Education, Culture and Sport Committee
12th Meeting, 2001
Tuesday 24 April 2001

The Committee will meet at 2.30 pm in Committee Rooms A and B in the Municipal Buildings, Falkirk

1. Schools Infrastructure Inquiry: The Committee will take evidence from—

   The Scottish Executive.

   Mr John Henderson (Head of Education, Enterprise and Lifelong Learning Division)

   Mr Andrew Clearie (Project Adviser (Education, Enterprise and Lifelong Learning Division))

   Mr Graeme Stuart (Teachers and Schools (Education, Enterprise and Lifelong Learning Division))

Falkirk Council

   Councillor Willie Anderson (Convener of Community and Citizen Development Council)

   Dr Graeme Young (Director of Education Services)

2. Inquiry into Gaelic Broadcasting: The Committee will consider an initial report from Michael Russell on Gaelic broadcasting.

The following papers are attached for this meeting—

Submission from the Scottish Executive (Agenda item 1) ED/01/12/1

Submission from Falkirk Council (Agenda item 1) ED/01/12/2

Initial Report from Michael Russell on Gaelic Broadcasting (Agenda item 2) ED/01/12/3

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NOTE FROM SCOTTISH EXECUTIVE FINANCE

PUBLIC PRIVATE PARTNERSHIP SCHOOLS

Purpose

1. To present information on the use of PPP to procure new and refurbished schools to the Committee for its meeting on 24 April 2001.

BACKGROUND

2. PPP's are a key element in the Scottish Executive’s strategy for delivering modern, high quality public services. PFI is one form of Public Private Partnership (PPP) and it is being used to procure a number of current school building projects.

3. PFI projects are long-term contracts for services that include the provision of associated facilities or properties. Under the contract, the private sector will have responsibility for designing and constructing the building or facility and maintaining and servicing it throughout the contract term. The public sector retains accountability for the main public services. It specifies its requirements in terms of outputs. This gives the private sector the scope to determine how best to deliver the facilities to the required quality and performance levels.

4. Projects are financed on a Project Finance basis i.e. lending is against the cash flows arising from the project. The recourse of the funders is limited to the project company and hence the cash flows, in most cases. This demands that the projects are commercially viable with robust cash flows. The private sector is responsible for financing the project up front and only receives payment from the public sector once construction has been completed and the services have commenced. Payment takes the form of a unitary payment at regular intervals usually annually with monthly instalments over the life of the contract. Payments are adjusted to take account of non-availability of the facilities or properties and poor performance.

Current Schools Projects

5. A list of current schools projects is given at Annex A. Of these, 1 is operational, 4 are under construction and 4 should reach financial close by late spring this year. The remaining 2 projects, East Lothian Schools and Midlothian Council's Community Campus should reach financial close by early 2002. These projects will between them deliver around 78 new or refurbished schools serving some 64,000 pupils. Their total capital value is approximately £550m.

OTHER ISSUES

Financial Mechanisms Used To Support PPP.

6. Level Playing Field Support
6.1 Level Playing Field Support provides revenue support for local authority PFI projects. It gives broadly similar support to the pound for pound support provided for loans charges under traditional capital spending arrangements so that the choice between PFI and conventional procurement is not determined by differential loan charges support. A sum of £50m was allocated in 2 waves to 20 projects across a range of local authority services on a competitive basis. The awards are capped. They are conditional on the projects being "off balance sheet" and on contracts being signed by 31 March 2002. Level Playing Field Support is paid annually over the life of the project from the commencement of services under the contract.

6.2 The amount of support calculated as due is included in the sum allocated to the local authority as its entitlement to Aggregate External Finance, in the same way as for conventional loan charges at present. The additional support is then reflected in the total amount of Revenue Support Grant (RSG) allocated to the local authority. Payment of RSG in general is governed by Schedule 12 of the Local Government Finance Act 1992. RSG is unhypothecated. It is paid in general support of the local authority’s overall budget and forms only part of the total resources available to the local authority.

7. Capital to Revenue Transfers

7.1 In exceptional cases local authorities are allowed to give up part of their non-housing capital allocations in exchange for revenue support grant. This gives local authorities some added flexibility in managing payments.


8.1 The 15% clawback is waved on capital receipts that have been ring fenced by the local authority for the PPP project.

9. Support for Development Costs

9.1 A one off sum of £5m from Education Department was allocated to 21 local authorities across Scotland to help them with the cost of early investigation and feasibility studies of possible future school PPP developments. Authorities were invited last September to submit bids, which were judged against a number of criteria, including the level of interest they had already shown in PPP, and the extent to which authorities could demonstrate they were taking a wide strategic view of property needs. The awards were announced on 20th February 2001.

Value For Money

10. PFI is not about borrowing money from the private sector but is about creating a structure in which improved value for money is achieved.

11. The public sector’s borrowing rate is less than the private sector’s weighted average cost of capital, although the difference on the average PFI project is now typically in the range of only 1-3 percentage points.
12. This gap has been narrowing as the PFI sector matures and the public and private sectors gain in experience. Competition for the provision of equity and debt has intensified as confidence in the PFI process grows and this also helps to narrow the gap.

13. The profit of the private sector partner, his bid costs and his higher borrowing costs will all add to the cost of the service delivery. Financing costs typically form less than a third of the cost of a PFI project. However, in a good PFI project, the optimisation of risk allocation, competition and innovation will result in savings, which in total more than offset these added costs.

