Submission to the Scottish Affairs Committee, UK Parliament: *Creative industries in Scotland*
1. Introduction

Creative Scotland is the public body that supports the development of arts, screen and creative industries across all parts of Scotland. We enable people and organisations in Scotland to work in and experience the arts and creative sectors. We do this by helping others to create culture through developing great ideas and bringing them to life.

"We want a Scotland where everyone actively values and celebrates arts and creativity as the heartbeat for our lives and the world in which we live; which continually extends its creative imagination and ways of doing things; and where the arts, screen and creative industries are confident, connected and thriving." Unlocking Potential, Embracing Ambition, a shared plan for the arts, screen and creative industries, 2014.

We aim to achieve this vision through four key functions:

- **Funding** support for individuals and organisations working in the arts, screen and creative industries.
- **Advocacy** on behalf of these sectors, both nationally and internationally.
- **Development** support for these sectors so that they can continue to grow and thrive.
- **Influencing** others to understand the value that the arts, screen and creative industries deliver.

We have recently restructured our senior leadership team to reflect our three areas of responsibility – the arts, screen and creative industries. In the last year, we have appointed a Director of Arts & Engagement, a Director of Screen and a Director of Creative Industries. The Director of Creative Industries is a joint post with the Scottish Funding Council and will work to create a bridge between both organisations; between education and the sectors we serve; and aim to deliver a step-change in the impact of the creative industries on Scotland’s economy and society.

Creative Scotland’s overall budget for 2015/16 is £88.6m, which we receive from the Scottish Government (60%) and the National Lottery (40%). We distribute this funding to the sectors we serve through three funding routes: Regular Funding for up to three years for organisations; Open Project Funding for individuals and organisations for programmes of work for up to two years; Targeted Funding to support specific sectors, projects and initiatives (including Film & TV production).

In April 2014 we published our Strategic Plan, Unlocking Potential, Embracing Ambition, which presents a shared vision for the arts, screen and creative industries for the next 10 years.

At the heart of this plan is a set of five ambitions and that provide a focus for our work and reflect what we want to achieve, in collaboration with the sectors we support.

Our ambitions are that:

- Excellence and experimentation across the arts, screen and creative industries is recognised and valued.
- Everyone can access and enjoy artistic and creative experiences.
- Places and quality of life are transformed through imagination, ambition and an understanding of the potential of creativity.
• Ideas are brought to life by a diverse, skilled and connected leadership and workforce.

• Scotland is a distinctive creative nation connected to the world.

These ambitions inform our work, funding approach and decisions, as well as our own development plan over the period 2014-2017.

Alongside, this each year we publish an Annual Plan which sets out our priority areas of work and our budgets for each year.

We also publish all of the funding awards that we make on a regular basis on our website and we promote this information via news releases and via our social media channels.

2. Submission to the inquiry

This submission focuses specifically on the areas highlighted by the remit of the Inquiry which is defined as:

“To look at the contribution of the creative industries in Scotland to employment and the economy and consider how UK policy – in areas such as tax reliefs and intellectual property rights – affects these industries”.

Creative Scotland welcomes this Inquiry as a further, valuable contribution to our continued efforts to ensure a strong and financially stable arts, screen and creative industries in Scotland, but also the ability to thrive and grow and continue to produce work of sustained creative excellence that is recognised at home and abroad.

Over the past two-to-three years, and particularly since the appointment of Janet Archer as Chief Executive in July 2013, Creative Scotland has devoted a great deal of time, effort and resources to developing clear channels of support for those we are here to serve, set within a clear strategic framework that, in turn, supports the overall programme for Government.

We would also like to draw the Scottish Affairs Committee’s attention to three other recent submissions that Creative Scotland has provided to Committee inquiries at the Scottish Parliament, namely:


• The European and External Relations Committee inquiry into international engagement: [http://www.scottish.parliament.uk/S4_EuropeanandExternalRelationsCommittee/Inquiries/Creative_Scotland_formatted.pdf](http://www.scottish.parliament.uk/S4_EuropeanandExternalRelationsCommittee/Inquiries/Creative_Scotland_formatted.pdf)

Within that context, this submission responds to the Inquiry questions set by Scottish Affairs Committee.

