Steve and Leigh Tavaziva have mentioned on several occasions the plan to move commissioners out of the London metropolitan area. Again, I would like to know the timescale for that, if possible, please.

Steve Carson: I will address your middle point first. The projection that we are making this year is that the BBC as a whole will meet or exceed the network spending target for Scotland. We cannot be completely certain because we cannot be certain about what is going to happen with the pandemic that we are still experiencing. The commitment is to meet the target, which we believe we will meet or exceed this year and in future years. We saw that increase happening in the pre-Covid years.

Commissioning power is being actively worked on through the across-the-UK strategy. We are in close conversations with the BBC content division, which handles network TV, and the radio division about increasing the number of network commissioners we have who are based in Scotland—we already have a number of those. The co-commissioning work that I talked about is another way of increasing commissioning decision making without adding extra posts. We have a team of very talented commissioners in Scotland, and co-commissioning them has enabled them to make creative decisions that will have an impact on our services and across the BBC.

09:30

Covid played an extremely significant part in the drop in what we call BBC Scotland spend over the past year. In addition, some savings were made across the BBC, but Covid was the key factor there. You noted that, despite that, the number of hours that we delivered increased slightly. As you said, there were some genres that we could not maintain in production, such as the comedy "The Scotts"—it simply was not possible to film that last year. I am delighted to say that it is back now.

We expanded a range of other services. I pay tribute to the production teams involved for that. For example, we did things that we had not done before in religion. As you know, mosques, churches and temples closed. We quickly identified—it was great that it was done quickly—the spiritual need that existed. We put "Reflections from the Quay" on really quickly. For the first time, we live broadcast the service on the BBC Scotland channel.

On education—this goes back to the digital divide—when the schools in Scotland shut, within a week we put "Bitesize Scotland" on television to address that need. We knew that not every child in Scotland had access to a laptop or broadband, so feed over linear TV was part of that provision.

We also expanded the provision of news briefings and so on. As the figures in the annual report show, although the numbers on some genres, such as drama, comedy, entertainment, music and the arts, went down—that was purely Covid driven—provision in other genres expanded.

I think that we learned some useful lessons for the future. There was very strong public demand for the religious output, which complements what we do on Radio Scotland and through our religious programming.

Jenni Minto: I have some anecdotal evidence of that. Friends of mine and my mother were very appreciative of the religious output that the channel provided during lockdown.

You touched on what you have learned through the pandemic. On production, you mentioned quicker commissioning. I would be interested to hear you expand on what you said about that.

The BBC Alba channel started about 10 to 12 years ago—in fact, I think it was longer ago than that. Several times, you have mentioned BBC Alba's involvement in co-productions. I am interested in looking at the different ways in which BBC Alba commissions. It commissions pasgan agreements for bundles of programmes from producers, followed by top-up commissioning rounds. That allows economies of scale to be achieved for the broadcaster and the programme producers, and it allows them to plan their output. You could argue that it also reduces risk on producer and broadcaster. I would be interested to hear your thoughts on that model for the BBC Scotland channel and more widely across BBC Scotland.

Steve Carson: You are right in the point that you make. The BBC Alba channel is an extraordinary achievement, which has been led by our partners in MG Alba and our BBC Scotland team, headed by Margaret Mary Murray.

You are right that BBC Alba has a slightly different commissioning model in that it tends to do larger output deals with a smaller number of companies. I think that that has been an important part of developing what was a small Gaelic-speaking creative sector.

BBC Alba is a service within our portfolio that is provided in partnership. One of the things that we have done over the past number of years in BBC Scotland is integrate our radio, TV, online and social output so that our services are much more closely connected than they used to be. We used to have BBC Alba as a service, along with our other services. Through co-commissioning and co-production, there has been a significant increase in pieces that can run on either service. For example, traditionally, the TRNSMT festival was broadcast through our English language services, but it now also appears on BBC Alba for Gaelic speakers. We have increased the production of children's programmes on BBC Alba by more than 50 per cent, and we have increased news

provision at the weekends—I think that the figure is 25 hours a year.

It is a mixed ecology. Output deals have their place and provide underpinning for some parts of the sector. Through our other services, it is good to work with a plurality of suppliers—we work with about 80 suppliers. We want the best ideas for the audiences, first and foremost, and I think that we have managed to find a model, with partners such as Screen Scotland, which has been an incredibly successful screen agency for Scotland since it began a few years ago, that people are working well with and that brings a significant amount of co-production funding.

We recently looked at figures since the year in which the channel was launched. Some £10 million of licence-payer BBC Scotland investment has leveraged £14 million of investment from other sources. Therefore, £10 million from BBC Scotland creates a £24 million pot for content. That has been a very successful model.

Jenni Minto: I have a brief final question. I am interested to know whether the BBC Scottish Symphony Orchestra's performances have perhaps been impacted by the inability to get performers over from Europe. I appreciate that, with the Covid situation, there will not be many live performances, but what are you doing to alleviate any issues there for the future?

Steve Carson: I am glad that you pointed that out. Obviously, the BBC Scottish Symphony Orchestra was unable to perform for audiences over the worst of the lockdowns, but I am delighted to say that it is back performing now. I am looking at some requests this week. There have been requests to bring people in to do that. Obviously, the protocols on that are carefully worked through. Things have proven to be more complex during Covid, but we have found ways to work within Scottish Government regulations to do that. The SSO is now performing again. It had a very successful run at the Proms, and I think that it is performing later this month as well.

The SSO is an important part of what the BBC is there for in Scotland. It found ways to keep performing remotely through the worst of the lockdowns, and I know that it is delighted to be back and to have an audience.

Donald Cameron (Highlands and Islands) (Con): Good morning to the panel. I have a question about the future and public service broadcasting in general.

Ofcom produced a report this year that said that public service broadcasting faces considerable challenges and threats and that the situation has been exacerbated by Covid. In particular, those relate to rapidly changing consumption patterns and markets as well as competition, especially internationally. Ofcom made several recommendations to the UK Government in relation to modernisation. From a BBC Scotland perspective, do you agree with Ofcom's diagnosis? What observations do you have to make on the cure?

Steve Carson: I will lead from a BBC Scotland perspective; I am sure that Leigh Tavaziva will be able to give an overall picture as well.

Ofcom has rightly pointed out, and it is evident, that competition for screen time—that includes everything from gaming to watching subscription video on demand, such as on Netflix and Amazon Prime—is going only one way. There will be more and more competition, and the way to address that is to make really good programming on all services that appeals to all audiences. One of the key things about being licence-fee funded with a near universal fee is that something has to be provided for everyone. In the BBC model, all audiences are of equal value. Commercial broadcasters and subscription broadcasters cannot say that. Some audiences are more commercially valuable than others. The BBC's licence-fee-funded remit means that we look hard at serving all audiences in Scotland.

I think that Ofcom has also pointed out that, despite the competition in the market, so-called traditional broadcasting is still a very important part of the market. There are streamers such as Netflix and Amazon, but BBC iPlayer is a very successful and large Scottish and UK streaming service. I think that its future will be increasingly protected by technical rights issues. Members may recall that, under the rights agreement, we used to delete iPlayer content after 30 days. We can now keep content up for a year or longer, and that has already made a huge contribution to iPlayer viewing.

Linear TV is still very important. Ofcom's "Media nations: Scotland 2021" report, which was published in August, showed that people in Scotland watch an average of 3 hours and 39 minutes of broadcast TV every day. Young audiences also consume BBC content in large numbers, including in Scotland. Our reach for 16 to 34s across the BBC is still at 80 per cent per week.