14. To test for value for money, a Public Sector Comparator (PSC) is prepared which represents an estimate of the whole life cost of the procurement of the PFI service by conventional means. This provides a benchmark against which to gauge the value for money of the best PFI bid obtained through competition. The premise is that PFI should only be used where it represents best value for money.

15. The PSC is the cost to the public sector of procuring the assets and services in the PFI scheme by conventional means. For the PSC to be truly comparable, it must include an estimate of the cost to the public sector over the life of the project, of managing the risks that will be transferred to the private sector in the PFI project. Projects are compared on a Net Present Value basis. Achieving value for money does not necessarily mean accepting the lowest cost bid as there may be qualitative factors that have a significant bearing on the outcome.

16. A study by Arthur Andersen on behalf of HM Treasury showed that average estimated saving against the PSC of those projects sampled was 17%.

Staff Pensions and Transfers

17. The Local Government Pension Scheme (Scotland) (Amendment) Regulations 2000, SSI 2000 No 199, were published on 15 June 2000 with a retrospective date of 13 January 2000. These enable local government employees who transfer to non-associated employers to continue to have access to the Local Government Pension Scheme. The Cabinet Office guidance “Staff Transfers in the Public Sector-Statement of Practice”, published in January 2001, applies equally in Scotland and offers guidance on staff transfers.

Scottish Executive Finance Group
19 April 2001
## PUBLIC PRIVATE PARTNERSHIP SCHOOLS

### LIST OF PROJECTS

<table>
<thead>
<tr>
<th>Authority</th>
<th>Project Description</th>
<th>Capital Value (£m)</th>
<th>Status at 11/4/01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Falkirk</td>
<td>New Braes HS; replace Graeme HS, and Bo’ness HS; extend Larbert High School; new Carrongrange Special School</td>
<td>70.0</td>
<td>Schools completed and occupied in August 2000</td>
</tr>
<tr>
<td>Glasgow</td>
<td>Replace 11 secondary schools; refurbish remaining 18 (several with major extensions); replace Knightswood PS</td>
<td>220.0</td>
<td>Work underway, with most complete by August 2002</td>
</tr>
<tr>
<td>E Renfrewshire</td>
<td>Replace Mearns PS and extend St Ninian’s HS</td>
<td>12.5</td>
<td>Construction underway</td>
</tr>
<tr>
<td>Stirling</td>
<td>Replace Balfron HS</td>
<td>16.5</td>
<td>Construction underway</td>
</tr>
<tr>
<td>Aberdeenshire</td>
<td>New secondary school at Oldmeldrum; extend Meldrum PS; refurbish Banff Primary School</td>
<td>14.25</td>
<td>Construction underway</td>
</tr>
<tr>
<td>Edinburgh</td>
<td>Refurbish or replace up to 27 schools (both primary and secondary)</td>
<td>80.0</td>
<td>Preferred bidder stage</td>
</tr>
<tr>
<td>Fife</td>
<td>Replace Queen Anne HS, Dunfermline, and Cellerdyke PS; refurbish and extend Beath High HS, Cowdenbeath</td>
<td>32.0</td>
<td>Preferred bidder stage</td>
</tr>
<tr>
<td>Highland</td>
<td>Replace Glenurquhart HS; new secondary school at Strontian (Ardnamurchan); new primary schools at Tomatin and Spean Bridge</td>
<td>13.65</td>
<td>Preferred bidder stage</td>
</tr>
<tr>
<td>West Lothian</td>
<td>Refurbish and extend Bathgate Academy and Broxburn Academy; refurbish Whitburn Academy; new primary school in Linlithgow</td>
<td>27.8</td>
<td>Preferred bidder stage</td>
</tr>
<tr>
<td>Midlothian</td>
<td>Replace Dalkeith HS and St David’s RC HS on joint campus site with other community facilities</td>
<td>33.0</td>
<td>Advertising for interest</td>
</tr>
<tr>
<td>East Lothian</td>
<td>Refurbish and/or extend 6 secondary schools</td>
<td>30.3</td>
<td>Inviting bids</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>550</strong></td>
<td></td>
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</tbody>
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THE SCOTTISH PARLIAMENT
EDUCATION CULTURE AND SPORT COMMITTEE
MEETING IN FALKIRK - 24 APRIL 2001 - PFI PROJECTS
BRIEFING NOTES FOR COMMITTEE MEMBERS

HISTORICAL BACKGROUND AND NATURE OF NEED
- Attempts to secure enhanced Section 94 by previous Council
- Attempt to create Braes High School
- Local Government Reorganisation
- 1996/97 General Capital Programme discussion.

NATURE AND EXTENT OF PROBLEM
- Bo’ness Academy
- Graeme High School
- Woodlands High School
- Larbert High School
- Dawson Park Special School.

APPROXIMATE COSTS AND POSSIBLE SOLUTIONS
- Capital costs of £65-£70M
- Education Services Capital Budget (2001-02) - circa £3.5M
- Traditional Section 94 funding
- Planning Gain
- Private Finance Initiative.
SERVICES TO BE RETAINED BY FALKIRK COUNCIL

- Continued Employment of all Direct Teaching and Educational Support staff
- Education Policy determined and managed by Staff and Elected Members
- Information Technology
- Financing of schools and provision of consumables.

