



OFFICIAL REPORT
AITHISG OIFIGEIL

Culture, Tourism, Europe and External Relations Committee

Thursday 23 February 2017

Session 5



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CULTURE, TOURISM, EUROPE AND EXTERNAL RELATIONS COMMITTEE
7th Meeting 2017, Session 5

CONVENER

*Joan McAlpine (South Scotland) (SNP)

DEPUTY CONVENER

*Lewis Macdonald (North East Scotland) (Lab)

COMMITTEE MEMBERS

- *Jackson Carlaw (Eastwood) (Con)
- *Ross Greer (West Scotland) (Green)
- *Rachael Hamilton (South Scotland) (Con)
- *Emma Harper (South Scotland) (SNP)
- *Richard Lochhead (Moray) (SNP)
- *Stuart McMillan (Greenock and Inverclyde) (SNP)
- *Tavish Scott (Shetland Islands) (LD)

*attended

THE FOLLOWING ALSO PARTICIPATED:

- Kevin Bakhurst (Ofcom)
- Lord Hall of Birkenhead (BBC)
- Donalda MacKinnon (BBC Scotland)
- Ken MacQuarrie (BBC)
- Glenn Preston (Ofcom)

CLERK TO THE COMMITTEE

Katy Orr

LOCATION

The James Clerk Maxwell Room (CR4)

Scottish Parliament
Culture, Tourism, Europe and
External Relations Committee

Thursday 23 February 2017

[The Convener opened the meeting at 09:02]

Decision on Taking Business in
Private

The Convener (Joan McAlpine): Good morning. Welcome to the seventh meeting in session 5 of the Culture, Tourism, Europe and External Relations Committee. I remind members and the public to turn off mobile devices. I ask that any members who are accessing committee papers electronically ensure that their devices are turned to silent. No apologies have been received.

Agenda item 1 is a decision on whether to take in private item 3, which is consideration of the evidence heard under item 2. Do we agree to do so?

Members *indicated agreement.*

BBC Royal Charter and
Framework Agreement

09:03

The Convener: Agenda item 2 is an evidence session on the BBC charter and framework agreement with the BBC and Ofcom. Before we proceed, I draw members' attention to my interest, as stated in the register of members' interests, as a weekly columnist for the *Daily Record*.

I welcome to the meeting the witnesses: Lord Hall of Birkenhead, director general of the BBC; Donalda MacKinnon, director of BBC Scotland; and Ken MacQuarrie, director of nations and regions at the BBC.

I invite Lord Hall to make an opening statement.

Lord Hall of Birkenhead (BBC): Thank you for the invitation to come here today. I am grateful that you were content to move the date of this evidence session. I wanted to come when we had concrete things to say and, as you can see from yesterday's announcement, we can do that today. Thank you for your patience.

When I was before the committee that previously dealt with culture issues, the Education and Culture Committee, I stressed the areas that the BBC was looking at: the rebalancing of the provision of news; improving how we portray Scotland; growing the spend in Scotland for the nation overall, but also for Scotland; the importance of partnerships; and devolving more decision making to Scotland.

Yesterday, when we announced the results of our thinking, we all felt that it was a very big day for the BBC in Scotland. You will know the context, but let me remind you about it. The BBC is having to make considerable savings—£800 million over the first five years of the new charter—and the licence fee is flat in real terms. Nonetheless, we are able to make our largest investment in some decades in BBC Scotland—£40 million—which will transform the offer from BBC Scotland. At the heart of our thinking was our audiences and giving them choice and ensuring that they can have good quality content.

We made two big announcements: a channel for Scotland; and £19 million of new money, which brings the total budget to £30 million. Like-for-like, that is comparable with the content spend—not the overall spend—on BBC Four. The details are to be worked out by Donalda MacKinnon and her team here. It is a really exciting, creative proposition. It has a 9 o'clock news at its core, and the new channel will give viewers in Scotland a real choice, as they have in radio.

Within that, spending on news will increase to more than £7 million a year. That will benefit not just the new 9 o'clock news, but "Reporting Scotland", BBC Alba and Radio nan Gàidheal. We are increasing our investment in Alba, including on weekend news—when I went to Stornoway a few months ago, I saw that that was clearly needed. We are giving Alba, BBC Scotland and the new channel a chance to co-commission, and we are taking on an extra £1.2 million of costs, which will free up money for Alba overall.