2.1 What is the footprint and economic value of the creative industries in Scotland? How does this compare to the UK as a whole?

The Committee will be aware that Creative Scotland was formed in 2010 following the merger of the Scottish Arts Council and Scottish Screen, as part of public sector reform
in Scotland. This merger generated significant savings to the public purse through reducing administrative costs, including operating with a third less staff that the two previous organisations had employed.

Our current budget allocation is based on sustaining strong arts and screen sectors through maintaining funding levels based on previous spend by those two incumbent organisations, as far as possible.

When the two organisations merged to form Creative Scotland, the new organisation was also given an additional remit for creative industries. Specifically it was tasked with:

"Promoting and supporting commercial activity focused on the application of creative skills."

Creative Scotland’s role regarding the creative industries was described as;

"Providing research, intelligence and advocacy across the creative industries and leading co-ordination activity in developing the creative industry sector".

With limited budgets specifically for the creative industries; our support for this sector is dependent on partnership working with other public agencies in Scotland, most notably Scottish Enterprise who provide business support: [http://www.scottish-enterprise.com/industry-support/creative-industries](http://www.scottish-enterprise.com/industry-support/creative-industries) and Highlands & Islands Enterprise.

The work of Creative Scotland to support this sector is also framed, in part, within the context of Scotland’s Creative Industries Partnership (SCIP). Creative Scotland’s CEO chairs this group which brings together Scottish Government, Creative Scotland, Scottish Enterprise, Highlands and Islands Enterprise, Scottish Funding Council, Skills Development Scotland, COSLA, VOCAL, Scottish Development International, SLAED and Business Gateway. The terms of reference for SCIP can be found here: [http://www.creativescotland.com/resources/our-publications/plans-and-strategy-documents/scotlands-creative-industries-partnership](http://www.creativescotland.com/resources/our-publications/plans-and-strategy-documents/scotlands-creative-industries-partnership)

As regards the nature and scale of the creative industries in Scotland, in August 2012, following a User Consultation, the Scottish Government issued its statistical definitions of growth sectors, including Creative Industries and Digital. This definition was a departure from the DCMS model and adopts a 16-industry approach. Figures derived from this definition were published in 2012 alongside data produced for previous years.

The Scottish Annual Business Statistics definition of the Creative Industries includes: advertising; architecture; arts; crafts and antiques; computer games; design; fashion and textiles; film and video; music; performing arts; writing and publishing; photography; TV and radio; software and electronic publishing; museums and galleries; and cultural education.

The CIs are often characterised as an urban phenomenon and Scotland has significant strengths in each of its major cities, but it is important to note that many aspects of the CIs in Scotland are given distinctiveness through their authenticity, provenance, heritage and traditions, playing a particular part in rural economies. The use of quality materials, their inventiveness, artisan and technical skills, digital innovation and environmental concern draw together the urban and rural strands of the sectors. They are inventive, resourceful, agile, open and connected.

The DCMS have also since adopted a new definition following work by NESTA on ‘dynamic mapping’ of the creative industries which is based on the ‘creative intensity’ of occupations. Their new methodology uses a wider definition of creative industries and
the creative economy and includes some occupation codes (SOCs) which sit within industry codes outwith the usual creative industry classifications (SICs)

This now means that both Scotland and the rest of the UK have departed from the original definition of the Creative Industries and are no longer comparable. However we believe that the Scottish Government growth sector measures are far more suitable for purpose and representative of the creative industries in Scotland.

Scotland’s creative industries employ more than 68,000 people accounting for 2.8 per cent of employment, (Scottish Government, 2015). The sector has a higher GVA (£3.7bn) than Life Sciences (sources: and the Scottish Government's Growth Sector Statistics, 2015). The sector consists of almost 14,000 businesses or enterprises, almost all of which employ less than 50 people.