SERVICES TO BE PROVIDED BY PROJECT COMPANY

- Construction of buildings
- Decant of pupils and staff where required
- Demolition of the existing schools
- Management of the facilities
- Maintenance of buildings/plant/grounds
- Certain equipment provision, maintenance and replacement
- Catering
- Cleaning
- Security/Janitorial Services
- Energy Management.
THE SCOTTISH PARLIAMENT

EDUCATION CULTURE AND SPORT COMMITTEE

MEETING IN FALKIRK - 24 APRIL 2001 - PFI PROJECTS

BRIEFING NOTES FOR COMMITTEE MEMBERS

MAIN PERCEIVED BENEFITS OF THE PREFERRED OPTION (PFI)

- Investment tackled in a single programme
- Economies of scale (design, construction, etc)
- Private sector will assume certain risks
- Full use of assets, eg community use
- No set aside on deployment of Capital Receipts
- Scarce Section 94 resources available for other projects.

MAIN PERCEIVED DISADVANTAGES

- Transfer of support employees to private sector
- Buildings never owned by Council
- Uncertainty, partly through being Pathfinder.

MAJOR DETERMINANT IN PURSUING PFI

- Scale of investment needed not possible from traditional financing
- Planning Gain would not generate sufficient funds and would be to the detriment of Green Belt
- PFI can be made to happen - assistance with revenue costs through "Level Playing Field Support".
TIMESCALE

1. December 1996 - Council's Policy Committee agrees pursuit of PFI.
4. March 1997 - Progress report and approval of delegated powers to approve shortlist to be invited to tender.
5. June 1997 - Conclusions from Education consultation process on zoning, school rolls, etc.
6. August 1997 - Tender documents issues to three short listed companies.
9. February 1998 - Report to members on issues arising from the second stage of consultation on designs, etc.
10. March 1998 - Special Falkirk Council meeting to consider final contract documents.
12. August 2000 - Five schools opened on time.
MAJOR BENEFITS FROM FIVE NEW SCHOOLS

Health and Safety
- Buildings with limited guaranteed safe life demolished
- Buildings with recent history of facility failures demolished
- Ending of split-site schools - road safety issues.

Educational
- State of the Art construction and provision
- All schools networked fully for IT
- New heavy and fixed equipment
- Five new swimming pools
- Drama Studios
- Fitness Rooms
- Advanced Library facilities
- Gymnasia/Games Hall
- All-Weather Pitches (Floodlit)
- Pupil Social Areas
- Dining/Assembly Areas
- Air conditioning in IT Rooms
- Enhanced Guidance facilities
- Enhanced Music, Art, Science, Technical, etc
- Enhanced Staff Rooms and Bases
- Safer environs - pedestrian/vehicular separation
- Joint Campus for Larbert High and Carronrange Schools
- Equalisation of size - increase in subject choice for smaller school.
MAJOR BENEFITS FROM THE NEW SCHOOLS

Community

- Enhanced community facilities
- Creation of new school in Braes area, focal point for wide area of significant population growth.

SAFEGUARDS IN CONTRACT FOR STAFF AND LONG-TERM INTERESTS OF COUNCIL

- All transferred support staff guaranteed no detriment in pay or Conditions of Service for five years
- No redundancies
- All land on which new schools and pitches are sited remains in ownership of Falkirk Council.

OPTIONS AT THE END OF 25 YEARS

- Negotiate new contract with existing consortia
- Negotiate new contract with altered consortia
- Negotiate new provision to reflect changes in numbers, nature of educational provision, etc
- Seek to take properties back into full Council ownership.
EDUCATION CULTURE AND SPORT COMMITTEE

24th April 2001

INTRODUCTORY PAPER FOR THE ENQUIRY INTO COMATAIDH CRAOLAIDH GAIDHLIG (The Gaelic Broadcasting Committee)

1. The Education Culture and Sport Committee decided on 17th January 2001 to hold an enquiry which would “examine the progress to date of the Gaelic Broadcasting Committee with particular reference to the economic, social and cultural impact derived from its activities and spending, the effect on the audience and community, the impact on the development of Gaelic, on the Gaelic arts and on Education and to consider the legislative, financial and operational framework within which the fund operates, especially in the light of the Milne Committee report.” The Committee appointed me as its reporter.

2. The remit was set after discussion with the Director of CCG and after consultation by the Director with his Board. The remit is designed to allow a wide ranging enquiry within the context of continuing developments in Gaelic broadcasting.

3. I met with the Director of the Committee, John Angus MacKay, on 7th March 2001 and to discuss the provision of background information and he and his colleagues have provided a comprehensive briefing paper, along with a number of annexes which are appended to this introductory paper. They give a very full and detailed account of the background to, and operation of the Committee and I am grateful to those who have helped in this way.

4. In consultation with the clerks to the Committee and the Parliament’s Gaelic Officer I prepared a press release regarding the enquiry and a letter to be sent to an agreed list of organisations and individuals seeking written evidence. This was issue towards the end of March 2001 and responses are now being received.

5. The Committee agreed to hold two evidence sessions and to consider at a later date, in the light of written evidence, who should be invited to attend. One of these sessions is to be held in the Council Chamber of Comhairle Nan Eilean Siar in Stornoway, and the two day visit to Lewis will include an opportunity to visit both the CCG offices and the studios in Stornoway, where a feature film is presently being shot and where there is also a growing office base for production companies. The Committee may also have the chance of visiting other relevant locations.


DECLARATION OF INTEREST

7. Prior to outlining some of the issues that arise from the background notes and indicating some possible lines of enquiry, I wish to formally declare an interest in the subject under enquiry.
8. From 1991 to 1994 I was a full time television producer and director and the company which I and my wife are the sole Directors, Eala Bhan Ltd, undertook a variety of work funded in whole or in part by the CCG and its predecessor, the CTG. From 1994 onwards I and my wife have remained in ownership of Eala Bhan Ltd which has undertaken occasional production activity funded by CCG.