There will be 80 new journalist jobs and, if you add that together with the 20 jobs that we are committing to through our local democracy proposals, there will be 100 jobs in total. That is the biggest investment in the news industry, if I can call it that, for a considerable amount of time. When others are cutting, we are investing—as we should be.

We are sustaining an extra £20 million investment a year in network production here, taking as the base figure the spend in 2015-16, which was £65 million. The Parliament has taken evidence from Anne Bulford and others about our investment. The extra £20 million that we have committed to spend should take us to more than £90 million for the network in Scotland this year, and, in 2019-20, to just under £90 million. The figure will go up and down a little bit according to commissions, but that funding commitment is there.

The increased investment is a result of the changes that we have made and that we have said that we will make. Commissioners in Scotland have been announced for comedy, science and children's programmes and we will shortly be announcing the drama commissioner. We have created a drama development fund and, a few weeks ago, we launched a writers room for Scotland. All of that is helping to lift the creativity of BBC Scotland, and the creativity in Scotland more broadly on the networks. It is a great vote of confidence in Scotland's creativity.

The changes are also going some way towards increasing the amount of licence fee income that is spent in Scotland versus what is raised here. I know that the committee takes a great deal of interest in that issue.

Yesterday was not about saying that we have reached a destination, but we have, I hope, laid the foundations for an ambitious future. Yesterday was a declaration of intent to increase significantly our support for the Scottish creative economy, to widen opportunities from production not only in-house, but with indies and, most important, to serve audiences by providing them—and the network—with more quality programmes from Scotland about Scotland and giving them greater choice.

Thank you for allowing me to deliver those few words, convener.

The Convener: Thank you very much, Lord Hall. I think that you will have seen a lot of positivity in the responses to this week's announcement, particularly in this Parliament. That is because there has been cross-party support for the proposal for a Scottish digital network for almost 10 years. Obviously, the new jobs will be welcome, too.

You will be aware that one of the criticisms that have been made—perhaps not criticisms, but queries—concerns the fact that the Scottish digital channel that was proposed 10 years ago was costed at £75 million. The new channel will have £30 million of funding, not all of which is new money. Is the £30 million a starting point? Do you expect it to increase? Will the channel be able to deliver the services for that amount of money?

Lord Hall: I cannot compare our announcement with the proposal that was made a decade ago, because I do not quite know how the numbers were put together. However, I confirm that there are no hidden overheads. The £30 million is, in crude terms, cash to spend on the channel. If we compare it with BBC Four, we lay into BBC Four other things that are not the cash that can be spent on content. The money for the new channel is absolutely cash that we can spend on content.

Donalda MacKinnon has created an outline of what the channel will look like, and 60 per cent of the output will be new commissions, which is a very good start. However, I now want Donalda and the team to take this exciting moment and create a new channel, which is what you are talking about. The arrangements are in place for its first and second years, and, as for what happens thereafter, let us see. If we can, at some point, win more money for the BBC by proving that we are providing good services, I would love to see more money going into that channel. However, the aim now is to launch it.

Donalda MacKinnon might want to say a few things about the channel.

The Convener: In your comments, Donalda, you can perhaps tell us whether there is going to be a head or director of the channel.

Donalda MacKinnon (BBC Scotland): I will answer that question first. Yes, there will be leadership around the new service, but it will form part of a wider plan that I have, which I have not announced yet. I am not prepared to announce it here, today, but rest assured that there will be appropriate leadership around the channel.

I echo what Tony Hall said. This is not a like-for-like comparison with what the Scottish broadcasting commission set out to achieve with

its proposals for a digital network. As Tony said, we are starting with a hypothecated cash content spend of £30 million, with no money for overheads included in it. We also hope to leverage economies of scale across the BBC. We want to co-commission and take advantage of simulcasting where we can, and we are working with our network colleagues and others across the nations and regions, including broadcasters across Europe and—why not?—the world.

The Convener: That is all very interesting. Do you expect to sell original programming around the world?

