

culturecounts

The campaign to highlight the value of culture in Scotland

Culture Counts is the collective voice of Scotland's Cultural Sector and related Creative Industries. We survey the data highlighting our value to the Scottish society and economy and we campaign on the issues impacting the sector at local, national and UK level.

We submit the following evidence on the impact of withdrawal from the European Union on the cultural and creative industries in Scotland, and would be pleased to provide further information and/or a panel of expert representatives to support the work of the Scottish Parliament on this vital issue.

Impact of the Creative Industries in Scotland

- The Creative Industries contribute **£3.7 billion** to the Scottish economy each year¹ supporting **117,000 jobs**²
- The British Council "[As Others See Us](#)" report shows that Britain was ranked 2nd overall for "attractiveness" among the top 15 global economies. The top characteristics making Britain attractive were, cultural and historic attractions, cities and arts. **In 2015 Scotland attracted over 14.6 million visitors.** Spending by tourists in Scotland generates around £12 billion of economic activity in the wider Scottish supply chain and contributes around £6 billion to Scottish GDP (in basic prices). This represents about 5% of total Scottish GDP³.
- The Creative Industries employ more people than the oil and gas industry⁴.

Essential Principles on Financial Settlement

Freedom of Movement:

- 1.1 Freedom of movement is vital to creative practitioners and producers in Scotland. Our performing artists regularly work in the EU and need to retain free access to this market. Due to the increase in creators' digital works being illegally downloaded, performing artists, including authors promoting books, need to secure the ability to earn income from live appearances. Working in the EU is not 'additional income', it secures performing artists' basic

¹ [Scottish Government Creative Industries Growth Sector Statistics, 2015](#),

² [DCMS Focus on Employment 2016](#).

³ <http://www.gov.scot/Topics/Business-Industry/Tourism>

⁴ [Creative Industries Blueprint 2015](#)

pay. Any increase in touring costs such as higher taxes, withheld taxes or visa costs could make touring in Europe impossible for many performers, impacting on the ability to earn an income.

Example: Touring in the USA

The majority of performing artists based in the UK cannot financially withstand the length of time it takes to receive tax withheld at source - in the USA, 30% of tour income is withheld for up to 2 years – or to pay high upfront visa costs of at least £700. The USA has become a market that most UK based performing artists are unfortunately forced to avoid for these reasons.

- 1.2 [Touring in a post-Brexit Europe](#) could include the costs and administrative burden of country to country customs equipment carnet checks. (An equipment carnet is a list of items on tour with the touring company and may include for example; stage props, audio systems, visual systems and cables etc.) An equipment carnet has to include every single item, if items are missed off the list from one country to the next the touring group could be refused entry to the country, which could lead to shows being cancelled.
- 1.3 Scottish promoters produce festivals and events which attract performers and tourists from around the world. These diverse programmes rely as performers do on the ability to work across the EU with ease and without costly visa systems and tax implications which may put performers and tourists off visiting the UK. For example, Edinburgh Festivals collectively feature over 25,000 performers each year from over seventy countries.
- 1.4 The Edinburgh Festival Fringe Society, Edinburgh International Festival, Edinburgh Jazz and Blues Festival and Royal Military tattoo have permit-free status for visiting performers which avoids those festivals having to issue a certificate of sponsorship for each individual to obtain a work-permit; the wider use of this model should be explored.
- 1.5 The British Council “As Others See Us” report shows that Britain was ranked 2nd overall for “attractiveness” among the top 15 global economies. The top characteristics making Britain attractive were, Cultural and historic attractions, Cities and Arts. These apply equally if not more to Scotland. If artists cannot easily travel to perform and visitors cannot easily travel to attend events, our international attractiveness as a world-leading cultural an artistic destination will be diminished.

2 The Digital Single Market:

- 2.1 Creative Practitioners in Scotland who create copyrights including artists, writers, actors, musicians, film makers, game makers, software developers and designers, rely on income from the exploitation of copyrights. The role of copyright in creative works is to provide income and a rights and territory based legal framework which provides protection against the exploitation of works without consent of the copyright holder.
- 2.2 It is important that copyright holders (including where the copyright is licensed to a 3rd party for exploitation) retain the right to exploit rights on a territory by territory basis. The proposed EU Modernisation of EU Copyright rules include exceptions for text and data mining, teaching activities and preservation of cultural heritage. There are upsides and downsides to all the exemption areas depending on which creative area is considered. Any move towards removing the consent of the rights holder is problematic not only for moral rights but for the ability to earn an income from the exploitation of rights. Culture Counts seeks to secure income from copyrights.