There is more competition in the market. The licence fee funding model promotes universality and makes us think hard about all audiences all the time. I worked for semi-commercial broadcasters in the past and, as I said, some audiences were more commercially valuable than others. One of the wonderful things about working for the BBC is that we believe that all audiences have equal value.

Leigh Tavaziva: I will add a group perspective to Steve Carson's excellent comments. We absolutely recognise the challenging competitive environment in which the BBC now finds itself, competing against global media organisations that have much deeper pockets and far more money to invest than we have, and those organisations are investing considerable amounts of money. The BBC's strategic priorities are set with that clearly in mind. We must reform the BBC to enable us to optimise what we do and tackle that challenging environment.

We have set clear guidelines on impartiality, which makes us different and stand out. That is what you would expect from a large public service broadcaster in the United Kingdom. The BBC invests in great content, particularly content that is distinctive and that tells local stories across the UK. We are building our digital services. Steve Carson talked about iPlayer, which is doing incredibly well in its own right against large technology and media corporations. We must also build our commercial business in that competitive environment, which will, of course, lead to money being returned to the public service.

We welcome the discussions that the UK Government is entering into on how we ensure that public service broadcasters across the UK retain prominence. It is really important that people who pay the licence fee are able to access the services that they pay for. We also welcome the discussions on providing a level playing field so that public service broadcasters in the UK are able to compete successfully with their global competitors.

Mark Ruskell: I will wrap up on a couple of points that have been made. The Ofcom review suggests that there should be more of a spread of public service media across different providers. How would that affect the BBC's relationship with such providers? Its relationship with some online providers has certainly been a bit frosty. Would spreading public service media across different providers improve the relationship, or would it provide a challenge? Would there still be partnership, or would that lead to more competition?

Leigh Tavaziva: In any market, competition is incredibly important. It is important across the public service broadcasting ecology, so we value the fact that we have a range of public service broadcasters in the UK. That has been essential for some of the work that has driven the growth in the creative sector, particularly when it has involved working with independent production companies across the UK. Steve Carson spoke about BBC Scotland's relationship with more than 80 independent production suppliers in the UK, which we welcome.

We need to understand our priorities as a public service broadcaster in that environment. We must ensure that we focus on what our audiences want from us, on what makes us distinctive and on the role that we play in providing universal services to all audiences.

Steve Carson: I echo what has been said. I firmly believe that, from the Scottish creative sector's point of view, the more people investing money in content creation, the better. It is better for audiences and better for the sector that we are building together. For example, it is brilliant that Amazon is now shooting dramas in Scotland. The streamers say that they value the public service broadcasting ecology in Scotland and in the rest of the UK. They cannot do what they want to do without the broader public service media infrastructure that already exists.

Mark Ruskell: One part of that ecology, as you call it, is the Kelvin hall studio. What contribution do you think will be made through that capacity? How will it enhance the entire sector's ability to produce content in Scotland?

09:45

Steve Carson: Five or more years ago, there was a problem with broadcast infrastructure in Scotland, with productions unable to be brought in because of, for example, the lack of studio space for scripted productions. The Kelvin hall initiative, which, as you know, is funded by Glasgow City Council, Screen Scotland and others, will be developed over the next year, and the BBC's commercial studio production arm, called BBC Studioworks, is in very advanced discussions with the owners of the development to become the operator. Again, the BBC's intention is to go to the creative sector in Scotland as a whole. If, through our commercial arm, we can facilitate the addition of more studio infrastructure and encourage more productions to come in, that is a good thing. However, the Kelvin hall is being developed outwith the BBC. Broadly speaking, though, we have seen in the past few years the way in which new studio infrastructure has attracted additional content and demand into the sector.

Mark Ruskell: So the Kelvin hall has very much been factored into your strategic development.

Steve Carson: The Kelvin hall is being developed by Glasgow City Council and others, but the BBC's very clear cross-UK strategy is to move content creation to Scotland and other parts and nations of the UK outside London. That is part of what has attracted BBC Studioworks, the BBC's commercial studio production arm, to engage in very close discussions with the Kelvin hall developers.

Mark Ruskell: Finally, the metrics for the BBC Scotland digital channel that you have talked about this morning, such as the 2.5 per cent viewing share, compare very well with those for other digital channels, but does the fact that you are doing pretty well compared with those channels act as something of a comfort zone in which you think, "Everything's great"? What are your long-term aspirations for the channel? If, as I hope, they are about substantial growth, what will trigger that? Will it require a big drama such as the major hit "Keeping Faith", which originated on S4C and then went on to the BBC? Is it that type of trigger that will get more people to watch BBC Scotland or will it be, say, a big news event such as indyref 2? What drives that kind of aspiration? Is it more about slow, continual, moderate growth instead?

Steve Carson: You might well say, "Well, you would say that, wouldn't you?" when you hear this, but I would not underestimate the scale of the challenge that was given to Scotland and the wider creative sector in 2017 with the huge expansion to a very significant volume of hours—around 900—of original programming a year. We went from the previous boutique content creation system, in which we made a limited amount of hours for insertion into BBC1 and BBC2, to having a channel of its own standing. Other channel launches over the past few years have not gone so well, and the fact is that the channel was able to stand up, operate successfully and, as I have said, attract significant audiences. The audience shares of some of the terrestrial channels might be between 5 and 6 per cent, so our 2.5 per cent share is in industry terms a genuinely very strong performance.

You are absolutely right to suggest that nothing succeeds like success, and it has been important to have a number of big high-profile hits. In the factual genre, we have had big hits such as "Inside Central Station" and "Scotland's Home of the Year", and the drama-comedy "Guilt", which debuted on the BBC Scotland channel, has been an enormous creative success, attracting a significant audience on BBC Two and iPlayer and coming back for another series. The ambition is to ensure that we keep helping creative people in Scotland by backing their ideas and providing a pipeline so that we are not just starting off with, say, a network TV commission. We have eyes and ears on the ground all over Scotland to identify new talent and, with different initiative schemes and services, we can help that talent work through.

If the channel was a stand-alone service, you could argue that the fact that it was being viewed in Scotland was important in itself, but its availability on iPlayer, which is the distribution platform of the future, means that many people not only in Scotland but in the other UK nations can watch it. The overall ambition is to get as many people watching as possible or to reach small groups of people who very highly value a bit of content and then, through our very talented commissioning team led by Louise Thornton, to back talented people in making good programmes.

Mark Ruskell: So what will success look like? Is it about maintaining the 2.5 per cent viewing share?

Steve Carson: We have already exceeded Ofcom's reasonable projections. Ofcom had one projection for a channel with bigger budgets. I would like as many people as possible to watch channel content, either on the linear service or on iPlayer. As I mentioned, on our iPlayer performance, BBC Scotland-commissioned titles have more than doubled since channel launch and again grew strongly last year. It needs to have a certain scale and size to stand up as a service, which it does. Equally, as you say, it is about generating stuff that has high impact and means a lot to people.

I would say this but, if you look at awards picked up over the past number of years, in the broadcast digital awards last year, BBC Scotland titles won best drama and best documentary, which are the big competitive categories.

Dr Allan: My question is again for either or both of the witnesses. You rightly mentioned that a public service broadcaster can do certain things—such as providing a variety of programmes—that, for example, Netflix cannot or does not do. How much pressure is the BBC feeling from the competition with platforms such as Netflix, and how does that apply to different age groups, particularly younger age groups? On a related point, how does Scotland compare with other parts of the UK for people in essence opting out of the BBC altogether?