Donalda MacKinnon: I am ambitious for that, convener. What we have in Scotland is unique, not just because of what we can produce here—our unique selling point is our Scottishness; I have always said that—but because we have one of the best creative communities in the world. We have the capacity and capability to produce fantastic content that should and can very easily be sold. I have already been in conversation with Tim Davie, the director of BBC Worldwide, and we are working on some plans that I hope to see come to fruition over the next few years.

The Convener: Okay. Let us go back to the funding. You said that you have £30 million. The BBC spends £60 million on commissioning rights for “Match of the Day”, so £30 million will not go very far. You rightly referred to the committee’s interest in the proportion of the licence fee that is spent in Scotland. In 2014, which was your good year, you spent about 63 per cent of the licence fee money that was collected in Scotland, whereas 2015-16 was not a great year, with your spending at 55 per cent. I understand that the new money will take your spending up to 67 per cent, but that is still a long way behind both Northern Ireland, which spends 75 per cent of the money that is collected there, and Wales, which spends 95 per cent. Are we going to get to a position where Scotland has parity with those other nations of the United Kingdom?

Lord Hall: You are right to say that the year that we have taken as a baseline, 2015-16, was not a good year. However, the spending in the previous year was boosted by money that we put in for the Commonwealth games and the referendum, so it was an artificial year. I want to set a baseline figure that allows us to absolutely determine what the £20 million represents. We are holding ourselves to account for that. That will get our spending up to 68 per cent from the figure of 55 per cent, which you dwelt on when Anne Bulford was here. We have started. If you add to that 68 per cent another sum for distribution, which I think we should include in the figures because we pay more than £30 million to distribute our programmes around Scotland, that adds another

11 per cent, taking the total spending to about 79 per cent.

Nonetheless, you are right that 68 per cent is spent on content in Scotland compared to 74 per cent in Northern Ireland. We are moving and shifting, and the challenge for BBC Scotland and the BBC is to see whether we can spend more on the network than we are currently committed to spending. That depends on people having good ideas and winning commissions. That is why we have the commissioners based here: so we can make sure that we get the best stuff that we can get on the network.

This is not a fix. As I said at the beginning, this is very much the starting point.

09:15

Donalda MacKinnon: There might also be an opportunity to extend the amount that we spend on network radio from Scotland, for example, and, indeed, some of our digital services.

The Convener: I know that a lot of members want to come in specifically on the new channel, but this a wider evidence session on the charter renewal. We will take questions on the new channel for part of our evidence session and then move on to other topics. I will bring in Lewis Macdonald first.

Lewis Macdonald (North East Scotland) (Lab): As the convener said, 80 new jobs for journalists and substantial new investment are clearly very welcome. I would like to understand how that will operate in relation to Scotland as a whole. With any new investment there is always a risk that it will become centralised—concentrated in a single centre. Of course, there has to be a centre, but I would like to ask you about the regional character of the new channel. How much will it draw from the production centres in Scotland besides Glasgow, in order to ensure that it reflects the country as a whole?

Ken MacQuarrie (BBC): Your point is well made. The remit is to cover the whole of Scotland, and we are absolutely conscious of that. This investment will be spread across the whole of Scotland. We are very proud, for example, of the skills that our factual team in Aberdeen has. It is producing outstanding work that we really appreciate. That remit—to cover the whole of the nation and all of its regions, and to ensure that every part of the country benefits from the investment—is front and foremost in our minds.

Donalda MacKinnon: We have a real opportunity to do that and to strengthen some of our bases beyond Glasgow, and we most certainly will do that. On its own, the opportunity to invest in journalists offers us that. We absolutely envisage

that the 20 journalists who will be recruited as part of our local democracy proposals will be spread across the country—that is the essence of that proposal.

As Ken MacQuarrie said, it is massively important to us to reflect the whole nation. If we make arguments about out-of-London production we also have to consider what we are doing in Scotland.

Lewis Macdonald: That is reassuring. Ken MacQuarrie mentioned factual content from Aberdeen. Clearly there is also radio, news production and online content. I presume that the intention with the new channel is to reinforce those outputs in places such as Aberdeen and other centres.

Donalda MacKinnon: There are enormous opportunities across all our platforms. I said that yesterday. We will definitely see those being realised over the next months and years.