The UK creative industries as a whole generated £76.9 billion (GVA) in 2013, after growing by almost 10 per cent year on year (source: DCMS), accounting for 1.71m jobs.

While the footprint and economic value of the Creative industries is comparatively smaller than the UK as a whole it should be noted the UK wide figures will be affected by a ‘London effect’, with many of the UK’s largest employers in the creative industries based there.

In both Scotland and the rest of the UK, the Creative Industries are recognised as a significant element of the economy and their contribution to communities, places and wellbeing are equally valuable, if not as universally valued.

While there is growing consensus regarding the vital role that the creative industries play in a balanced, productive, innovative and distinctive economy, there is less consensus regarding how best to ensure that this sector continues to grow and flourish.

In order to address this, on 8 September this year Fiona Hyslop, the Cabinet Secretary for Culture, Europe and External Affairs reiterated the Scottish Government’s support for the creative industries as a key growth sector and a contributor to Scotland’s Economic Strategy.

And, in December 2015, following a process of public consultation, Creative Scotland will publish a strategy for the Creative Industries which will set out the ambition for ensuring this sector continues to grow and flourish, understanding what works well at the moment and addressing areas where collective improvements are required.

The key themes of this forthcoming strategy were also communicated on 8 September by Janet Archer, CEO of Creative Scotland at a major conference on the creative industries in Edinburgh. The four themes of this strategy are highlighted later in this submission.

2.2 How do the creative industries in Scotland differ to the creative industries in the UK as a whole?

In addition to the differences in scale, definition and support mechanisms detailed above; Scotland’s creative industries are also characterised by a large number of small independent businesses.

Indeed, even with the improved model of recording there is expected to be considerable underestimates in several sub-sectors, most notably Crafts, Computer Games and Music.

This results from coding issues (for example the assignation of much of the Music industry to Entertainment codes outside of the Creative Industries) and from the high numbers of sole traders and project-based workers across the Creative Industries whose
income falls below thresholds for VAT registration and therefore do not appear in SIC statistics.

Scotland benefits from a number of clusters of creative industries where, working with partners and universities, specialisms can be shared and skills developed. For example creative industries accounts for 3.8% of employment in Dundee City, a hub for the computer games industry, while Glasgow and Edinburgh account for nearly half of all jobs in the sector (25.8% and 19.1% respectively).

The Creative Industries also play a vital role in many of Scotland’s rural economies with high proportions of small creative businesses in parts of Scotland such as Dumfries and Galloway and the Highlands and Islands, as highlighted by initiatives such as Spring Fling and XPO North which shine a light on the local success and importance of the creative industries to life across different parts of Scotland.

However, the sector in Scotland does share many characteristics with the sector elsewhere in the UK, namely the facts that the creative industries across the UK are growing faster than the economy as a whole and this growth is being driven by the digital sector, including games.

Scotland has particular strengths in many of the sub-sectors of the creative industries, although it is difficult to provide specific comparative information in relation to the rest of the UK as most creative businesses tend to have as many differences as they have similarities to others in their sub-sector. The information here provides details on strong elements of the creative industries in Scotland that receive support from Creative Scotland.

Scotland has developed particular expertise in sector development support for the creative industries with well-established organisations that benefit from a closely integrated community of small businesses, creative organisations and individuals. In terms of networks: WASPS provides a large network of 17 studio complexes across Scotland that house a wide range of creative businesses – over 800 tenants. In addition the Cultural Enterprise Office provides business development support for creative practitioners and micro businesses and Arts & Business Scotland acts as a conduit between the cultural and business sectors, helping to nurture creative, social and commercial relationships. Recently we have seen the growth of independent creative area networks e.g. Creative Dundee, Creative Edinburgh and Creative Stirling. Each of these networks is independent, focusing on their own distinctive aims and objectives tailored to each of the three cities. While each of these may have comparators in the rest of the UK, it is clear that each of these now operates in a specific Scottish context and has grown expertise and methods specific to that context.