9. I have asked CCG to provide me with full details of all production grants, research grants and other monies paid to Eala Bhan Ltd, to me personally or to any company with which I or Eala Bhan undertook subcontracted work during the entire period of operation of CCG and CTG. I have requested the information for 24th April, the date on which this paper is to be discussed, and will table the information for the public record when I receive it.

SOME KEY ISSUES

10. The background paper indicates that the Committee operates by means of grant aid for programme production in the Gaelic language. The committee also provides small amounts of research funding for such programmes, gives money for training (which includes innovative and largely successful courses in Skye) and undertakes a number of other subsidiary functions. The committee now operates in both radio and television, but the radio spending is small in comparison with the television spending.

The Principal Broadcasters

11. Companies or individuals approach the fund for money for specified projects. BBC Scotland, STV and Grampian have held major contracts over the years for programme “strands” – that is for a series of programmes under a linked theme, for example “news” or “drama”. Grampian undertook the daily news strand until the end of 2000, working from a studio in Stornoway. BBC Scotland runs a current affairs strand and STV – working through its production arm, STV Enterprises – undertook the drama strand with the soap opera “Machair” for a number of years. It is fair to say that the substantial majority of the spending of the fund up until end 2000 has been with these three organisations, with STV and Grampian now, of course, part of one company.

12. As STV and BBC employ no television production staff in the Western Isles – or indeed for the subject of this report, outside Glasgow – it follows that the bulk of spending on staff and resources from the fund has probably been spent in Glasgow. Certainly there has been spin off in terms of location filming but full time job creation outside Glasgow has been small with some initially in Aberdeen and Stornoway for Grampian, but these are now much reduced. The background paper indicates a reduction in full and part time jobs attributable to the fund and its existence from 500 in the early years to below 250 today. Given that the fund was meant to build the Gaelic speaking industry, this figure gives substantial cause for concern.

Independent Producers
13. The minority of the fund has been spent on independent production companies. These companies have rarely had access to “strand” funding and have tended to operate on the basis of one off contracts for single programmes or series. The number of such companies competing for work has declined from the early years as has total employment in the Gaelic independent sector. There are in essence two large (by Gaelic production standards) independent companies still operating (Eolas and Media nan Eilean) on a full time Gaelic production basis and a number of smaller ones working intermittently.

14. A major difficulty from the earliest days of the fund has been the cumbersome method of commissioning. The Committee does not commission programmes and has no power over scheduling: the committee grant aids programmes which broadcasters wish to commission. The committee is therefore, to some extent, a clearing house for ideas. However BBC, STV and Grampian have used the system to fund production in house, and therefore have always operated at an advantage. Independent producers have required the good will and active support of broadcasters to undertake successful applications to the fund.

15. The Committee has been criticised for failing to produce any strategy to build the independent production sector. Whereas in the early days of S4C independent producers were encouraged as a counterweight to the dominance of the broadcasting companies, in Scotland the CTG sought to encourage the broadcasters in the first instance, all but ignoring an ambitious if disorganised independent sector. By the time any attention was paid to the needs of the independent sector (which had failed to develop a united voice in the face of these difficulties) the sector was suffering severe financial attrition and a crisis of morale. In a market where there is only one buyer (as one side effect of the fund’s existence after a number of years was to reduce the amount that broadcasters were willing to spend on Gaelic from their own budgets) independents were unable to diversify effectively with consequent effects on their viability.

16. Whilst the Committee now has a more positive approach to independent producers it is still not employing notably successful business development strategies for such companies. One side effect of this will be to require a much longer lead time in building Gaelic production in Scotland to the requirements of a full time channel than should have been the case.

Scheduling, the Audience and Language

17. The fund has indicated over the years priority areas for programming and has sought to encourage applications for production grants in these areas. However at the end of the day the decision on what to show has always lain with the broadcasters themselves. There was an obligation on broadcasters to show a certain proportion of funded programmes in peak time, but that obligation began to be more honoured in the breach than the observance is – as the Committee funds very little now on STV and Grampian – the commercial channels no longer show Gaelic in peak time. BBC has continued to attempt to do so, by allocating a secure slot on a Thursday evening on BBC2 and that has built a steady and appreciative audience.

18. It is important to understand that from the beginning the Committee has attempted to attract a non Gaelic audience as well as a Gaelic audience. This welcome strategy, which assists the language in general, is much more
difficult to achieve if there is no peak time scheduling. The early success in overcoming audience resistance to sub titled (open or closed) programmes and in encouraging a wider viewer ship for Gaelic programmes has not been sustained as a result of these difficulties.

Gaelic production takes place within the context of a language that is struggling for survival. This year’s census is likely to indicate that the number of speakers has fallen to 50,000 or below – about half the number thirty years ago. When considering how to sustain and build minority languages in crisis throughout the world much attention has been paid to the role of television, which can be a major force for imposing the majority language, particularly on young people. However considerable international evidence now shows that mixing minority language programmes into majority language channels is at best of minor assistance. Increasingly channels devoted to minority language programmes are seen as a more fruitful option and these now exist in, for example, Brittany, Ireland and Wales – all of which countries previously attempted the mixed channel option.

The strengthening and support of a minority language is not only a matter of human rights. In most comparable situations language development is closely allied with community and economic development. The existence of the Committee and the fund is, in great part, an aspect of that philosophy which has been successful in other places.

