

CULTURE, TOURISM, EUROPE AND EXTERNAL AFFAIRS COMMITTEE

**CALL FOR VIEWS ON THE IMPACT OF COVID-19 ON SCOTLAND'S
CULTURE AND TOURISM SECTORS**

SUBMISSION FROM BIRLINN LTD

Birlinn Ltd is (after Canongate) the second largest trade publisher in Scotland. We employ directly some 20 people and work with numerous freelancers. 75% of our £3.2 million turnover is within Scotland.

Much of the Scottish publishing industry is dependent not simply on the High Street but on the tourist, leisure and heritage sector. We predict our turnover this year will drop by one third as a result of the effective shut down of the sector.

Publishing is an enormous force multiplier for the economy. For every £1 million pounds of invoiced turnover we generate the following impacts will follow:

- Roughly £2 million of retail sales
- £130k of distribution revenue (paid to Booksource, a Scottish company)
- £350k of print, production and editorial costs (much outsourced within Scotland)
- £150k of income (largely to Scottish authors)

The £1 million pounds of retail profit 'lost' is of course out of the pockets of many retailers including E commerce but much of it pertains to the Scottish independent book trade and heritage sector.

The consequences therefore are wide ranging and will impact for some considerable time. Tourist and heritage accounts who depend on a seasonal income will either:

- Return their stock (books operating on sale or return)
- Run down existing stock rather than purchase new
- Slow down payments
- Or simply shut their doors since many are lifestyle businesses.

So we face a permanently shrunken capacity to service and reach our markets.

Our own analysis suggests that the real crunch will come next August or September when the failure to generate cash this summer will force a serious restriction in programme next. As the figures above show, the ripple effect of this will operate from author to retailer right across the sector.

What then can be done and is it important?

Clearly there are calls for action and support right across the Scottish business world and we are one of many. However what we produce defines and is integral to the visitor and heritage experience of Scotland. It is vital to Scotland's sense of itself. And it is immensely effective at keeping spend within the Scottish economy. When productive capacity is lost in our industry it tends to be permanently lost given the specialist nature of many of the skills bases we need. Even before the crisis this was already an issue in our functioning. It is a reason why many Scottish publishers over the years have transitioned to London.

So I would make a plea for:

1. Structural funds: In recent years the book market has changed enormously, particularly with regard to E books. The crisis has brought into focus and intensified the move on line in the Education sector. We need help to digitise and meet that surging demand. This would:
 - a) Help protect and strengthen our core viability.
 - b) Fill a growing need in the education sector that we do not have the capital to meet at the moment.

The second area of structural support is to move into areas where we have hitherto been weak. Childrens is a historic area of underperformance in Scottish publishing due to its capital intensive nature and this is one area where investment could yield long term dividends.

These are simply two illustrative examples.

2. But the core area that would be transformative, cost nothing is for the Scottish heritage sector to be both directly supportive, and incentivised to be so of Scottish culture (and here I go well beyond books):
 - a) The Scottish government in Visit Scotland and HES in particular controls a substantial number of retail outlets. The cultural commitment and the level of Scottish product in these outlets is minimal at the moment. This should be transformed.
 - b) Excessive, complicated procurement procedures which are designed not to encourage competition but to suppress it to a pre determined result should be abolished. These procurement changes should also cover the educational and library sectors.
 - c) The Scottish Government should create a 'Gold Standard' for outlets which meet criteria of sustainability, local sourcing and openness in supply chain. This should be independent of government and shops and sites should be incentivised towards this.

- d) The Scottish government should set up an independent culture and heritage commission with a long term remit to report on culture, heritage and tourism in the light of the current crises of COVID and environment to build and create a sustainable way forward for the sector. This body should be empowered not simply to recommend but to enable change and it should be independent of the current entrenched institutional interests in the sector but engage with the key players at an individual level.