

SUPPLEMENTARY SUBMISSION FROM CREATIVE SCOTLAND

Dear Convener,

The creative industries, including Film & TV and games development; are hugely important to the work of Creative Scotland, and to the broader economic and cultural landscape in Scotland.

This is an extremely dynamic time for the creative industries. They are increasingly recognised as a powerhouse of the economy, while their contributions to Scotland's communities, place and wellbeing are equally valuable.

As such, we welcome this inquiry and we hope that our earlier submission and the oral evidence given at Committee leads to further support for everyone working in the film and gaming sectors, the wider creative industries, and to the cultural sector as a whole.

Following on from the evidence sessions we were keen to offer the Committee a summary response on the key issues raised in order to inform the final report, due for publication next month.

1. Partnership working

As acknowledged in oral evidence, in the initial period following the establishment of Creative Scotland the structures in place to facilitate cross-organisational working were not sufficiently developed. We are now nearing the end of a two-year organisational development period following my appointment as CEO in July 2013, and are confident that we now have the necessary structure in place to ensure effective collaboration on future projects.

Our 10-year plan: *Unlocking Potential, Embracing Ambition* outlines Creative Scotland's partnership working. We believe that Partnerships are most effective where there is an environment of trust, respect and teamwork. We have a shared vision for the arts, screen and creative industries and where we share these common goals we want to develop strong, collaborative, and flexible relationships with organisations and agencies to achieve more than can be achieved by each individually.

We work with a broad constituency across the arts, screen and creative industries, and there are many different types of organisations that we also work with, from local authorities to enterprise agencies, universities to broadcasters, trusts and foundations to the media.

You can read *Unlocking Potential, Embracing Ambition: A shared plan for the arts, screen and creative industries 2014-2024* in full online at the following link:

<http://www.creativescotland.com/what-we-do/the-10-year-plan>.

We have reached a critical moment for Creative Industries policy, strategy and investment in Scotland. This is the time for clarity, coordination and collective wisdom. Creative Scotland has a leadership role here: to prompt partners toward a

re-think and re-positioning; and to be a broker and enabler to the heart of Scotland's Creative Industries conversation.

The sector requires Creative Scotland to then work with partners as part of its Government-endorsed Creative Industries leadership role to develop something more than a Framework: a shared Creative Industries Investment Plan for Scotland. This is the number one priority: where Government, SCIP, additional partners from across the public and private sector, and of course the Creative Industries, join together in co-defining the investment priorities for the future.

We currently work in partnership across all levels of our organisation in groups like SCIP, the Film Studio Delivery Group, Broadcast and TV Working Group and the Digital Media Industry Leadership Group. Our work and that of other agencies, such as Scottish Enterprise, is collaborative and complimentary.

Creative Scotland Chairs Scotland's Creative Industries Partnership, working alongside the Scottish Government, Scottish Enterprise, Highlands and Islands Enterprise, the Scottish Funding Council (and SDI), Business Gateway, Skills Development Scotland, COSLA – (Convention of Scottish Local Authorities through SLAED (economic development) and VOCAL (culture).

2. Delivery of the film studio

Creative Scotland has recently published its film Strategy which responds to the objectives and ambitions put forward in the Film Sector Review published in January 2014. The Strategy has been developed in consultation with a wide range of individuals and organisations, including those working in film and moving image education, further and higher education, film production, distribution, exhibition and audience development, as well as from representative industry bodies.

The Film Strategy makes clear that delivery of a viable and sustainable film studio is a key priority. As such, we are working hard with our partners at Scottish Government and Scottish Enterprise to make progress on a film studio proposal for Scotland. The process involves assessing what private sector opportunities are available and what if any public support might be required. We would stress all three partners are fully committed to the project and finding the best way to ensure a sustainable film studio is developed. Alongside the studio we are exploring how to establish an inward investment fund, necessary to ensure the success of the studio facility in attracting inward productions.

Scotland's locations have attracted film-makers to the country for many years, and would compete better with a long term, sustainable film and TV production studio facility in Scotland. Creative Scotland recognises that the change to UK tax breaks to include high end television drama, which came into effect in April 2013, highlights a significant opportunity for Scotland's film and television industry.