**A dedicated channel**

With that economic benefit at least partially in mind Comunn na Gaidhlig and others have consistently argued from the 1980s onwards for a dedicated Gaelic channel. Their arguments have been strengthened by the difficulties experienced by CCG in securing peak time slots and in persuading broadcasters to widen the pool of talent from which they seek programmes. Without control of a schedule and appropriate finance, Gaelic television is unlikely to progress much beyond where it is today and there is some evidence, that the committee will wish to hear, that where it is today is in fact somewhat behind where it was five years ago.

The Milne Report, copies of which will be provided to the Committee, proposes a Gaelic channel, funded by an ingenious formula that includes contributions from the mainstream majority language broadcasters. The report takes full account of the ongoing transfer to digital which is the context in which television must now be discussed.

**Education**

In addition to building a receptive attitude for the language, Gaelic programming has sought from time to time to teach Gaelic and also to be an educational medium for the Gaelic community.

Whilst the latter aim has in part been met, by educational television programmes and by a stronger commitment to “infotainment” than majority language television, and whilst many have undoubtedly sought to learn Gaelic as a result of having been exposed to it on television, there has been a distinct lack of follow through in terms of using broadcasting to develop language skills for learners and in terms of wider provision for learning Gaelic
to fluency being made available in Scotland. Members will recall evidence on the matter of learning Gaelic given by Finlay MacLeod last year during consideration of Stage 2 of the Education Bill. It remains a matter of concern that individuals seeking to achieve fluency in Gaelic – individuals who could contribute much to halt the decline of the language – have considerable barriers placed in front of them by a system that does not assist language learning.

25. An argument has been advanced that the money, or a substantial proportion of it, which has been paid to CCG and through CCG for production should instead have been devoted to Gaelic Education. Brian Wilson MP has expressed this view in the past, sometimes through the West Highland Free Press. However, it would, in many people’s opinion, be entirely counter productive to effectively cease Gaelic television production at a time when the language is under even greater threat. The solution is not less television, though part of the solution may be more education and more funding for education.

Next Steps for the Enquiry

26. This starter paper should give members an initial overview of the issues. The Committee will want to consider who to hear in oral evidence in Stornoway and in Edinburgh.

27. Without prejudice to a final decision which should be made once written evidence is received, the following initial suggestions are made.

28. STORNOWAY: Independent Production Sector: Comhairle Nan Eilean Siar (For economic, educational and social development information): CCG (Chairman and Director, and others at the Committee’s discretion): Comunn Na Gaidhlig.

29. EDINBURGH: BBC: SMG: PACT: Other independent Producers: Audience or Public views.

30. In keeping with the committee’s previous decision and the policy of the Parliament it is expected that the facility will exist at both sessions for evidence to be given in Gaelic, with simultaneous translation available.

31. It is further recommended that the Committee’s report be issued in both Gaelic and English and that the assistance of the Parliament’s Gaelic Officer be sought for evidence sessions and for other matters as necessary.

Michael Russell MSP
10th April 2001
The Scottish Parliament Committee for Education, Culture and Sport

Briefing Notes on CCG for Michael Russell, MSP

1 Background

The legislative provision, under the Broadcasting Acts 1990 (and 1996), for the establishment of the Gaelic Television Fund (Gaelic Broadcasting Fund) and its management by Comataidh Telebhisein Gaidhlig, the Gaelic Television Committee, (Comataidh Craolaidh Gaidhlig, the Gaelic Broadcasting Committee after 1996) appointed by the ITC is summarised in Appendix 1. Additional background material is provided in Appendix 2, prepared by the ITC as a briefing note for prospective Committee members.

It should be noted that the model of operation requested by Comunn na Gaidhlig in the 1980’s was a similar arrangement to S4C in Wales using either BBC2 or Channel 4 on an opt-out basis in Scotland. This was successfully resisted by both broadcasters, supported by the government which resented the policy u-turn forced on them by Gynfor Evans’ hunger strike in support of the creation of a Welsh channel.

While the fund was, and is, a major boost to Gaelic television it should be noted that the legislative provision specifically precludes commissioning of programmes by the Committee – the only specific exclusion in that part of the legislation. The legislation does not guarantee schedule slots. These factors effectively give the broadcaster the right of veto on a project per project basis, be that one programme or a programme series.

2 Funding

The Fund was originally set at £8m per annum, to provide 200 hours of programming annually at an average hourly cost of £40,000 suggested by broadcasters. This figure was increased to £9.5m in 1992/93, the first full year of funding, in recognition of the responsibilities, for example for training and research, and the administrative arrangements established by legislation.

The Fund has reduced significantly in real terms since 1992/93 for two reasons: it was not index-linked; it was cut by £762,000 in 1994/95 and by £550,000 in 1998/99. The attrition in the context of inflation is shown graphically in Appendix 3, which also tabulates grants received against hypothetical index-linked figures.

The gap in 2000/01 is @£3.3m. The total revenue lost to the Fund since 1992/93 is @£15.1m, equivalent to almost two years of funding at the current level and to 377 programme hours at the original average cost of £40,000 an hour.

3 Programmes Funded

From the outset, the programme menu prepared by the Committee was based on audience needs, legislative provision with regard to range and quality of service, scheduling considerations, available finance and existing in the production sector.

To provide a baseline of security for the independent sector, the Committee resolved to aim to allocate at least 25% of its production funding to independent companies, provided
finance for the Gaelic independents to form their own association and funded programme development by Gaelic independent companies.