Steve Carson: I will start by speaking about Scotland, and Leigh Tavaziva can give you the overall BBC picture. As Leigh said, competition in any market is good, and creative competition is really good, because it keeps everyone on their toes. We have seen a rise in production values in Scottish and British broadcasting over the past decade.

It is not just young audiences who are accessing subscription video on demand in large numbers—that middle cohort of 35 to 54-year-olds is increasingly adopting the same patterns. However, 16 to 34-year-olds still turn to the BBC and BBC Scotland in significant numbers. As the annual report points out, 16 to 34-year-olds still spend seven and a half hours a week with the BBC, although that is lower than the number for over-55s.

In Scotland, we have a distinctive story to tell. We have unique services for young people such as "The Social", "Short Stuff" and other things that I have mentioned. Forgive me for being slightly wonky, but the channel has a significant 16 to 34-year-old age profile. It has a unique reach of 1.7 per cent of 16 to 34-year-olds, which means that 1.7 per cent of 16 to 34-year-olds in Scotland watch the BBC Scotland channel and no other BBC TV service. That means that we are bringing people into the BBC portfolio.

There are challenges with young audiences, and they have been there since I started in broadcasting 30 years ago. We fight hard at this, and we still have reach into and relevance with young audiences.

Leigh Tavaziva: We care passionately about our audience reach, and digital services provide some challenge to that. However, we need to remember that 90 per cent of adults, and 80 per cent of 16 to 34-year-olds, use the BBC services on average every week. If we look at that over a month, we are getting much higher figures for that. Therefore, we remain the most used media organisation in the UK.

Through the pandemic, we were able to further demonstrate the absolute core essential of our mission, which is to inform, educate and entertain. We were able to maintain that broadcast resilience at a time when we were seeing unprecedented closures in the economy. It was essential for us to continue to inform; we had our lockdown learning for children who were no longer at school; and we continued to entertain. I am sure that many of us will remember the great entertainment that we received from "Strictly Come Dancing" at the end of last year. Those things were important to the public and to audiences.

However, we are not at all complacent about the challenges of the global media organisations in the digital environment. As I have explained, we believe that our strategy is the right one. We have a clear plan, and if we follow through on it, which we absolutely intend to do, that should put the BBC in a brilliant place for its future.

Jenni Minto: I have a quick question that follows on from what Steve Carson said about the audience age range target for the BBC Scotland channel. How is BBC Scotland progressing on its diversity targets, both in front of and behind the mic or camera? I am also interested in the other big news story that hit the BBC, which was about equal pay.

Steve Carson: On equal pay, the BBC as a whole, over a number of years, had hundreds of cases, but we are now down to low single figures. It is difficult to talk about that in any more detail without running the risk of identifying individuals, but the overall gender pay gap—that is not the same issue as equal pay—has been reduced to, I think, 5.1 per cent. There should not be any pay gap, but that is a lower figure than that in the wider industry.

Diversity is incredibly important. Looking at everything through the audience lens—many of us can identify with this—we can see that we cannot properly serve audiences if they do not see or hear on screen people who live near them, look like them and sound like them. Crucially—this has been the key thing—the people who are making the programmes need to follow that. Many of us grew up in a time when there was not many people from Manchester, Northern Ireland or Scotland being represented as often as they could have been on local services.

The BBC has announced what is called the 50:50 initiative. BBC Scotland is working through that and modelling carefully how we get more people from black, Asian and minority ethnic backgrounds and disabled people, and how we make sure that our gender split is 50:50. We are starting from a position of strength in some of those categories. It is a challenge, but it is an important one, because the people who make the programmes—the people who work directly with the BBC—reflect the audience as a whole. That is a very targeted programme which, working with our head of human resources, Joti Singh, over the next few years, and all our hiring managers, will make sure that we achieve that target.

The Convener: I will finish with a final question on the back of Ms Minto's. The BBC strategy says that one of the BBC's purposes is

"To reflect, represent and serve the diverse communities of all of the United Kingdom's nations and regions and, in doing so, support the creative economy across the United Kingdom".

The creative economy is very important in Scotland. As we move towards a wellbeing economy, culture will be at the heart of that. BBC Radio Scotland made some big changes in approach to some of the lunchtime programmes. Popular segments such as the newspaper review were removed. There was a change in the make-up of programmes, particularly phone-in ones. This is a personal observation, but it seems to me that, quite often, the ordinary members of the public who are on such programmes are the same people over and over again and are not a very diverse group.

I also want to ask about the opportunities for new programming. Dr Allan was talking about programmes such as "Tutti Frutti". In the past, many of the BBC's drama productions and other screen productions came from radio. Will there be opportunities for new talent? Will new music talent

be showcased? Will there be new drama and new opportunities for people on BBC Radio Scotland?

Steve Carson: You are right that we have made several significant changes to schedules. We changed programmes at breakfast, lunch time and drive time early last year, just before lockdown. From the audience response, you can see that our services, including digital streaming, have been important. During Covid, all those services have been so vital, including our online services. We had 37 million requests to view our page on Covid in Scotland.

Unfortunately, we cannot measure our normal radio figures, because during lockdown the RAJAR—radio joint audience research—measurement tool, which involves contact, had stopped. I am delighted that it has started back up again.

I will take away your comments about the contributors on our phone-ins and discuss them with the production team.

As you said, radio drama has been a very good place to develop new drama. We have a very successful radio drama team in BBC Scotland, which makes a lot of networked radio dramas. It has recently won a significant podcast award.

There are other pipelines in which to develop; iPlayer is a new pipeline for the development of TV drama that obviously was not there a few years ago. The series "Float" that I mentioned came through BBC writersroom and is made in partnership with Screen Scotland.

Music is an incredibly important part of our radio portfolio. We have "BBC Music Introducing", for new music. How we are organised is that we have multiplatform production teams. In our digital strand, "Loop" and "TUNE", which are about the arts and music, exist for younger audiences in the social digital space. We can put such programmes on TV on the BBC Scotland channel.

Arts and culture are incredibly important to all audiences in Scotland, not just the wealthier audience. There is fantastic innovation in Scottish music and the arts, and we have a range of services that cover that. We are always looking at that and seeing what we can do to identify and nurture talent at all levels.

The Convener: I thank you and Ms Tavaziva for your contributions this morning. I suspend the meeting for five minutes while witnesses are swapped over.

10:01

Meeting suspended.

10:05

On resuming—

Pre-Budget Scrutiny: Culture Sector Funding

The Convener: Welcome back. Our next item is pre-budget scrutiny of culture sector funding. As part of its pre-budget scrutiny work, the committee is looking at the continuing impact of Covid-19 on the culture sector and its longer-term future.

This morning, the committee will hear from Paul McManus, negotiations officer for Scotland at the Broadcasting, Entertainment, Cinematograph and Theatre Union, and Barry Dallman, acting regional organiser for Scotland and Northern Ireland at the Musicians Union. I welcome them both to the meeting and thank them—and others—for the written evidence provided for today's session.

Given the time constraints, we will move straight to questions. I note that Ms Boyack is appearing remotely. I remind members to direct their question to a particular witness. That will be helpful.

Donald Cameron: Good morning, panel. My question, which is for both of you, is about the emergency funding that has been distributed to the culture sector over the past year or so. For example, a month ago, £17 million was distributed through Creative Scotland. Is that funding reaching your members, either directly or indirectly?