A studio facility will lead to an increase in film and television productions coming to film in Scotland, providing more work for Scottish crews and facilities companies. This studio itself and the increase in activity will be beneficial to Scotland's filmmakers and wider production community.

The EKOS feasibility report (Commissioned by Scottish Enterprise in partnership with Creative Scotland and the Scottish Government and published March 2014), concluded that there is a clear opportunity for a film and TV studio facility in Scotland. Creative Scotland has ring-fenced £1m towards the cost of a studio and the Scottish Government has committed a £2 million loan fund (designated for the 2015-16 financial year) for capital funding for film and television production facilities: this means the loan is intended for infrastructure not content development.

We are pleased that a new proposal has been received by Scottish Enterprise on behalf of the FSDG from a private sector developer to provide studio infrastructure. We are considering that bid, but continue to be open to any new proposals from the private sector in the short term. We would welcome any new proposal which meets the criteria we have set out and does not expect 100% public sector funding,

We are currently unable to disclose details in relation to the bids due to the commercially sensitive nature of the discussions taking place. We remain optimistic and hope to be in a position to make an announcement as soon as possible whilst ensuring the value in terms of public investment.

3. Need for increased funding, particularly for production

Overall the level of funded activity by Creative Scotland is broadly equivalent to that of predecessor organisation Scottish Screen, with a budget of £9m for Film & TV. This covers development, production, distribution, exhibition, festivals, audience development, international advocacy, Locations Service, film education and support for key film organisations.

In 2013/14 we made 140 awards through our Film and TV fund for development, production, talent development and attendance at international markets and festivals with a total value of over £4million. In the 4 years since the establishment of Creative Scotland we have provided a total of approximately £17m through the same fund.

Recent productions we have supported include '71, Under the Skin, Sunshine on Leith, Filth and the award winning Starred Up and For Those in Peril. Demand and success rates for film applications to Creative Scotland between April 2011 and December 2014 compare favourably with other art forms.

We also provide wider support for the sector through other funding routes for business support, training and skills, talent development, film education and film exhibition and distribution. In 2013/2014 we made awards through these funding routes with a total value of £3,983,544.

Slate Development funding introduced by Creative Scotland, has supported six of Scotland's key film production companies to the value of £1.6m over the past 4 years.

Creative Scotland is only part of the funding landscape and we work in partnership with Scottish Enterprise, the Scottish Government, Local Authorities and a host of other partners to try and create the best conditions possible to allow the arts, screen and creative industries in Scotland to thrive.

Within Creative Scotland's budget of £93m there is limited scope to re-allocate existing funds from another art-form to film without undermining the support for that art-form; we cannot get into a situation where we take funding away from theatre (for example) to support film.

We have already stated publicly that with a relatively small uplift in funding available for film development and production and a creation of an inward investment fund, we could achieve a step change for the industry in terms of attracting large scale productions to come to Scotland and increasing the number of indigenous film-makers we can support through development and into production.

More needs to be done and our Film Strategy sets how we will do this by identifying priorities and potential for further support. You can read the strategy in full at the following link: <http://www.creativescotland.com/resources/our-publications/plans-and-strategy-documents/film-strategy-2014-17>.

4. Support for independent television producers

Creative Scotland recognises that Scotland has a wealth of talented independent television producers and works to support the sector in a number of ways.

Since our creation in 2010, Creative Scotland has partnered with independent television producers to support the production of a range of programmes. For example, the ground-breaking new Gaelic language drama series, Bannan has received £795,083 in development and production funding, whilst the television adaptation of Iain Bank's penultimate book 'Stonemouth' received £200,000.

5. Relationship with broadcasters/commissioners

Creative Scotland has established and maintains productive partnerships with all of the broadcasters in Scotland. On a strategic level we are in regular dialogue to share ideas and information on forthcoming funded activity and possible collaborations. An example of this was the highly effective collaboration on the 2012 Olympics and the 2014 Commonwealth Games cultural programmes.

Creative Scotland works with broadcasters in a range of partnerships in order to bring more coverage of Scottish arts and creativity to the Scottish viewing public. For example, Creative Scotland partnered with BBC Scotland on a strategic intervention with our specialist factual and factual entertainment independent producers in Scotland, increasing the number of projects being developed, providing greater access to commissioners and co-funding experienced Executive Producers and Series Producers to transfer high level skills to Scottish independent production companies.