Lewis Macdonald: Director general, in your introduction you mentioned the way in which the new channel would support and reinforce the work of “Reporting Scotland”, BBC Alba and Radio nan Gàidheal. How will that work? Particularly on news and current affairs, but also across the board, what will be the form of the collaboration between the new channel, BBC One Scotland, BBC Alba and Radio nan Gàidheal?

Lord Hall: As Donalda MacKinnon has been saying, there are possibilities to collaborate in a very direct way. BBC Alba will get weekend news consistently for the first time, which is really important. It is also important for Donalda to come together with the Alba team to determine how BBC Scotland and BBC Alba can co-commission.

I want to underline something that Donalda said. The BBC is a team, and I very much want Donalda to draw on the resources of the whole BBC, which is behind BBC Scotland and all the things that we do. One good thing around the issue of the news—the 9 o’clock news versus a Scottish six and all that sort of stuff—is that I know that we can put our entire journalistic and editorial global and UK resources behind an hour-long news at 9 o’clock. From talking to the teams yesterday, I think that they can do something really new and fresh, using all the resources of the BBC, which I hope will teach a few lessons to news broadcasters around the world. I am really excited by that proposition.

Lewis Macdonald: If I understand correctly, you are saying that access to international correspondents will be more straightforward when that programme is the one BBC news offering at that time.

Lord Hall: Absolutely. I edited the 6 o’clock news—far too long ago—and I know that there are huge demands at that time of night from one network, never mind having another one, three or more. At 9 o’clock, the entirety of the resources, international and national, are going to be behind the 9 o’clock news on BBC Scotland.

We were talking about this last night, and we were also saying that success will be the news teams in Pacific Quay saying, “You know what? We’re going to commission something that’s entirely off everybody else’s agenda but that’s for us”, using the correspondents around the world or whatever to do that. That is a really exciting prospect.

Lewis Macdonald: Excellent. Thank you.

Richard Lochhead (Moray) (SNP): Thank you for giving evidence today. I, too, warmly welcome the announcement. Some of us on the committee have been in Parliament since 1999, and finally, in 2017, we have got progress. It has taken some time to get here, and I hope that we will not have to wait for another 18 years for the next big step forward in BBC investment in Scotland, but the announcement is to be warmly welcomed.

How will you define success for the new channel? People will still have the opportunity to watch BBC One Scotland, but in a couple of years’ time there will also be the new channel.

Lord Hall: We need to work out our detailed metrics and make those clear to the public nearer the time, for reasons that I will explain in a moment. My aim is to ensure that the viewership for BBC Scotland and BBC One Scotland grows; we also want to see our satisfaction indices begin to change. It is really hard to set detailed metrics for BBC Scotland at present, but we will do that. Donalda MacKinnon now has the enviable job of saying, “What do I want to place? Do I want to do this? Do I want to do that? Do I want to use sport here and news there?” So much is going to depend on that construction, which, creatively, has to be led here in Scotland by Donalda. That is one element.

Secondly, we need—I should add, in the spirit of honesty—to make sure that the new channel has a good EPG position: that it is as high up as we can make it. That means having a number of discussions, now that we have announced the new channel, with partners such as Freeview and Sky to try to raise the EPG position.

Richard Lochhead: Will you explain the EPG for people who are listening?

Lord Hall: I am so sorry—it is the electronic programme guide. When people turn to Freeview or Sky, the number of a channel matters, so we

want to get the new channel as high up the list as we can.

It might interest the committee—I am not sure—to know that, with regard to the Digital Economy Bill, which is currently going through the Lords, prominence is a really important issue for public service channels. Amendments are being tabled in the Lords, so whatever backing the committee can give to the notion that public service broadcasters should get real prominence in the new world that we are entering would be most welcome. The issue is really important—we can produce great content such as children’s services, but we want to make sure that our viewers can get to them easily, which is not always the case.

Richard Lochhead: The debate about a Scottish six has been bubbling away since about 1999. As I said, people will still have the opportunity to watch BBC One Scotland as well as having the new channel. Are you saying that a Scottish six and the new channel are mutually exclusive?

Lord Hall: Yes. We have been through the thinking on that thoroughly over the past few months. At 6 o’clock, we have a 6 o’clock news from London, the audience for which is growing, and then we have “Reporting Scotland”, which is the most watched news programme in Scotland. We want to offer choice. People will be able to watch the programmes on BBC One Scotland as they do at present, or see something that is wholly Scottish—the Scottish perspective—at 9 o’clock.