Paul McManus (Broadcasting, Entertainment, Cinematograph and Theatre Union): In some respects, it is, indeed, reaching the members; in a lot of respects, sadly, it is not. A great many freelancers and people working under various arrangements in the live events and theatre sector still desperately need support and have not got it. There have been some issues around people falling between EventScotland, Creative Scotland and Screen Scotland, which has led to a significant number of gaps.

Very often, funding has not reached people who are more theatre based. Employers are relying on the furlough scheme. A number of organisations have used emergency funding to future proof their box offices rather than support staff.

Barry Dallman (Musicians Union): I broadly agree with what Paul McManus said. The hardship funding for creative freelancers provided through Creative Scotland during the pandemic has been an essential lifeline for some of them. However, for various reasons to do with the nature of their portfolio careers or the way that they operate, many of our members have not been eligible for it.

I agree that the emergency funding that has gone through institutions has not necessarily been used in all cases to support workers. Of course, freelancers have been disproportionately affected because they were not eligible for the furlough scheme.

Where members have received the funding that has been made available, it has been absolutely essential for them. Unfortunately, however, a lot of people have been excluded due to the way that things have been implemented—particularly by the Westminster Government, but also simply because of how things operate and the rules around access to funding.

Donald Cameron: Is there a tension around funding going to organisations—be that theatres or whatever—and not to individuals? Is it a difficulty that funding might go directly to a small local organisation and therefore not reach individuals?

Paul McManus: In my opinion, it is more to do with the criteria around what the funding can be used for and the way in which it is monitored and managed. There was a clear intent on the part of the Scottish Government to try to support freelancers. We saw organisations such as the Royal Lyceum Theatre Company immediately engage in wholesale redundancies, but during Covid it then started to hire freelance designers and directors more than it ever used them in the past. On the face of it, it was saying, "We're supporting the freelance community." We said, "You never used that many freelancers in the first place." Staff lost their jobs and some freelancers gained more work out of it. We feel that the monitoring of the way in which the money was used was perhaps not as robust as it should have been.

Having said that, I think that there are clear examples where theatres supported their staff 110 per cent and there have been zero-hours contracts for freelancers all the way through. It was really left down to the ambitions and intentions of the organisations themselves as to whether they used the money to the benefit—in our view—of the workers and the staff or not.

Barry Dallman: I agree that the picture varies from organisation to organisation. It is very difficult to move at speed and get the money out there that we know is needed, but also to properly dictate what should be done with it and how it should be used.

My membership is slightly different from Paul McManus's in that he has slightly more employed members than I do. My members who are employed are mainly orchestral musicians or teachers. Generally, the orchestras in Scotland have looked after the musicians very well. The majority have tried to take care of their employees, and in some cases they have gone beyond what they were legally obliged to do, even when implementing the furlough scheme.

The problem for those organisations has been where they regularly work with freelancers. For example, a symphony orchestra will supplement its core players as needed depending on the nature of a production; it will bring in extra players where a bigger orchestra is required and use freelancers to cover absences from the core team. During the pandemic, that has not happened at all, so those freelancers are not getting the work that they need. Some orchestras have given freelancers some support, but the money that is given to orchestras is not there to support freelancers and they will obviously look after their primary responsibility, which is the orchestra and its employees.

My members' situation is slightly different, but I agree with the premise of the question. There is sometimes tension between funding that is given to organisations and how that then translates through to the workforce. However, the key point is probably the one that Paul McManus made: it happens on an organisation-by-organisation basis and it is hard to make generalisations because the picture has been different across the country.

Sarah Boyack: It is good to have you both with us. I want to follow up on the point about people losing their jobs over the past year when live performances had to stop entirely. Do you have a sense of how many people we have lost from the arts and culture sector? There have been press articles about freelancers not getting support and having to go and get other employment.

Paul McManus: There is as significant a problem with staff as there is with freelancers. The position for freelancers has been fairly straightforward in that there was no work for any of them and they were all scrambling about trying to access the emergency support that was available. The bigger issue that the culture sector is facing is to do with encouraging staff to come back. The Playhouse was aiming to do a show on a Sunday and it was 90 staff short of the number that it would have needed if the performance had gone ahead. I spoke to a deputy chief electrician yesterday who said, "When the furlough scheme ends, I'm not going back. I make more money driving for Just Eat than I ever made working in the theatre, and I get my weekends off." That story has been repeated thousands of times.

10:15

Theatre employers across Scotland have said that they are having to advertise to open a brand-new theatre. Thousands of people, both freelancers and staff, are being lost to the industry;

indeed, a great many freelancers have moved into film and TV or other industries, and I have just mentioned that I have had a number of conversations with people who are much happier driving for Amazon or Just Eat. They love the theatre, but they do not want to go back to its low-pay, long-hours culture. In short, the biggest single challenge facing the cultural industries just now is probably the loss of staff.

Barry Dallman: I agree with that. It is difficult to put a number on how many people have left the profession; we do not know that and, in fact, will not know for some time, because things are still not operating as normal.

According to a UK-wide impact study that we carried out with our 32,000 members back in September 2020, a third of musicians—around 34 per cent—were considering leaving the industry completely, because of the financial hardship that they had suffered, and 70 per cent were unable to undertake more than a quarter of their usual work in 2020. Moreover, nearly half of them—around 47 per cent—had been forced to seek work outside of the industry. That was back in September 2020, and then we had a subsequent lockdown in January that will only have exacerbated the situation.

From my members' point of view, the music industry has not seen too many redundancies. Fortunately, many orchestras are publicly funded, and they have been able to access Government support schemes to keep people employed. However, freelance work has been completely decimated, and it is not clear how many of those people are going to be able to return, how many have managed to hang on and how many of those who are able to come back will do so in the same capacity or will work part time in the industry.

It is going to take some time before we see the real impact of the skills drain on the cultural landscape, given that it affects everyone, including, for example, people who provide instrumental lessons to children in schools as well as quality freelance orchestral players, as a result of which the country's symphony and other orchestras cannot get the quality of players that they need. The knock-on effect is unknown, but it is there and real and we are going to experience it in years to come. It is just very hard to quantify at the moment.

Sarah Boyack: The two of you have spoken very eloquently about the short-term crisis, but thinking about this year's budget, I note that there are, as you have highlighted, issues with venues as well as performers and all the staff needed to put on performances. Having met organisations such as Culture Counts and the Night Time Industries Association, I know that they are all very focused on what has to be done next. What are your thoughts on that? The issue of school tuition relates to local authority funding, for example. Does something need to be done about how employment is structured if we are to attract people into the industry or ensure that people stay in it?

Moreover, what about the debate over the percentage of funding for the arts? I see from one of our briefings that the Scottish Government spends 0.2 per cent on culture. Do we need to change how money is spent, and do we need to invest more? I would be interested in hearing both witnesses' views on that.

Paul McManus: There needs to be a fundamental rethink of how the cultural industries are supported. With the recent announcements, there have been a great many meetings with civil servants over the past week and, universally across the live events and cultural sector, the issue that has been pretty much at the top of the agenda has been staff shortages at all levels, whether it be front-of-house staff, stewards, technical staff or freelancers. As I have said, we need a fundamental rethink of how those industries are supported.

We would like longer-term funding, and we would like a significantly greater percentage to be spent on culture. In the live arts, theatre is very much at the bottom of the food chain. People are working for minimum wage for long hours and on zero-hour contracts—even the permanent employees are at the bottom of the food chain. A great many of them have seen the rapid expansion of film and TV and have taken their skills into that area, where they can work significantly fewer hours and earn two or three times the amount that they earn in theatre. Live events are facing a slightly different challenge, because many of the problems that are coming for them are driven by Brexit, although I will not sidetrack you into that discussion just now.