- 2.3 On 14th June 2017, the EU adopted Cross Border Portability as part of the Digital Single Market proposals. Cross border portability to online content allows consumers to access online content while travelling throughout the EU. The online services can be video-on-demand platforms (such as Netflix, HBO Go, Amazon Prime, Mubi, Chili TV), online TV services (such as Viasat's Viaplay, Sky's Now TV, Voyo), music streaming services (such as Spotify, Deezer, Google Music) or game online marketplaces (such as Steam, Origin).

It is currently unclear if UK Law on Cross Border Portability will stay the same after exit from the EU; which could create uncertainty for those involved in managing the exploitation of digital content. Culture Counts seeks clarity on the UK's plans for cross border portability of digital content after exit from the EU. Again, Culture Counts seeks to secure income from copyrights.

- 2.5 Culture Counts seeks clarity on whether UK designs, patents and trademarks which are currently protected by the EU will continue to receive that protection after the UK exit the EU. There is a potential legal vacuum from current uncertainty around whether to apply for a UK trademark or for an EU trademark and whether there will be a reciprocal agreement to protect designs, patents and trademarks.

3 Potential Increased Costs to the Sector

- 3.1 The loan of cultural artefacts between museums and galleries in EU countries are currently exempt from customs duty via membership of the National Import Reliefs Unit. The loss of this status threatens our ability both to share our culture and to offer international exhibitions. Culture Counts seeks assurance that the loans of cultural artefacts are not threatened by withdrawal from the EU. We recommend that the UK should retain membership of the National Import Reliefs Unit as a non EU member state.
- 3.2 In Museums and Galleries, VAT is not payable on exhibition goods, though 5% is paid on acquisitions for non-EU works of art. If VAT became due on all non-UK acquisitions costs would increase dramatically. Culture Counts believes that VAT exclusion on EU acquisitions should remain in place.
- 3.3 Culture Counts believes the UK should remain or become a new signatory as a non-member state to the European Convention on Cinematographic Co-production, as this convention enables UK film producers to benefit from tax incentives and state protections.

4 Funding

- 4.1 The total level of EU funding for the culture and heritage sector in Scotland is [estimated](#) to be over £59m, covering around 650 projects funded since 2007.
- 4.2 The British Council consultation paper 'Our Shared European Future' (attached, appendix 1) highlights the collective view from the culture sector that the UK government should make financial contributions to ensure the continuation of and access to European funding programmes such as Horizon 2020 and Creative Europe.
- 4.3 Scotland's universities 'ability to attract the best academic talent is under threat, with key figures turning down important posts due to the uncertainty around whether the UK will remain part of the European Research Area. Scotland may also lose a talent pool of new

graduates who may not be given visas to work here after they graduate. This uncertainty must be clarified as soon as possible.

Universities provide productive connections between further and higher education and cultural infrastructures through initiatives such as the University of [Edinburgh's Knowledge Exchange](#) week for cultural heritage professionals. Crucially, universities and further education colleges also directly support and fund cultural venues and facilities such as the [Byre Theatre in St Andrew's](#) or the Talbot Rice Gallery in Edinburgh. Culture Counts wants to see the UK remain part of Horizon 2020, Erasmus and the European Research Area as a non-EU member state. [Universities and Brexit](#).

5 Essential Principles on Citizen's Rights

- 5.1 British Council consultation paper 'Our Shared European Future' (attached, appendix 1) highlights the collective view from the culture sector that the UK and EU should seek to continue the current systems to maintain standards of the recognition of professional qualifications.
- 5.2 Current EU law protects human rights, including the right to take part in cultural life, any post-Brexit agreements must ensure no regression of existing human rights protections.
- 5.3 Cultural workers rely on extensive health and safety at work legislation from the EU including the working time regulations and holiday pay for all workers (creative freelancers).
- 5.4 The UK and Scottish Governments most pressingly should affirm to EU nationals currently living here, that they will be able to remain without further complication, ensuring Scotland retains a skilled workforce with advanced language skills.

Jennifer Hunter
Executive Leader
Culture Counts

jennifer.hunter@scottishtheatre.org, 0131 248 4842

Culture Counts
Federation of Scottish Theatre
c/o Royal Lyceum Theatre
30b Grindlay Street
Edinburgh
EH3 9AX