We have co funded a number of initiatives and individual film and television projects with BBC, Channel 4 and STV, and we are proud to have supported the development and production of Fire In The Night, the award winning feature documentary on the Piper Alpha disaster – which was a ground breaking collaboration between STV and BBC Scotland. We will continue to strengthen these partnerships and welcome future collaborations.

We have also been working with the broadcasters in a range of partnerships to bring more coverage of Scottish arts and creativity to the Scottish viewing public. Partnerships include Channel 4's Alpha Programme which created more opportunities for strong Scottish projects to be developed such as *The Neglected*, a short documentary from photo Journalist David Gillanders and Blackwatch Media which was a powerful stills based moving image portrait of dispossessed street children in Ukraine.

We have also partnered with STV in the development of a range of projects and has a wide ranging partnership with the BBC rooted in shared intelligence and maximising support and exposure of Scottish Creative output. Examples of our collaborative work include artists' residencies bringing BBC archive material to life, the delivery of a live streaming of Michael Clark's *Barrowlands project* and a film about NVA's project, *Speed of Light*, that saw hundreds of runners and audience lighting up Arthur's Seat in Edinburgh in a mass participation art work as part of the Space project.

6. Support for the games industry

While we do have in-house knowledge and expertise in technology, digital, games development and the creative industries more broadly, we would agree our creative industries function has taken longer to develop, compared to Arts and Screen. We are now tackling this head on, first through the identification of the creative industries as a core component of our plan, and secondly through producing a Creative Industries Framework, due for publication later in the year.

We are also in the process of appointing a dedicated Director for the Creative Industries to provide leadership in this area which spans the cultural and commercial creative industries and work with the sector to strengthen our relationship, collaborate and define what our supporting role needs to be.

To date, Creative Scotland has supported video games development and experimentation through the Innovation Fund (in the region of £1m over the past 3 years). Beneficiaries have included companies such as Ludometrics, Another Visitor, Interface 3, Hippotrix, Zapcoder, and the The Secret Experiment. A further £272,000 was spent under the Digital Media IP fund between July 1st 2010 and March 31st 2011.

We've also partnered with Nesta and AHRC on the Digital R&D Programme and other programmes like The Space and our recently launched TTS.Digital and work with BAFTA Scotland to celebrate and raise the profile of the games industry through providing funding support for their awards, workshops, master classes, and sharing good practice. In addition, Creative Scotland supports Abertay University's Dare to be Digital initiative, encouraging young and emerging talent and have worked with them to bring additional finance for new games from Blazing Griffin, Quartic Llama, Stormcloud and Future Fossil Studios.

Some Lottery Funding has gone to more experimental interactive content and we can also support this through our Open Project funding.

However, we recognise that more could be done through understanding the games landscape in Scotland better and making the routes to support clearer and easier to navigate for developers.

Our draft Creative Industries Framework currently recommends continuing to develop and grow sector-specific networks and communities- e.g. via the Scottish Games Network in order to support the games sector to develop a cohesive voice and secure routes to both a domestic and international markets. Alongside this it recommends the development of a clear sector led national policy for the games industry to ensure that domestic and international growth strategies are aligned. We will be discussing these recommendations with the games industry over the coming months and revising them as appropriate to take into account sector opinion.

Games will be included as part of the creative industries framework and SCIP has a central role in ensuring policy consistency across Government. However, the development and growth of the games industry needs to be delivered by the people and businesses working in it, in full collaboration with the public bodies who are there to support it.

7. Need for a National Digital Network for Scotland

Creative Scotland notes with interest the references to the need for a Scottish Digital Network. We made our submission to the Scottish Digital Network Panel and are comfortable that our position remains unchanged as reflected in the final report published in January 2011. We do recognise however that the digital landscape has changed in the intervening years and there is potential benefit in revisiting the opportunities. We are increasingly supporting projects producing creative digital content and a clearer channel, platform or network that can connect audiences with these is to be welcomed.

With the BBC charter renewal process due to commence next year, we'd welcome the opportunity to explore the opportunities a Scottish Digital Network could offer producers across the arts screen and creative industries.