We would like the Scottish Government to become much more focused in how it supports organisations. It should stop trying to give everybody a wee bit to help them get by and should really sit down and support training and reskilling initiatives in a strategic way. At the end of the day, the Government has to deliver on the fair work first principles and help to drive up wages and conditions to acceptable levels, never mind high standards. If the Government does not do that, there will be a constant struggle. We need more focused longer-term support and significantly more support.

Barry Dallman: Again, it is hard to disagree with anything that Paul McManus said. There are two priorities. The first has to be to retain the people we need in the industry. One key thing that I stress is that, although certain things are now

happening again—events and live performances are happening, and theatres are reopening—it will be a long time before freelancers can build up the portfolio of work that will allow them to be financially sustainable in the way that they were before the pandemic. Let us not kid ourselves: many of them were not making huge amounts of money then—they were barely scraping by.

If we want to support the sector, we cannot take the view that, now that things are opening and people can work again, it is all fine and back to normal, because it is not. If we do not provide immediate short-term financial support, particularly for freelancers, we will see continued hardship and people continually leaving the sector, with the skills drain that we talked about.

A commitment to approaching things in a long-term manner would be helpful. Part of the problem at the moment with the sector in general is a siloing of different activities because they are assigned to different budget holders and money comes from different places. For example, what we might choose to do in music education is often not tied in with what we do on cultural events or music tourism. A more integrated approach between all the funding bodies or budget holders, based on what we want the industry or cultural sector in Scotland to look like in 10 or 20 years and on a more holistic big-picture view, would be helpful so that all the individual parts can work together to deliver that.

Whether we are talking about local authority funding for things such as the youth music initiative, which is funded through Creative Scotland and provides music provision for primary schools, or funding for orchestras and theatres, the funding is very much done on an annual basis, which makes it difficult for organisations to plan ahead. We find that, even where people are employed, they are on short-term contracts because organisations cannot guarantee the position next year, as their funding is for only 12 months, after which they have to go through the reapplication process again.

The youth music initiative is a good example. Some programmes have been running through local authorities for 20 years but, every year, they have to go through the reapplication process. That creates uncertainty and short-term thinking in the way that things are done.

Longer-term planning, with guaranteed funding over a longer period, would allow publicly funded organisations to be more resourceful and make more money, because they would be able to plan further ahead and would not constantly worry about whether they will have the money to do whatever it is that they want to do the following year.

It is also key that fair work principles go to the heart of the cultural landscape, and that will certainly require a commitment to more spending. Recently, I have been involved in meetings in which officials have talked about how we implement fair work. It is clear that we will have absolutely no chance of persuading commercial organisations that they have to adopt fair work principles if those principles are not being adopted by publicly funded organisations. When public money is being spent, we need to ensure that people who are engaged through publicly funded organisations or schemes are paid fairly and that the conditions are as they should be, with people having job security and the adoption of all the other principles of fair work. That will require increased resources.

We have talked about what happens to money when it is distributed to organisations. Part of the problem is that organisations such as Creative Scotland do not have the resources, the remit or the instructions to follow up and ensure that money is being spent as it was purported that it would be. There are no checks and balances to prevent organisations that secure public funding through an application from choosing to do something slightly different with the money or from not paying workers what they said they would.

A more holistic view should be taken. Longer-term funding should be provided, with fair work at its heart. The Government should commit to providing the money to ensure that that is possible. That is what we need, as well as more integrated communication between the bodies that are responsible for funding the cultural landscape.

Sarah Boyack: That was really helpful. In relation to longer-term planning, certain types of cultural performances move around the country, so venues will be thinking about not just this year but the next two years. The point about the public sector needing to think about longer-term funding, whether it be for three years or five years, was very well made, and the committee will reflect on that.

Sue Webber: When I was looking through the submissions today, I noted that Mr Dallman suggests that there

"could be a 3-year recovery cycle"

for the UK music industry. If you have been listening to the news, which I am sure you have, you will know that, later today, the Scottish Government is likely to vote for the introduction of vaccine certification. How will that impact on your sector's recovery? What will be needed to compensate for, provide financial support for, implement and manage a system in which passports will be needed for access to venues and live events?

Barry Dallman: It seems likely that there will be such a system in Scotland. The Musicians Union is not, in principle, against additional measures at festivals, concerts and other events. Our big concern with vaccination certification is that it could be discriminatory. We hope that any such measure that is introduced will allow people to show proof of a recent negative test, through the use of on-site testing or whatever, so that people who are unable to be vaccinated due to underlying medical conditions, for example, are not excluded from taking part in cultural activities.

In relation to what the industry needs, the problem is that festivals, venues and events will be responsible for checking the certification and dealing with people as they arrive, and in terms of security, administration and staffing levels, that will put increased costs on those events and venues at a time when they are already struggling massively. There is concern about how the scheme will be implemented and what support will be given to them to allow them to carry out the Government's instructions if the proposal is agreed by Parliament today.

10:30

Paul McManus: As Barry Dallman outlined, there are obvious logistical challenges to implementing the proposal. The consensus and feedback that I have heard from members asks why it will apply just to events involving over 10,000 people. If I work in a theatre that has 1,700 people in it and I have no idea whether those people are vaccinated, infected or anything, why am I not protected by having to check for Covid vaccinations? Why is there a difference between nightclubs and other sectors? Surely, if it is a good principle, it should apply to everybody. Undoubtedly, the proposal will add logistical challenges, but the Scottish Government could help significantly by working with the industry to come up with whatever technical solutions are required to make it as seamless as possible.

In line with comments that were made earlier, the Government also needs to be more robust in any support that it gives. For example, the Ambassador Theatre Group received £300,000 in emergency funding at the time when it was trying to drive through reductions in the terms and conditions of employment and laying staff off. That company makes £20 million a year in profit. A great many of our members have asked why we have forgotten all the profits that the companies made in previous years. Surely, they should put their hands in their own pockets. Some hugely successful commercial organisations, including across football, live events and culture, should have to bear some of the cost and inconvenience. It is a public health issue, and if people have to queue a bit longer or it costs a bit more to get them in and there is a bit of hit to profits, that is a price worth paying to ensure people's safety.

The fear of Covid is a big factor in people not returning to the cultural industry. They have gone from being at home and working online to suddenly being faced with going back into buildings where there are 500, 1,000 or 2,000 people. The stress of that is a big factor in people not returning to the industry.

Sue Webber: Have you been consulted at all on how the enforcement and checking will take place? Have you had any discussions with the Scottish Government on that?

Paul McManus: I have been in four meetings with the Scottish Government since the First Minister's announcement about the proposal. So, yes, we are being consulted extensively on it.

Sue Webber: The BECTU submission speaks about how the expectations and ambitions of your workers across the sector have changed significantly. I assume that that relates to the fair work principles that we have heard about. I am looking for a bit more detail on the specifics behind that statement, because you also say that

"the essence of the industry is the 'Live experience' and that is unlikely to change".

Is there potentially a conflict between consumer expectation and workers' expectation in relation to fair work principles? How might that hamper or be an opportunity for your recovery?

Paul McManus: My understanding across the live events and theatre sector as a whole is that organisations just want to get back to doing what they have always done—getting the doors open and the public in. They do not see any significant change in trends; they believe that the public wants to get back in and see shows.