One exciting project currently based in Scotland, but working to provide services across the UK is Make Works. Make Works are factory finders for designers and makers. Their platform allows a community of designers and makers to find manufacturers, material suppliers and workshop facilities in their local area. Make Works now draws users from all over the UK and is responsible for around 50 new projects starting every month in Scotland. These projects bring new business to the Scottish manufacturing industries, by providing open information for the wave of designers, artists and small businesses that are now searching for local, small scale production.

In the fields of design and architecture there are many strengths with institutions like The Lighthouse, Scotland’s Centre for Design and Architecture, which comprises a visitor centre, exhibition space, cafe and an events venue in Glasgow. Now emerging in Dundee is V&A Museum of Design, Dundee which will host major exhibitions on tour from the V&A in London and other international museums, as well as a collection celebrating Scottish design through the ages. The project is being delivered by Design Dundee Limited, a partnership between the Victoria and Albert museum in London, Dundee City
Council, Scottish Enterprise and Dundee and Abertay universities with Creative Scotland and Heritage Lottery Fund providing capital support.

Craft is served through Craft Scotland, the sector development agency for craft. They create opportunities for Scottish makers to exhibit, sell and promote their work, and for the public to see, purchase and learn about craft. They do this through varied campaigns, exhibitions, events and website. Internationally, their focus is SOFA Chicago, which represents Sculptural Objects and Functional Art, and is a key event for the international collectors market.

In addition a number of Creative Scotland regularly funded organisations provide a rich landscape for craft. Two such organisations are: Dovecot in Edinburgh - which comprises a tapestry studio, gallery and foundation and is the only weaving studio in Scotland and a centre of excellence; and North Lands Creative Glass which is Scotland’s centre of excellence for glass making. Located in Caithness on the North East Coast of Scotland, it is a centre for the study and development of glass as an artform.

In the area of Fashion and Textiles, Fashion Foundry (delivered through the Cultural Enterprise Office) is a business incubator and talent hub for fashion and textile designers in Scotland. Offering a mix of studio space, mentoring and business skills development, it supports links to industry collaborations with high profile fashion organisations. Fashion Foundry also runs the Fashion Co-ordination Group with industry, the public sector and trade partners meeting to decide how we work together to develop the sector. Scotland Re:Designed is an international platform for fashion, textiles, accessories and interior design, working with international fashion industry experts and buyers to select and support emerging designers. Future Textiles, in collaboration with Glasgow Clyde College (Cardonald Campus) and Ayrshire College, brings together industry and education in a unique setting, training the next generation of talent with skills for the textile industry. A range of partners have committed to the project, including Marks & Spencer’s, Johnstons of Elgin, Beggs of Scotland (Moorbrook Textiles), MYB Lace, Balmoral Knitwear and Mackintosh.

Scotland is the home to two of the leading computer games clusters in the UK – in Dundee and Edinburgh. Each city is the home to a mix of companies and both have a high-level industry leader (4J studios in Dundee, Rockstar North in Edinburgh). 4J Studios develops games for all popular console system games including Microsoft's Xbox 360, Sony's Playstation3 and PSB as well as Nintendo's Wii and DS systems and Apple’s iPad and iPhone. Rockstar North's Grand Theft Auto V, released in 2013 was one of the most critically acclaimed video games ever becoming one of the highest grossing video games of all time, breaking the one day gross record for video games. Creative Scotland works with the games sector on a number of levels, recognising that this sector has got a particular resonance in Scotland with strong grass roots and an active Higher Education sector. The Dare Protoplay event in Dundee is styled as the UK’s biggest indie games festival and there have been a number of innovative projects aimed at broadening the impact of the games sector, including Creative Scotland’s Innovation funding strand and the NESTA Digital R&D strand – also supported by Creative Scotland.