8. Support for skills/business development across Film, TV and Games

Creative Scotland recognises the value of skills and business development across the creative industries. This is acknowledged through its inclusion in our 10-year plan as a key ambition for the organisation – that ideas are brought to life by a diverse, skilled and connected leadership and workforce.

Creative Scotland works closely with Skills Development Scotland (SDS) both as part of SCIP and directly as a strategic partner across the arts and creative industries. We have significant experience in skills development. We have fed into the Creative Industries SIP soon to be published and will be working with SDS to deliver it.

We also work with the UK Arts Councils and DCMS to debate policy on a UK wide level and work closely with the Scottish Government on shaping policy in Scotland. Talent retention features in our Creative Industries strategy.

Through our Creative Industries Strategy we plan to work closely with the Higher and Further Education sectors to create a bridge between education and industry across the creative sectors. Our Creative Learning Plan draws a significant partnership together across public sector bodies in Scotland with a special focus on employability. Creative Scotland played a significant role in shaping the development of Curriculum for Excellence in partnership with Education Scotland with whom we have an MOU.

Technical skills relevant to individual industries, entrepreneurship, planning, creative producing, raising finance, leadership, marketing and project management are all important. As such, we are working with Skills Development Scotland, the Scottish Funding Council and Education Scotland to inform both policy and delivery, and with partners and industry to support business skills development in line with the Film Strategy.

In respect to the film industry, one of the key considerations for our funding is the opportunity the project will provide for the creative and professional development of Scottish based writing, directing and producing talent. We will also support projects where the main benefit is to the Scottish based craft and technical talent. Visiting projects can provide excellent opportunities for our crews to experience working on big budget productions, this and the resulting economic impact is key to underpinning the growth of the sector overall. We would not fund a project where there was no significant benefit to Scottish based creative talent or crew.

It's worth noting that *Under the Skin*, the film, was based on the novel by Michel Faber, who was supported in his writing by the Scottish Arts council; while the movie *Sunshine on Leith* was based on the stage play developed by Dundee Rep, one of our Regularly Funded Organisations – demonstrating the beneficial influence that public funding can have across art forms and across the creative community in Scotland.

9. Challenges posed by distinct business model of the creative industries The Creative Industries & Digital are one of the Scottish Government's Growth Sectors. Scottish Business Statistics measure the economic footprint of the Creative Industries annually, including their component sectors of Film & Video and Computer. The latest available statistics, from October 2014, show that Scotland's Creative industries employed 68,600 people in 2013, and contribute more than £3 billion to Scotland's economy in Gross Value Added (GVA).

We aim to work with the structure and dynamics of the sector in order to provide the best support to this growth area of the economy. This requires a sympathetic, enabling role, a commitment to flexibility, and an appreciation of the diversity of the sector and the different profile and role it has in each place.

While it is of course the case that some creative businesses have the business model, team, market or even desire to grow large and fast; it is also the case that their growth is absolutely dependent on a dynamic, confident and engaged network of smaller companies, cultural organisations and education institutions. Without them, growth is not sustainable and high growth companies quickly face challenges in talent attraction and retention plus they struggle through lack of exposure to a rich mix of ideas, skills and the energy of a creative scene.

We believe it is a false dichotomy to talk of 'high growth' and 'low growth' creative businesses; to wholly separate the cultural and the commercial; or to over-emphasise historically rooted sub-sector differences. The upcoming Creative Industries Framework will identify current creative industries blockages, such as lack of connectivity or available skills, and present recommendations for how these should be addressed across the sector.

In addition the framework will outline key priorities for Creative Scotland in improving support across the creative industries. We will avoid a top-down and one-size-fits-all approach and prioritise actions which lift and amplify local or sub-sectoral strengths. We will work as active partners and avid supporters of creative talent, and operate as critical friends – to challenge partners to cross-boundaries, explore new types of practice and enjoy the benefits of collaboration.

In conclusion, Creative Scotland welcomes the Committee's inquiry and hopes the above information is of assistance in compiling your final report. We look forward to reading the Committee's recommendations in due course.

Yours sincerely

Janet Archer

Chief Executive

Creative Scotland