The issue that you raise has to do with the fact that theatre and live events staff do not want to work in the industry any more. Their expectations have changed, as have the expectations of many people across many other sectors, such as hospitality. Regardless of whether the Government puts more support on the table or changes its approach, the industry will need to change its approach. There are theatres and venues that cannot function just now because the staff are not returning or the freelancers are not available to service their needs.

As I said, the Playhouse wanted to do a show on Sunday but it was 20 staff short. There would have been chaos if it had tried to go ahead with the show. Other theatres around the country—producing theatres and rural theatres—just do not have the staff. That is going to be an issue for us, and shows are going to be affected. People are

now coming to that realisation and starting to have conversations about how much they need to increase the rates of pay and improve employment conditions in order to get people to work for them. That conversation is going on just now, but the big commercial operators are saying that, in essence, they will plough on regardless and will not improve terms and conditions. They spent most of the pandemic trying to reduce them, so there will be real tensions around that.

Regardless of what we think or what the Government does, that is a big issue just now. The Government can help to alleviate it, but it needs to be addressed urgently. Theatres, live events and nightclubs are facing these problems right now.

Dr Allan: I want to ask Mr Dallman a question about an issue that his and other organisations have raised in the past—namely, the impact on their members of the loss of freedom of movement around Europe. I imagine that, to some extent, the situation varies from one European country to the next, but I do not know. What is involved in artists in Scotland seeking to work in the EU now? Please give examples, if possible.

Barry Dallman: I would love to be able to answer that question with 100 per cent certainty, but the problem is that there is still a huge amount of uncertainty about exactly what is required for musicians and artists on tour. It is another time bomb, and the only reason that it is not a bigger issue at this stage, following our withdrawal from the European Union, is that Covid has kept everyone from touring. As we emerge and as live music continues, we hope, to be allowed to resume, people will want to tour but they will find that there are huge problems and barriers that did not exist previously.

I stress that it is not just about the freedom of movement of individuals in order to work. At the moment, every European country will have different requirements with regard to visas or work permits, and it is not always clear what those are. We are continually pressuring the UK Government to get a reciprocal agreement with the EU to allow musicians on tour to move freely between those countries. However, as I said, it is not just about the individuals themselves. It is about the vehicles that they take to transport their equipment; it is about the equipment that they take and customs regulations; it is about cabotage rules, which involve transport vehicles and whether their transit van, for example, can cross more than one border on a tour; and it is about what is required in terms of customs paperwork for taking their merchandise to sell. It is about all those other things, which are now problematic, post-Brexit, but which were not problematic previously. Those are huge threats to the touring industry and they are hugely restrictive. It is going to be a real problem.

Yes, the issue of freedom of movement for people is massive and we desperately need a reciprocal agreement on that, but that alone will not solve the problem. For touring musicians, there is a host of other factors that we desperately need the Government to start to address, otherwise the situation will be prohibitive and a whole chain of events will be set in motion by the continuing impact on the industry, including loss of reputation. The UK is one of the only net exporters of music in the world, but that will be seriously under threat if UK artists cannot tour the EU. Because of the size of the UK as an island and the number of people and venues in it, the EU has been our domestic market, if you like. Being able to travel freely and play in those countries has allowed musicians to build up a fan base and become self-sustaining in ways that they cannot do as things stand. That is a massive threat. It will cause huge problems down the line, and we desperately need something to be done about it as soon as possible.

Dr Allan: My next question is related to that. Are there funding streams from the European Union that you accessed in the past but that you think you will not be accessing once you get back to touring? I am thinking of things such as the Creative Europe funding stream. Is that a major consideration for you when you are planning ahead?

Barry Dallman: It depends on the levels and artists. The problems around the increased administration costs and the red tape of touring will not affect the top-level artists. Household names will put two or three pounds on to the price of an already three-figure stadium concert ticket and that will cover it. It is the grass roots—the emerging artists and the bands that have a domestic following but that need to get out to broaden their fan base and develop their audience—who will be reliant on funding and support mechanisms to allow them to tour in order to build up a reputation and a fan base. Those funding sources might well be significantly reduced through Brexit. That is certainly another factor that will make it harder for people to tour.

Jenni Minto: Thank you for joining us. The session has been very informative.

To follow on from Dr Allan's questions, I am interested to hear a bit more about the touring that we will—we hope—be able to start seeing happening in Scotland and about your thoughts on the fund that the Scottish Government introduced through the programme for government to get musicians and theatre companies out to more rural areas. They, too, are crying out for much more culture and creativity to come back to them.

I live on Islay, where the very successful Cantilena festival brings in young musicians. I am

interested to hear what the MU is doing to support young musicians again. It is clear that, through lockdown, their education will have been taking place in their own rooms and online. What support structures are needed to ensure that the throughput of emerging artists in Scotland continues?

Barry Dallman: That is a very big question. You are right in saying that music education was much harder to access during the pandemic. As a union, we tried to support our members who teach by giving them advice about providing lessons online, advocating for online lessons, encouraging schools to move their peripatetic tuition online, and helping teachers to have the equipment and training that they needed in order to carry out lessons safely and effectively.

The digital activity that has come about because of the pandemic will probably be one of the few upsides and positives of it in that people are now much more familiar with using technology in that way. They are much more open to the idea of working remotely. For musicians and students in rural areas, in particular, who might not have local access to teachers of the quality that they need or musical activity that they can see physically in person, a greater emphasis on the digital side of things can help to join the dots a little more.

I agree that it is hugely important that, regardless of where a person lives, they have access to cultural experiences, because those experiences can inspire or light a fire in them and set them on the path to becoming a professional musician, actor, artist or whatever. Many of my friends who are musicians were inspired by seeing a particular orchestra or band, or by being taken with the school to see a production. Suddenly, a world that they did not even know existed was opened to them. Therefore, it is vital, particularly when there is a concentration of activity around major cities, that the Government tries to encourage the taking of that activity across the whole country so that access to such opportunities can be provided to as many people as possible without their having to come to the cities all the time. I support such initiatives.

I think that the digital access is good and that we should look at expanding it to join the dots, but there is no substitution for the in-person experience. We need to focus on that as well, and I thoroughly support that.

10:45

The Convener: Mr McManus, do you want to come in on that subject?

Paul McManus: Yes, please. The issue goes back to what we were talking about—the provision of funding to support rural and outreach work and the need for strategic thinking. Eden Court, in Inverness, has a long history of doing very successful outreach work in the Highlands and Islands, yet it has had to scale back that work in recent years because of local authority cutbacks.

Therefore, although a number of organisations have ambitions to do such work and to support it on an on-going basis, they face two challenges: constant local authority cutbacks and the annual funding cycle. That is particularly the case for smaller organisations that support such work. In my submission, I mentioned the divisions initiative. Our managers spend half the year lobbying for public funding to support the following year's work. That public funding sits in somebody's bank account for four, five or six months until we get it agreed, and then we have four, five or six months in which to spend it, after which the whole cycle starts all over again. More strategic funding would allow people to spend less time and money on administrative processes and more on supporting the delivery of such viable initiatives.

I would like to make a quick point about the question about the European situation. For every musician who goes off to tour round Europe, there will be anything from 20 to 200 support staff—truck drivers and all the rest of it—who go with them. The UK is a net exporter of that talent. A great many of the bigger American companies come to Scotland and England, pick up their whole crew—because they prefer to work with English-speaking crews—and take them around Europe. Equally, many of our members do not go with just one band or one act, do a tour and come home again. There are integrated networks with European companies that mean that they spend between eight and 10 months a year touring round Europe. When one act finishes and heads home, they join another tour or another company. Their whole working lives are planned in that way. Those people are now moving to Europe or have left the industry because they think, "If I've lost nine or 10 months' work, I'm not going to get that work back in Scotland."

