

BBC Supplementary information – 30 April 2014

As requested, please find below the response to the question posed by the committee. Please accept our apologies for the short delay in responding.

Regards

Ian

At the end of a session before the Education and Culture Committee on 11 March, the Convener asked representatives from BBC Scotland about our coverage of a story about Standard and Poor's credit assessment of an independent Scotland. Mr Maxwell wanted to know why we did not include the statement: "Even excluding North Sea Output and calculating per capita GDP only by looking at onshore incomes, Scotland would qualify for our highest economic assessment." Mr Maxwell said that – from his point of view – this was one of the most interesting and important aspects of the report.

To be clear, it is not BBC's policy to answer questions from a parliamentary committee about its editorial decisions. Moreover, BBC Scotland cannot reasonably be expected to engage in such a forum on such a specific point about an individual story.

However, both Ken MacQuarrie, Director, and John Mullin, editor of the referendum unit, did attempt to reply and promised to come back on this point. So, on this occasion, we will attempt to clarify.

The BBC did cover the Standard and Poor report online, and, on a busy news day, as part of a wider package on Reporting Scotland which led on Standard Life's suggestion that it could move some of its operations outside Scotland in the event of independence. We did report Standard & Poor's summary of its analysis that Scotland's challenge would be "significant, but not unsurpassable".

As Mr Maxwell said, what to include and what to exclude are often difficult editorial decisions. To have used the quotation he highlights would clearly have required more time, particularly as it would have needed to have been explained, and, on this particularly day, we judged the Standard Life story to be stronger. On a quieter day, a longer story focusing on Standard & Poor may well have run. We, of course, stand by our story as broadcast.

On the point of the reportage of the AAA rating the comment was made by a contributor on Newsnight Scotland.

In fact, S&P does not set a specific credit rating. It does give high marks to Scotland on its economic assessment, which looks at income levels, growth prospects and economic diversity and volatility. But there are four other factors that are taken into account when assessing credit status, including institutional and governance effectiveness and security risks; external liquidity and international investment position; fiscal performance and flexibility, as well as debt burden; and monetary flexibility. S&P does not specify the marks awarded to each of these four factors, except to say that together they would ensure Scottish sovereign bonds would be 'investment grade'. That ranges from BBB- up to AAA.

We hope this information assists the committee.

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