In devising its programme strategy and in drawing up the annual programme menu, the Committee took cognisance of the programming funded by the broadcasters, Grampian Television, Scottish Television and the BBC. Thus, the Committee funded programme genres which were new to Gaelic television, such as News, European Current Affairs, Soap, Film, Youth, Arts, Religion. It also topped up in areas such as Pre-school, Music, Education and Documentary.

Appendix 4 illustrates the total hours in each programme genre contracted by the Committee from 1 April 1992 to 31 March 2001. Readers will note that the hourage could have been @25% greater had the fund been index-linked as noted in 2 above.

4 Allocation of Programme Grants

Appendix 5 summarises the programme grant allocation to the BBC, Independent Producers and ITV companies from 1992/93 to 2000/01.

Given that production cycles often mean that contracts may be funded over two financial years, changes in audience demand, scheduling policy changes and the ebbs and flows of organisational fortunes in a competitive industry, funding patterns are not generally fixed. Appendix 6 illustrates this point. It also illustrates that funding to the independent production sector, while exceeding the 25% baseline over the whole period by 4%, has grown substantially and steadily in the period since 1998/99 to a level of 47% of production funding in 2000/01.

5 Audience Measurement

In meeting its audience research remit, the Committee has consistently undertaken both quantitative and qualitative research which has underpinned programme funding strategies and informed decisions on continuation or cessation of programme strands.

The Committee has identified five broad audience categories which it has sought to serve: the core audience of Gaelic speakers living in Gaelic speaking communities; Gaelic speakers in Scotland wherever they lived; Gaelic learners; those interested in Gaelic but unable to speak it, living in Gaelic speaking communities; anyone in Scotland interested in Gaelic programmes. Attention was paid to building future audiences through providing programmes for families, children and young people, and programmes and supporting materials for adult Gaelic learners and the Gaelic-medium education sector. This strategy was successful.

Quantitative research is undertaken through David Graham Associates which provides CCG with the industry’s BARB audience figures and analysis. This is supplemented by qualitative research under taken by the Leirsinn research centre, based at Sabhal Mor Ostaig. Leirsinn has established a panel of 300 Gaelic speakers/learners weighted to represent the Gaelic population of Scotland (the BARB panel in Scotland is 500). This panel provides weekly diary information on programmes watched, likes and dislikes, and facilitates Audience Appreciation Indices for programmes and programme series. Leirsinn also undertakes focus group and other sampling exercises.
to provide information on specific issues of interest, for example the programme requirements of young Gaelic speakers.

### 6 Scheduling

Availability of audience is inextricably linked with scheduling decisions. Thus, loss of core audience was a significant factor in the Committee’s decision not to continue the Telefios contract beyond December 2000. The Committee has taken over the lease of the Grampian Television studio in Stornoway from Western Isles Council and will fund programmes produced there, including a weekly magazine show from the Autumn of this year. Erratic scheduling of peak-time Gaelic programmes by SMG was also a major factor in the Committee’s decision to discontinue funding for Machair, against a background of rising costs, reduced funding and variable quality.

In 1993, two peak-time slots were available to the Committee on ITV on Tuesday and Wednesday evenings. On Mondays, Fridays and Saturdays half hour slots were available in the afternoon. There were eight one hour Sunday slots each year, and on Thursday evening a slot at 23.10. This range of slots gave CCG scope for funding a wide range of programming for broadcast at suitable viewing times. By 2001, after gradual retreat from this position, due to changes in ITV scheduling policy, the position has reduced to: one half-hour slot weekly in peak-time on Sunday; eight one hour slots on Sunday; twenty-six half-hour slots on Saturday afternoons; a two hour block from 23.30 on Tuesdays. Monday and Friday afternoon slots ceased in Autumn 1998; the peak-time slot moved from Tuesday evening to Sunday evening in Autumn 1998.

Two Telefios bulletins were broadcast daily by Grampian, at 1225 and 1800 and by STV at 1225 only. STV did not show the evening bulletin until 8 March 1999, when Telefios was shifted to 1700 on both GTV and STV. At the beginning of that year, the Grampian evening bulletin had been shifted from 1800 to 1855 where it remained for a few months until it was shifted to 1700. This move to a slot in which a high proportion of the target audience was not available to view proved unacceptable, and SMG were not able to accommodate the Committee’s request to relocate it to a more suitable time slot.

By comparison, BBC Gaelic programme scheduling in the same period has remained relatively stable. A two hour Thursday evening block on BBC2 and a daily children’s slot on BBC1 from September to March has provided a level of consistency that has been rewarded by audience loyalty, brand recognition and, consequently, relatively stable CCG funding within the wider framework of reduced funding. Slots are also available during the BBC2 morning schools block. All Gaelic education television programmes are now funded by CCG.

### 7 Training

The Committee funds full-time and part-time training for the industry in partnership with the Enterprise Network in the Highlands and Islands, and maintains links with Scottish Screen and Skillset.

Full-time training is provided through the Gaelic Television Training Trust which funds a two year course in which students receive college based tuition at Sabhal Mor Ostaig and
hands-on experience in placements in the industry. Seventy-nine trainees have received assistance from CCG in these full-time courses.

In the independent and free-lance sector the Committee funds short courses and placements to encourage skills upgrading and development. One hundred and seventy-one people have received assistance in this way.

In addition, to give young people and late starters an opportunity to learn basic skills as a precursor to employment in the industry, full and part-time, the Committee has jointly funded workshop programmes in production, writing, music, drama, comedy and radio. In all, eight hundred and forty-six people have been assisted in this way to learn skills which have given many of them an opportunity to access employment in Gaelic broadcasting.