That goes across television as well. With all the sports coverage—the coverage of formula 1, the golf, the tennis and so on—it tends to be the same crews that follow the tour. That talent has been lost—those people have now moved to Europe because they thought, "I can live without the couple of months' work that I got in Scotland, but I can't live without the 10 months of work that I got in Europe and the middle east." As a result, they have relocated.

As Barry Dallman said, that train has already started. Since January, we have seen the big crew companies in Europe—which are primarily in Holland, Germany and Poland—advertising for their normal levels of crew and saying, "UK

passport holders need not apply." That has affected hundreds of members in Scotland and thousands across the UK.

Jenni Minto: You have painted a very stark picture, Mr McManus.

I would like to move back to the issue of tours. We have festivals that have musicians coming across from Europe. I would like to hear your thoughts on how the present situation is impacting on the work that our musicians are doing. I have heard from musicians that they are concerned about the creativity that is brought about by their ability to spark off people from other traditions and countries across Europe. Looking at the funding, is there anything that we can do to support them in that regard, following on from what Dr Allan was saying about us losing access to Creative Europe?

Paul McManus: We expect that the costs of those festivals will increase and that the quality will decrease. As Barry Dallman pointed out, the bigger European acts might well be able to afford the increased administration costs of moving between Europe and the UK, but the smaller acts—the ones who are trying to establish themselves and who are the kind of acts that you would see at festivals across Scotland—will just not come to the UK, because it will be too costly and will involve too much administration. As Barry Dallman said, under the current rules, the logistics of trying to get a Transit van's-worth of gear across Europe and into the UK are daunting. The feedback that we are getting from a lot of colleagues in Europe is that they are just not going to come here. Therefore, you will either need to find a lot more money to hire the bigger acts that can afford to come or you will lose quality.

The other impact that a lot of music promoters are talking about is that, if artists choose to come from Europe to the UK, we will not get the same experience as people in Europe will get, because the artists will be flown in to perform on a bare stage with a few lights. They will not bring their whole experience with them into the UK because it is prohibitively expensive and logistically impractical to do so.

Barry Dallman: Exactly. The key issue at this stage is not so much about funding—I think that that is something that will need to kick in a little further down the line. At the moment, the key problem involves the logistics of getting people in and out of the country to perform, which is important in terms of the ability of Scottish festivals to book European artists to perform on their bills and provide that access to the live experience that we talked about before as being transformative and vital in inspiring the next generation of artists and musicians. That is going to be more difficult now.

Simultaneously, Scottish and UK artists are going to lose out in terms of opportunities to play at festivals and events in Europe, because it will be harder to book musicians from this country than it is to book musicians from other countries in Europe—it is just easier and cheaper for those festivals not to bother. That reduces the opportunities that are available for everyone: it reduces access to music and performances for audiences in Scotland and it also reduces opportunities for musicians to play abroad.

In terms of collaborations, digital technology has allowed people to start working with musicians in other countries very easily, and, after an initial digital collaboration, many musicians have gone to gig in EU countries with the artists they have been collaborating with, but they will probably not be able to do that now.

If we do not get some resolution on making it easier for people to move and work in this industry, we will find that the industry will become smaller, more isolated and more insular, with fewer opportunities, and that will have a damaging impact on the financial aspect and the broader cultural aspect in terms of the valuable role that the culture and music sectors play in our society.

On funding, even with some better reciprocal agreements in place that might reduce some of the logistical issues that we have been talking about, it will undoubtedly be more expensive for artists to tour Europe, regardless of what agreements are in place. There will be administrative requirements that they will have to fulfil and it will be logistically more difficult for them to do so, so it will take more time and more money. Again, as we have been stressing, it will not be the household names that will be hit but those artists who previously would have been at that stage in their career where they had to go to Europe and develop a fan base abroad. They will just not be able to do that now.

The Scottish Government could help by providing some funding to make touring easier and to offset some of the costs. UK Music has been calling on the Government to set up a UK music office to help export music, and some ring-fenced funding from the Scottish Government to help touring musicians in Scotland would do something to help, too. These people are going to need support if it reaches the point where touring is not viable for them, and that is where the Government can help. The bigger problem for Scotland, though, lies with the UK Government and the reciprocal agreements that we need to make it easier for people to move and work in the first place.

Mark Ruskell: Those answers have been really interesting in highlighting the pressing problems that you face at the moment.

However, I want to pull back out to the bigger picture. Scotland's national performance framework has four indicators on the dashboard for measuring our cultural health: attendance at cultural events; participation in activity; growth in the cultural economy; and the number of people working in arts and culture. Are they adequate in describing or showing us the health of the sector and our cultural health more broadly? Looking at your submissions, I have to wonder whether the metric with regard to the number of people working in arts and culture, in particular, adequately describes what is going on with regard to fair work, insecurity of contracts and other such issues. Could that be improved, or are the metrics on that dashboard the right ones to be thinking about as we recover from Covid?

Paul McManus: I have no issue with the metrics on the dashboard, but I think that we need to rethink the emphasis on how we achieve them. A great many of our members see the value that is placed on culture and just wish that a similar value would be placed on their involvement in culture in Scotland and what they get out of it. They feel somewhat disconnected from those metrics, which always seem to be about what society gets out of culture and the impact of culture on the economy and the wellbeing of the Scottish people. They feel that they are not part of that equation. The ironic thing is that the vast majority of those people, certainly in the live arts, do it because they love it, not because they want to make a living out of it, which, after all, is impossible. As a result, they have always felt that the emphasis has not been weighted sufficiently towards the experience of working in culture.

That is why we in the entertainment unions have put so much emphasis on fair work principles. Agencies such as Creative Scotland, Screen Scotland and EventScotland need to champion those who work in the industry much more significantly than they have done. To be honest, a lot of people have, as I have said, felt abandoned rather than supported by those agencies over the past year or so.

The metrics are a good barometer of where we want to get to, but there needs to be more emphasis on taking the workers in the industry with us on this journey.

Barry Dallman: The metrics are okay as far as they go, as long as we understand, first, that we are measuring only certain things and that there are many other things that we could choose to measure; secondly, that they are not really giving us a full picture of what is going on; and, thirdly, that it is notoriously difficult to get accurate numbers for these things anyway. For example, when we talk about the number of people working in, say, the music sector, how do we define the term "work"? There is a big difference between the first violin with the Royal Scottish National Orchestra and someone with a 9-to-5 job who gigs in a band in local pubs at the weekend for fun and a bit of beer money. Those two people are both technically working in the music industry, but they have very different roles and are coming from different places.

11:00

In terms of attendance at cultural events, again, what are we talking about? If we are just looking at the number of people who went to an event, we can skew those figures massively, based on whether we include the Edinburgh festivals, for example. Therefore, it is not just about the number of people who are going to events; it is about understanding that the numbers cannot be the only indicator.

One of the other key things that is not covered is education in the cultural sector and, in particular, in the creative arts. Although the recent commitment to remove instrumental tuition fees for all children in Scotland was great and we were really pleased to see it, there is a much bigger conversation to be had about the value of culture and the way that we perceive it, as a subject in education and also in the role that it plays in our society. For too long now, the creative arts have been somewhere near the bottom of the hierarchy of subjects, in which English, maths and sciences are at the top. The creative arts are seen almost like a hobby—nice to have but not that important. If we want a thriving cultural sector, we have to inculcate the notion that creative arts are valuable and essential to society and just as important as the other subjects.