In addition, I do not want to let the journalists from London off their duty to ensure that they report significant stories properly and carefully. It is like repainting the Forth bridge—we have to keep at it to ensure that they properly report what is going on in Scotland and that, when big issues affect the whole of the UK, they bring up the Scottish perspective. We have to keep up the pressure in that area; I know that Ken MacQuarrie believes strongly in that.

Richard Lochhead: I think that the next round of questions will be on the commissioning of programmes; I will just add that, if you want to attract viewers to the new channel, it will need to have other top-quality output alongside the 9 o’clock news.

The Convener: If we are going to get to the other topics that we want to discuss, we need to make the questions and answers on the new channel as brief as possible.

Jackson Carlaw (Eastwood) (Con): Good morning. In an era when every cliffhanger in “River City” and “EastEnders” is trailed in the press about six months in advance, you did a remarkable job in keeping the new channel completely secret until yesterday. I am pleased to hear what you say

about new leadership; I can see potential candidates ranged behind you in the public gallery.

On the Scottish six, I welcome what you said, although I have no objection in principle. However, the experience of the “Sixty Minutes” format, which did huge reputational damage to BBC journalism a generation ago, is burned in my memory. We know that a lot of pilots have been commissioned—will the 9 o’clock news hour be grown from those, or has the format yet to evolve? Can you please reassure me that, on a lean day, it will not have six MSPs on sofas waffling for 20 minutes?

Lord Hall: As you have raised something that is not often raised, I had better confess to you now that I was one of the editors on “Sixty Minutes”. [Laughter.]

I do not say that to many people, but I will say it to you. The experience is seared in my mind too. Tea-time television involves a delicate balance that we have to get absolutely right.

The teams in PQ put a lot of energy into the pilots and did really well. I particularly liked one in the second round of pilots that ran for an hour and ended with a quarter of an hour of sports—it was very good. I am saying to Donalda MacKinnon, Gary Smith and all the team in PQ, “Now go play. You think of what’s going to really be compelling for viewers here.” We very rarely have chances to reinvent the way in which we see broadcast news, but this could be one of them.

Donalda MacKinnon: We can say genuinely that the pilots have definitely informed how we will go about the news hour.

Jackson Carlaw: I have a question about the current system of opt-outs. The BBC Scotland opt-out mechanism on BBC Two has often been used as an opportunity to premiere key, newly commissioned BBC content that has been judged successful, which has often led to it being networked on BBC One for a wider audience across the whole United Kingdom. How will you ensure that the removal of the BBC Two opt-out does not prejudice—I know that that will not be your intention—UK network commissioning of drama and documentary programming from BBC Scotland, which has sometimes proven to be outstanding?

Lord Hall: I am sure that Donalda MacKinnon will want to say something about that, so I will say just one thing. With BBC Scotland and the extra money that we are putting in, which is for quality programming, my hope—in fact, this will be one of my tests—is that there will be more programming that starts on BBC Scotland, as in the example of “Grand Tours of the Scottish Islands”, and ends up on the network on BBC Two or BBC One. I want

the whole UK to be able to see the creativity and programming that is coming from Scotland.

Donalda MacKinnon: That opportunity will be strengthened by the additional investment. I think that what we commission for BBC Scotland—although perhaps not all of it—will inevitably find its way on to the network. However, I think that the opportunity that you mention will remain, and that we will see commissions for many other programmes like “Grand Tours of the Scottish Islands” translating over to the network. In that regard, there has been “The Field of Blood”, for example, and great comedy programmes. The “Scot Squad” comedy has still to make that leap; “Two Doors Down” is the most recent example of a comedy programme that has done so. We would expect that to continue with the content on the new channel.

Jackson Carlaw: That is obviously something that this committee will look at. I have a technical question that follows on from the EPG point. I am a big fan of BBC Four. Given the costs for its establishment and other operational costs, it delivers a broad range of programming, so having £30 million for BBC Scotland for programming alone is very encouraging. However, will the need for a high EPG slot for the new Scottish channel lead to BBC Four becoming less obviously available in Scotland?