8 Employment

In 1993/94 when the Fund stood at £9.5m, over five hundred people received full or part-time employment on Committee funded contracts, creating two hundred and eighty full-time equivalent jobs according to independent research by Sproull and Ashcroft for Glasgow Caledonian University.

By 2001, as the decline in the fund is mirrored by reduction in employment opportunities, the number of FTE’s is estimated at two hundred and thirty-eight. The distribution of this employment across disciplines is shown in Appendix 7.

9 Current developments

At the time of writing Gaelic broadcasting is faced with uncertainty. The Milne Task Force recommendations to the government in 1999 are currently under examination in the context of the Communications White Paper.

Broadcasting cost inflation tends to run ahead of the general level, but the Gaelic Broadcasting Fund has stood at the same level of £8.5m for three years. A case for additional funding has been put to the Finance Minister.

Audiences continue to be loyal, but their patience has been sorely tested by scheduling arrangements over the years. This is reflected, inter alia, by the overwhelming support for a Gaelic channel evidenced in Leirsinn panel research and System Three polls for CCG. At the same time uncertainty over ultimate coverage of Digital Terrestrial Television in the Highlands and Islands and the patchy nature of current provision means that few potential viewers can access the daily half-hour provided in peak-time by SDN with repeat showings of CCG funded programming in its TeleG service on Multiplex A.

The transition from analogue to digital will require careful management and the role of CCG in this is yet to be clarified, although the Committee itself is willing and well placed to play a leading role in this period. The Committee believes that, through positive political support and active engagement with the issues involved, digital technological development could prove to be much more of an opportunity than a threat to Gaelic broadcasting.

J. A. MacKay 25 March 2001
Appendix 1

STATUTORY BASIS

Background - The Broadcasting Act 1990

The Gaelic Television Fund and Comataidh Telebhisein Gaidhlig were established by the Broadcasting Act 1990 Sections 183 and 184, and Schedule 19.

Funds made available by the Government were to be paid to the ITC for the credit of the fund to be known as the Gaelic Television Fund (‘the Fund’) - S.183(2).

The Fund was to be managed by the body known as the Gaelic Television Committee, (‘the Committee’), a body corporate, with its own seal - S.183(3) and Schedule 19, Paras 1 and 9.

The Broadcasting Act 1996

Under the Broadcasting Act 1996, Section 95 and Schedule 10, section 26, The Gaelic Television Fund was re-designated as the Gaelic Broadcasting Fund and the Gaelic Television Committee became the Gaelic Broadcasting Committee. These changes took effect from 1 April 1997.

Funding

A sum is to be paid by the Government to the ITC for the credit of the Fund in respect of each financial year from 1st April 1992 - S.183(1). The amount shall be "such amount as the Secretary of State may, with the approval of the Treasury, determine to be appropriate”.

Application of the Fund

The purposes for which the Committee may apply the Fund are set out in S.183(4) of the 1990 Act as amended by Section 95 of the 1996 Act, and are as follows:

- financing the Making of Television Programmes in Gaelic
- widening the range and improving the quality of Sound Programmes in Gaelic that are broadcast for reception in Scotland.
- financing the Training of persons employed in connection with the making of such programmes
- other purposes connected with or related to the making of such programmes
- financing Research into the types of television and sound programmes in Gaelic which members of the Gaelic-speaking community would like to be broadcast.

The Committee may impose such conditions as it thinks fit when making any grant out of the Fund - S.183(5).

In so far as the functions of the Committee consist of the making of grants out of the Fund, the Committee must secure that a wide range of high quality programmes in Gaelic are broadcast for reception in Scotland. However, the Act does not authorise the Committee to commission programmes - S.183(6).
Statutory Powers

In addition to undertaking the management of the Fund as set out in the 1990 Act S.183, the Committee as a statutory corporation is also empowered to do such things and enter into such transactions as are incidental or conducive to the discharge of these functions in the 1990 Act - Schedule 19. Para 1(3).

Committee - Membership and Conditions of Appointment

Members of the Committee are to be appointed by the ITC, which is also responsible for determining the remuneration and allowances of Members - 1990 Act Schedule 19. Para 2(3). Under Section 95 (4) of the 1996 Act the Commission has a duty to consult the Radio Authority on Committee appointments.

Employees - Conditions of Appointment

The Committee is empowered to appoint such employees as it may determine; but it must secure the consent of the ITC as to the numbers employed, and the terms of their employment - 1990 Act Schedule 19. Para 7(1).

Expenses and Operating Costs

The Fund must bear the following costs and expenses of the Committee - 1990 Act, Schedule 19. Para 8.:

- any expenses incurred by the ITC:
  
  i) in respect of the remuneration and expenses of the Chairman and members of the Committee,

  ii) in respect of the salaries of any ITC employee whose services have been furnished to the Committee by the ITC

  iii) in respect of any office accommodation or other facilities provided to the Committee by the ITC

- the employment costs of the Committee's staff

-any other expenses incurred by the Committee with approval of the ITC and (where the expenses relate to the Commission’s functions in connection with sound programmes) the Radio Authority - 1996 Act Sch. 10; s.26(a) (ii).
Appendix 2

GAELIC BROADCASTING

No. 27

Introduction

The Broadcasting White Paper of 1978 outlined the importance of Gaelic broadcasting in paragraph 58: “Broadcasting has an important role to play in the preservation of Gaelic and Welsh as living tongues and in sustaining the distinctive cultures based upon them...”.