In addition Scotland has industry bodies such as Publishing Scotland (Go See and Go Digital Funds; SME support; presence at international trade book fairs) and the Scottish Music Industry Association who represent and promote a wide range of music industry representatives in Scotland.

While many of these activities might be replicated in a similar form elsewhere in the UK, this synopsis provides an illustration of some of the specific initiatives that have developed in Scotland in response to the particular circumstances here in support of the Creative Industries and through support from Creative Scotland.
2.3 How effectively do the UK, Scottish and local governments work together to promote the creative industries of Scotland at home and abroad?

As highlighted earlier, our approach to the Creative Industries is framed within the context of Scotland’s Creative Industries Partnership (SCIP). Working with SCIP, we are currently in the final stages of developing a two-year Creative Industries Strategy that will sit alongside our screen and arts strategies, and define the way we want to develop the creative industries in Scotland, in partnership with the sector and other agencies.

The strategy will focus on the opportunities that exist in several key areas which were identified through consultation with industry earlier this year. It will contain four main aims:

- **Investing together to grow sustainable creative businesses.** We want to increase confidence and appetite for the development of sustainable creative businesses across Scotland and we will do this through a culture of collaboration and partnership working.

- **Innovating for the wider economy.** We want to grow the impact of creative innovation within all business activity in Scotland including the public sector. We will tell people about the value that the creative industries deliver for Scotland – value that accrues in the social, cultural and economic domains - and we will seek to build powerful programmes of innovation with our partners in further and higher education; we will help create and support the right platforms for showcasing Scotland’s creative businesses; and build a portfolio of research knowledge about the benefits of creative business innovation for all sectors of society.

- **Inclusivity through people and place.** The success of the Creative Industries is founded on individual people who are motivated and ambitious to apply their creative talents to developing sustainable businesses. We want to nurture creative forms, talent and ideas through place-based partnerships and networks. Helping to evolve stable and independent area networks that can operate with autonomy and be able to respond to local needs.

- **International positioning:** It is vital that we help grow the international profile and status for Scotland’s creative businesses, opening routes to international markets. Working with our Creative Europe team and those within SDI, Europa Scotland and British Council we will help creative businesses in Scotland access international funding; support Scottish creative businesses to be represented at international events, trade fairs and forums; and develop international skills and expertise among Scotland’s creative businesses.

Together these four aims ensure a positive and creative link through to the four priorities of the Scottish Government’s 2015 Economic Strategy – Investment, Inclusive Growth, Innovation and Internationalisation.

In terms of screen; Creative Scotland runs Scotland’s [Film Locations Service](#) which is a free and fully-confidential locations service. It works on a national and international basis actively promoting Scotland at markets and festivals as a premier filming location and its highly-experienced craft and technical crew base and facilities providers. It has been successful in helping to bring large scale productions such as World War Z, Skyfall, Under The Skin and Outlander to Scotland in recent years.

Through our film funding, we support a range of talent development initiatives, including the Scottish Film Talent Network in partnership with the BFI (Creative Scotland’s largest single investment in the development of new and emerging filmmaking talent (writers,
directors and producers) to get to their first feature) and the £1 million Screen Skills Fund (supporting twelve organisations to deliver skills development and training opportunities in the Scottish screen industry). We also support films to be made in Scotland that are subsequently screened and promoted around the world with recent examples including Robert Carlyle’s, The Legend of Barney Thomson, Justin Kurzel’s Macbeth, starring Michael Fassbender and Terence Davies’ Sunset Song which will premiere in Toronto this month.

We recently launched, in collaboration with the Scottish Government, a £1.75m production growth fund which is designed to stimulate growth in film and high-end TV production by providing an additional incentive (over and above the existing UK tax credits and complementing our existing £4m film fund) for major international productions to come to Scotland, as well as increasing funding available for Scottish productions. This will give Scotland a competitive edge in addition to its already internationally renowned crews, talent and locations.