Similarly, with regard to the way that we view the cultural industries, the perception too often is that jobs in the creative industries are not real jobs, that they should be done for fun and that the people who work in them are hobbyists so, if it is hard to make a living, they should go and work in another industry where they can make a living. We saw that in the pandemic with those reprehensible adverts from the Westminster Government about people's next job being in cyber, so they should go and retrain, because they cannot continue as a musician or ballet dancer. Until we change that attitude—that culture is an add-on or an option, rather than a totally integrated, thriving, vital part of the human experience and our everyday lives—we will always struggle a bit. Those softer, harder-to-measure intangibles are still worth striving for and are probably a better indicator of the success of culture and creative industries in Scotland, rather than what can be seen in spreadsheets about the numbers of people who attended or had access to events.

I will make a brief point, which I wanted to make before, about access to events. One of the points in the written submission, which I want to stress again, is the uncertainty around events in the years ahead. At the moment, particularly with the rise in case numbers in Scotland, the discussion around vaccination certification and the real fear that restrictions could come back, it is a very uncertain and nervous time for organisers of events and festivals and the management of orchestras. Although it is not the main remit of the committee, it is important for me to be on the record as saying that a reintroduction of restrictions and social distancing measures will be absolutely disastrous for the cultural and creative industries. Events and gigs will not be able to happen, because they will not be financially viable. The fear of the return of those measures is making it really difficult and, even on the assumption that restrictions are not reintroduced, some events will not go ahead, just because of the worry of that possibility. That is a shame. The Government needs to recognise that and start to take measures, not only to ensure that there will be financial support if events have to be cancelled but to give confidence to the industry, so that, in the short to medium term, people can plan to host events, make commitments and engage artists, which they are very twitchy about doing at the moment.

Paul McManus: It shows the different perceptions that we have across the sector. As I mentioned earlier, following the First Minister's statement last week, a great many of our members were saying, "Why are we not protected by these measures?" It varies dramatically, depending on whether you are face to face with the audience.

I made the point at a meeting the other day that there are different aspects and challenges that need to be thought through. People need to understand the realities. Football clubs have an issue and a challenge with getting 10,000 people into a stadium and checking that they are Covid vaccinated. However, the staff working on the outside broadcast to film that football match have all been tested and all have to prove negative, but they then have to work their way through and intermingle with audiences. They are fearful for their safety, because they have no idea who they are intermingling with. Logistically, it is a big challenge. Public health has to come first and, as Barry Dallman says, there has to be a realisation that, with every decision that the Government makes in addressing Covid, it needs to be there ready to support, and it needs to have robust measures in place.

One other consequence is that, throughout the pandemic, a number of commercial operators have submitted inquiries to some Scottish theatres to ask whether they would be willing to sell out. As I said, generally during Covid across the UK, the approach of the commercial operators has been to try to reduce staffing costs, reduce terms and conditions and go in the opposite direction from what I believe we are trying to achieve in Scotland. If some organisations are not supported to rebuild in the right way, commercial operators could end up coming in and taking us in the opposite direction. For instance, there have been discussions with some organisations and the Ambassador Theatre Group, which runs the Edinburgh Playhouse, and it is safe to say that that group is horrified by the prospect of fair work principles coming in.

That is at a time when we are trying to take the cultural industries—live events, theatre, film and TV—to new levels and to improve the lives of the people who work in them. You had the earlier discussion with the BBC. People liken the BBC to the big commercial operators in the theatre world. The commissioning tariffs since the introduction of the BBC Scotland channel have, in essence, been a race to the bottom. More and more of BBC Scotland has been sliced off, with power sent away to London in terms of staffing, production and commissioning, and with rates being driven down. People see that, if more commercial operators are allowed to come into the theatre world in Scotland and operate in the same way as the BBC, in effect, we will be going in a diametrically opposite direction from the one that we would prefer to go in, which is about investing in the staff and workforce in Scotland.

The Convener: Mr Ruskell, do you have a small supplementary question?

Mark Ruskell: It is a very quick one. Clearly, the cultural sector and cultural activity are hugely important in their own right. However, is what the sector does for the rest of society being captured by funding streams? Some cultural organisations do a lot of regeneration and placemaking work. Can they get access to funding to do that kind of stuff, which does not easily fit into one box?

The Convener: I will go to Mr Dallman first to answer that. If you could try to keep your answers short, that would be helpful.

Barry Dallman: It is a little difficult for me to say purely from a music point of view, because, with so many freelance members working in such a variety of situations, we represent individual musicians and not organisations. However, I can tell you that most orchestras are doing increasing amounts of outreach work with more emphasis on education and broader cultural engagement than they might have done previously. In years gone by, they would just have run a concert series in a hall. That broader work is tremendously important.

Culture is important not just for the economy but, as I mentioned, as the fabric of our society. It is the thing that everybody turned to during the pandemic. Everyone started watching Netflix, listening to music and consuming culture produced by the creative and cultural industries. It is the heartbeat of our society. There is a big role for the cultural industries to play in linking up with people, in regeneration, in bringing communities together, in reaching out to rural communities and providing access to opportunities, in inspiring people and in showcasing a different range of possibilities from what they have ever received from day-to-day society around them.

That is part of the reason why I am so passionate about our industries and why I believe that they are so important. It goes way beyond the economic impact because it is to do with who we are and how we live our lives. As I mentioned, those things are hard to measure on a spreadsheet, but they are crucial. This is part of a much bigger conversation about the society and the country that we want to live in and what we want life to be like—in terms of quality of life, not just how much money we make or our financial security.

The Convener: I ask Mr McManus to be brief.

Paul McManus: I would like there to be an increasingly strategic approach in all the initiatives. Too often, as I said, we just try to give whatever money we have to as many people as possible who seem to be trying to do the right thing. At some level, we need to sit down and make a conscious decision to try to pull all the different strands together, including the local authorities and the national agencies. We need to come up with a clear strategy for the next five to 10 years and then fund it as best we can. There are always budget pressures, but we need to decide on the proper level of funding that organisations need to deliver our priorities. We cannot go on just trying to chuck money at everybody.

I will explain what I am thinking of when I say that we need to be more strategic. We recognise that the cultural industries are essential for people's wellbeing and that the more people engage with the cultural industries and sport, the less money will be spent on treatment in hospitals and all the rest of it. However, are we going to get any hospitals or the national health service to put money into culture, given that they have their own bills to pay? Somebody needs to make a decision and say that we can save X amount in hospital bills if we put more into culture. That is what I mean by taking a more holistic and strategic approach across the piece.

The Convener: Thank you. Your final comment goes into an area that we have not been able to touch on today, which is the importance of the cultural community to the wellbeing economy agenda. In our budget scrutiny, we are focusing on funding for the culture sector, but we have already seen how many other areas it picks up on, including the fair work agenda. We also did not talk about the climate or the net zero targets and how they will affect touring companies and the industry in general, but there is a lot there to discuss.

This is pre-budget scrutiny as the budget is yet to be published, but a touring fund was announced in the programme for government. Also, given that the subject came up, I note that the Government has said that it is committed to providing regular funding by agreeing three-year funding settlements. I am sure that the committee will be interested to see the detail of that, given the evidence that we have heard today.

I thank Mr McManus and Mr Dallman very much for their attendance.

11:13

Meeting continued in private until 11:19.

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