Lord Hall: We need to negotiate with our partners on the various ways in which people get their television. It depends very much on Sky versus Freeview versus Virgin, et cetera. I am sorry that I cannot give a clear answer to your question. However, what I think is important is that, when we market, we ensure that all the choices that people have lead them from, say, BBC One Scotland to BBC Scotland, BBC Four or whatever.

09:30

Tavish Scott (Shetland Islands) (LD): First of all, I agree with the broad welcome that there has been for the proposals. In passing, though, I ask—as a Liverpool fan—that you do not drop “Match of the Day”; I do not want it to be lost to Scotland. You can drop Alan Shearer, but please do not drop the whole programme.

I have two questions, the first of which is on Lord Hall’s comment about the £7 million for news. I guess that this is also a question for Donalda MacKinnon. Do you envisage the 9 o’clock news programme having access to Jon Sopel in Washington, Quentin Sommerville in Syria and so on?

Secondly, on the earlier point about how those journalists fit in with the BBC News Channel, BBC Scotland and programmes in London, who will

make the judgment about whether, say, Jon Sopel goes on during the 9 o’clock programme rather than appearing on the 10 o’clock programme 30 or 40 minutes later?

Lord Hall: Scotland will make that decision between 9 o’clock and 10 o’clock. We have to be clear that the programme will have access to Jon Sopel or whomever the team wants to bring in. We have an enormous news-gathering operation around the world and, as I say to people in London, I would love to see more of it on the air. My hope, therefore, is that Gary Smith and the team at PQ will use it for items and stories that have not appeared earlier in the day on the BBC News Channel or are not on the news at 6 o’clock or 10 o’clock. To go back to your question, I think that that network will absolutely be available to Scotland between 9 o’clock and 10 o’clock—that is the priority.

Tavish Scott: I want to ask Donalda MacKinnon about radio, because the implications for it of yesterday’s announcement are perhaps not so clear. I would argue strongly for the retention, and indeed the enhancement, of local radio stations; Lewis Macdonald argued the case for Aberdeen, and I would make the same case for Shetland and for our other local radio stations around Scotland. What are the broad implications of yesterday’s announcement for radio in Scotland, and what more can be done in that respect?

Donalda MacKinnon: As I said yesterday, the additional investment is not just about television—it presents an opportunity for all our services, and I see radio as an important part of that.

I am hugely proud of what we achieve in Radio Scotland and in Radio Shetland, Radio Orkney, Radio nan Gàidheal and so on, and we have fantastic teams on those stations, but there is much more that we can do. We need to work out how we can extract as much value as possible from the additional investment in content.

I am pretty ambitious when it comes to radio. I have already said to the teams that I would like us to provide audiences with two distinctive English-language radio services—one carrying speech and the other music. I do not know whether you managed to catch any of our pilot BBC Radio Scotland music extra, which we launched eight days before St Andrew’s day and which ran over that period. It proved to us that we could offer something really quite precious, and we very much want to explore the possibilities for delivering that sort of service. Obviously it would require various approvals, but I am keen to begin to explore the proposal with colleagues in BBC Scotland.

Rachael Hamilton (South Scotland) (Con): I think that it is great that Scottish people will get better value from their licence fee.

I have a supplementary to Jackson Carlaw's questions. Can you explain further how the service that you will provide will be distinct from other services? After all, we could find ourselves in a situation in which there is almost an overload.

Lord Hall: I will deal with the top point, and then Donalda MacKinnon and Ken MacQuarrie might want to come in.

One of the good things about the charter debate was the sense that people did not want to push the BBC towards the kind of model that exists in the States, which might lead it to become a tiny channel that does things that others do not do. There was a recognition of the breadth of the audience and that the idea of good things for everybody was at the heart of the BBC, but there was a view that, overall, those things should be distinctive. That presents a good creative challenge for the BBC, and I think that one can see that distinctiveness in the drama that we offer; in the fact that there are documentaries about, for example, the prison service right at the heart of the schedule; in our risk taking; and in the new talent that we bring on.

I spent a bit of time with The Social at Pacific Quay; in the online social media world, that team is finding new talent and giving it a voice. That is part of what I hope the new service will give to Scotland: the chance to find new talent and to give it a voice and an opportunity. That should be part of our distinctiveness. Donalda MacKinnon might want to say a bit more on that.