In order to promote Scottish film productions, as well as Scotland as a place to make films, we run industry focused programmes, in collaboration with the BFI, at international film festivals such as Cannes (attended this year by Fiona Hyslop, Cabinet Secretary for Culture, Europe and External Affairs), Berlin and Toronto in order to connect Scotland with the international film community.

Creative Scotland also hosts the Creative Europe Desk UK-Scotland which promotes awareness and understanding of Creative Europe, and provides free advice and support for applicants from the UK and organises workshops, seminars and industry events.

Creative Europe is the European Commission’s financial support programme for the creative, cultural and audiovisual sectors in Europe. The new programme, which will run up to 2020, brings together a Culture sub-programme and provides funding for the cultural and creative sectors, and a MEDIA sub-programme, which invests in film, television, new media and games.

http://www.creativescotland.com/resources/professional-resources/other-sources-of-support

Overall, the majority of agencies and public bodies working on the creative industries in Scotland are Scotland-based, working specifically within the context of Scotland. There are however a number of UK-wide bodies whose work also covers Scotland, including:

- **NESTA**, which has recently appointed a new representative in Scotland. Much of NESTA’s work is done in close partnership with the UK Government and the DCMS and NESTA previously had a specific Scottish programme. We are interested in working with NESTA to see how their work can complement our creative industries strategy.

- The **British Council Creative Economy** programme is currently engaged with a number of Creative Industries hubs in Scotland, working with them to use their expertise in the development of international toolkits for hub development. This work is growing and we are looking to build this relationship further once our creative industries strategy is published.
2.4 What are the barriers to the growth of the creative industries in Scotland and how can these be overcome? What, if any, changes need to be made to enable the creative industries to capitalise on their Intellectual Property?

In the past year, we have undertaken a programme of consultation into the creative industries in Scotland, conducted on our behalf by DR Tom Fleming, the internationally renowned researcher and policy maker who specialises in the creative economy.

This comprehensive piece of work consulted widely with representatives from the creative industries across Scotland and with public bodies and organisations engaged in the sector.

The study identified a series of opportunities and blockages for the sector including, most significantly, a lack of capacity and access to skills development, the confidence to take risks and experiment, and, of course, access to multiple sources of funding, both public and private.

Over the past few months, Clive Gillman, Creative Scotland’s Director of Creative Industries, has taken this work and further focused it to ensure that our understanding of the issues facing the sector reflect that of the practitioners working within it.

Both pieces of work concluded that, while there are many significant strengths in the creative industries in Scotland, we are not yet delivering to our potential.

A number of clear challenges were communicated to us.

It is felt, by many working in the creative industries, that:

- We need to identify and build the right kind of networks to support individual businesses
- There needs to be alternative sources of finance beyond grants
- Public procurement opportunities need to be available to new creative businesses
- We need to avoid what was called 'referral-itis' – the sometimes well-intentioned action of redirecting someone to a different institution or support system.

We were also told that:

- Improvements are needed in the digital infrastructure across Scotland;
- There is great opportunity to build links between Further and Higher education and creative businesses;
- There needs to be better conversion of creative talent and skills into viable employment;
- And, there needs to be better engagement for creative practitioners and businesses with international opportunities.

With these clear challenges in mind; the consultation process has helped us, and our partners in the Scottish Creative Industries Partnership, understand the barriers and challenges the sector faces.

This, in turn, has helped us shape how our strategy for the Creative Industries, will be delivered through a commitment to make the best of our resources and those available through the partnership in order to best support the sector in all its forms across all parts of Scotland.

The main issue affecting the better exploitation of Intellectual Property (IP) in the creative and performing arts is knowledge and awareness. The many creative individuals and organisations with whom Creative Scotland engages, either on a regular funding
basis or on a project-by-project basis, often do not properly understand the
values of tangible versus intangible assets and where IP applies rather than copyright.