The Broadcasting Act 1981 section 4 (1) (d) obliged the Independent Broadcasting Authority (IBA) to see that, as far as possible, when “another language as well as English is in common use” that a “suitable proportion of matter in that language” should be broadcast. On the advice of the IBA’s Scottish Advisory Committee both Scottish Television and Grampian Television each provided 30 minutes a week of Gaelic material including programme exchanges between the two companies.


On the 18 December 1989, the Rt Hon. Malcolm Rifkind QC MP, the then Secretary of State for Scotland, announced the establishment of a Gaelic Television Fund of £8m., the money to be made available for up to 200 hours of Gaelic Television in addition to the 100 hours then currently being transmitted in Scotland. This proposal was subsequently incorporated into the Broadcasting Act 1990 as detailed in Sections 183 and 184 plus Schedule 19.

Comataidh Telebhisein Gaidhlig or Gaelic Television Committee

In establishing the Gaelic Television Fund, the Government paid to the ITC an annual, though variable, sum as determined by the Secretary of State. This fund was administered by a Gaelic Television Committee (CTG) appointed by the ITC.

Under the Broadcasting Act 1990, the CTG were required to make grants for the financing of programmes in Gaelic for broadcasting mainly in Scotland. Funds could also be used for training, research and for related purposes such as support materials.

Broadcasting Act 1996

The Broadcasting Act 1996 put a requirement upon the provider of the digital terrestrial multiplex carrying Channel 5 and S4C to provide a minimum of half an hour a day of Gaelic programming during peak time throughout Scotland. The Multiplex operator is also charged to consult the Committee on the quantity of programmes and the proposed scheduling for the broadcast. More information on digital television is contained in ITC Note 40.

Section 95(6)(b) of the Act expanded the remit of what was then the Gaelic Television Committee to provide support to Gaelic radio to widen the range and improve the quality of sound programmes in Gaelic that are broadcast for reception in Scotland. In recognition of these changes, Comataidh Telebhisein Gaidhlig (The Gaelic Television Committee) was re-named Comataidh Craolaidh Gaidhlig (The Gaelic Broadcasting Committee).
The Gaelic Broadcasting Committee in Operation

The committee consists of a chairman, appointed for five years, and up to eight other members. With the approval of the ITC, the committee appoints a full time executive staff.

The CCG, in conjunction with their executive staff under a director, determine the overall strategy or policy for funded Gaelic broadcasting. Annually, they determine a menu of programmes which reflect the needs of the Gaelic language and culture. Both broadcasters and independent producers are then invited to submit proposals targeting the menu. In the case of a programme proposal, a broadcaster must be willing to make an appropriate transmission slot available. The CCG can assist in this process by negotiating with the broadcaster. In the case of television, in addition to the Scottish ITV licensees, the BBC, Channel 4 and independent producers can access the Fund. Similarly, the BBC, Independent Radio companies and producers can access the Fund to produce sound programmes.

ITC Licensees

The ITC’s Invitation to Apply for regional Channel 3 licences states that the Central Scotland and North of Scotland licensees must broadcast at least one hour a week on average of programmes in the Gaelic language funded by themselves. They must in addition broadcast programmes in the Gaelic language on a regular basis up to 200 hours a year funded by the CCG.

It is a licence condition that Grampian TV show 53 minutes a week of Gaelic programmes funded by themselves plus an additional 30 minutes a week which may be supplied by Scottish Television.

It is a licence condition that Scottish Television show 30 minutes a week of Gaelic programmes funded by themselves plus an additional 30 minutes a week which may be supplied by Grampian TV.

Accountability

The annual performance reviews by the ITC of its licensees include an assessment of the provision of Gaelic programmes required by the Broadcasting Act 1990. In particular, the service provided by the two Scottish licensees must include a wide range of Gaelic programmes, taking such programmes as a whole. A suitable proportion must be of high quality and shown in peak viewing times.

The CCG must prepare a separate report and accounts to the 31 March each year to be sent to the Secretary of State for Scotland to be laid before Parliament.

Details are included in the ITC’s 1999 performance reviews on the provision of Gaelic programmes by Grampian Television and Scottish Television. The 2000 annual reviews are due to be published at the end of this month (March) in the ITC annual report and accounts.

Contact

The CCG is based at 4 Harbour View, Cromwell Street Quay, Stornoway, Isle of Lewis HS1 2DF (Tel.: 01851 705550; Fax.: 01851 706432).

Further References

ITC Publications
MARJORIBANKS, Brian. *A fund of culture.* in *Airwaves.* 1990: Spring, 14-16
MACKAY, John Angus. *Winning over the audience.* in *Spectrum.* 1992: Summer, 16-17
The 1999 Annual Performance Review for Channel 3 (ITC publication)

External Publications

*Gaelic Broadcasting Committee (CC G) report and accounts.*

March 2001
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Comataidh Craolaidh Gaidhlig

Total Production Hours Contracted: 1 April 1992 - 31 March 2001

Hours Contracted (Total = 1,538)
Comataidh Craolaidh Gaidhlig
Allocation Of Programme Grants Issued: 1 April 1992 - 31 March 2001

- STV: 29%
- Independent: 29%
- BBC Scotland: 26%
- Grampian: 16%
Comataidh Craolaidh Gaidhlig
Allocation of Programme Grants Issued: 1 April 1992 - 31 March 2001

Grants Issued (£)

BBC Scotland
Grampian
STE
Independent

Financial Year

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**Total = 238**

*Comataidh Craolaidh Gaidhlig*
*Allocation Of Employment By Sector 2000/01*
*(Total = 238 - incorporating multiplier of 2.22)*