Creative Scotland was recently part of a UK Government sponsored KTP (Knowledge
Transfer Partnership) programme in association with the University of St Andrews. We
interviewed many of our own and associated clients and now have a much clearer
picture of the need for both organisations and individuals supported by Creative Scotland
to fully realise their economic potential alongside their core aesthetic and artistic output
in protecting their IP and being able to manage and exploit content ownership on a
global scale.

Creative Scotland will invest further in IP intelligence to ensure that the qualitative and
quantitative benefits are fully realised and, to this end will work even more closely with
the enterprise agencies and other partners such as the Cultural Enterprise Office, the
enterprise agencies and the Higher and Further Education sector to help achieve this.

2.5 What can the UK Government do to create an environment which
encourages growth in the creative industries in Scotland?

Many of the main opportunities for supporting the creative industries in Scotland are
devolved, with the landscape defined by the specific initiatives in culture, enterprise,
skills and education represented at SCIP.

The joining up of education, skills, innovation and investment in the creative industries
are well set to be managed through SCIP and the new emerging landscape. However a
number of reserved matters that might help this landscape to be most productive,
include the following two suggestions:

- Relaxing VISA restrictions on those creating new businesses from outwith EU and
  on bringing skilled staff from outwith EU. At Creative Scotland, we support the
campaigns to ensure Scotland’s creative businesses are able to make use of an
international workforce through appropriate policies (MAC Tier2) and that there
are effective policies for ensuring the retention of start-ups working in Scotland
led by those from outwith the European Economic Area (MAC Tier1); and

- Supporting policies that encourage a positive environment for loan finance for
creative businesses might be best operated on a UK-wide basis, encouraging the
sharing of risk amongst investors across a wider landscape.

2.6 How could the system of tax reliefs for the creative industries better
encourage growth of these industries in Scotland? What, if any, tailored
support is needed for the creative industries in Scotland?

Since the introduction of the UK High-End TV Tax incentive in 2013 by the UK
Government, the Creative Scotland Locations Team has seen a dramatic and sustained
increase in the number of enquiries about filming in Scotland.

The most significant result has been the establishing of the Sony/Starz Outlander
production in Scotland, which has recently begun to film the second series in
Cumbernauld.

Scottish production spend figures for 2014 were a record high with one of the most
significant factors being the Outlander spend, estimated at around £20 million in
2013/14. However, the impact was not just in terms of production spend, during the first
round of filming, the production engaged more than 300 crew and 37 trainees across
craft and technical departments, providing valuable skills development opportunities,
and over 2,000 supporting artist roles were cast from within Scotland and the rest of the
UK.
The existing UK Film, High-End TV, Animation and Children’s TV Tax Credits are a key factor in attracting productions to Scotland alongside its world-class talent and skills and locations, which are already recognised at home and internationally as being some of the best in the world. These factors combined with Creative Scotland’s lottery funding, Creative Scotland’s new Production Growth Fund and other potential UK sources of funding such as broadcasters and the BFI, mean that Scotland is better equipped to compete meaningfully within the UK and on the international stage.

Current UK tax reliefs for the performing arts, for film and animation and for interactive leisure software (gaming) can pose difficulties for Scottish based creative businesses as the de-minimis limits are often too high to encourage small scale production and tax-credit is retrospective which, again, has implications for cash flow for smaller creative businesses and organisations.

Other sub-sectors in the creative industries in Scotland do not have access to UK tax reliefs such as advertising, architecture, design, fashion, music, publishing and crafts and are, as such, disadvantaged.

**In Summary**

Creative Scotland is committed to supporting those working across the arts, screen and creative industries in Scotland as efficiently and effectively as possible, in response to their needs and feedback, and to communicating the value that creativity delivers to all our lives, socially, culturally and economically.

We are also committed to working in partnership across the wider cultural, public and private sectors in Scotland, the UK and internationally to unlock creative potential for people and communities across Scotland and to help them embrace their ambition.

We look forward to having the opportunity to discuss our work further with the Scottish Affairs Committee in due course.

**ENDS**

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