Donalda MacKinnon: What we are basing the new service on, and what we are trying to address, is a perception that BBC Scotland has not been able to represent adequately what audiences have been asking for. Audiences have consistently said that they want more of their lives to be reflected on screen in every genre—from drama through factual programming to entertainment—and the new service has been set up to address that.

We have quite often commissioned fantastic programmes for BBC One and BBC Two that have been hard for audiences to find, simply because of the volume of the other surrounding content, and we will, for the first time, have the opportunity to address that. Of course, we will still leave fantastic content on BBC One.

Ross Greer (West Scotland) (Green): Like others, I very much welcome yesterday's announcement. Yesterday afternoon, I had the novel experience of being asked by the BBC to criticise the BBC live on the BBC—as we had reached a cross-party consensus, the discussion that we were having on "Politics Scotland" was not a very interesting one.

As a member of the National Union of Journalists, I was delighted by the headline announcement of 80 new jobs for journalists, but I should note that some concerns have been raised with me about technical staff. Can you confirm what new technical staff will be brought on board? Existing members of staff at PQ have come to me with concerns that, because they are not really part of the teams for which additional capacity has been announced, they are going to be overstretched.

Ken MacQuarrie: We have mentioned only the journalist jobs, but many more jobs will accrue from the new service, not only in the technical area that you mentioned but in general production. We did not want to put a number on that, because it will depend a lot on the genres that Donalda MacKinnon and the leadership of the channel commission.

With regard to support for the channel, I point out that there is a great sense of excitement and aspiration in not only BBC Scotland but the independent sector. With the required technical resources, the channel can provide a great focus and forum for Scotland, and it will give us the space to have a real set of partnerships—whether that be with the National Theatre of Scotland, in music or with all the various creative institutions, including Creative Scotland, that are at play in the nation—and a real opportunity to deliver something very special.

It is not only Donalda MacKinnon, her team and the community in Scotland who are excited by this development but my colleagues across the whole of the BBC in every single division, whether that be research and development, online services and so on. James Harding in news, Charlotte Moore in content and everyone else are absolutely four-square behind the service. They are willing the channel's success, and backing it with not only resource but commitment. At this time, we have a wonderful sense of potential and possibility.

As for the talent that is coming through, we have technical staff coming through our apprentice schemes, and we have a generation of people who are hugely skilled in digital media and who are available and standing ready to support the channel.

Ross Greer: I have no doubt about the talent of the people who are already there, but my question was about the capacity in that regard, which is just not enough for what the new channel will require.

Ken MacQuarrie: We will, without question, have to recruit people to support the channel.

Emma Harper (South Scotland) (SNP): Good morning, everybody. I welcome the new TV channel—it is great news—but I am concerned that £30 million will not stretch very far. Can you

guarantee that the new hour-long news programme at 9 o'clock will have access to international reporters in the same way that the BBC news programme at 6 pm has?

Lord Hall: Absolutely. As Ken MacQuarrie just said, James Harding, the director of news, has been intimately and closely involved in this whole proposition. He is guaranteeing what you have asked about, and I am guaranteeing it, too. The absolute aim is to put the BBC's entire resources, nationally, internationally and in Scotland, behind this news hour.

The Convener: Do any other members have specific questions about the new channel?

Stuart McMillan (Greenock and Inverclyde) (SNP): Yes, convener. Like all colleagues, I welcome yesterday's announcement. It will create new programming and employment opportunities, which can be only a good thing. As you have quite rightly said, there is a huge amount of creative talent in Scotland.

I have a couple of questions about details. First, the additional £1.2 million for BBC Alba is certainly welcome but it still does not put that channel on a par with S4C in Wales. Will there be any scope for additional investment in BBC Alba?

Donalda MacKinnon: I will leave Ken MacQuarrie to answer the question about S4C.

We invest £5.5 million in BBC Alba. We are now taking on the responsibility of funding the £1.2 million of content that we were producing but which was paid for by MG Alba, and that has allowed the commissioning team around BBC Alba to commission extra content from around the country.

By launching the new channel and making the new investment, we are saying that obvious benefits will accrue to BBC Alba and Radio nan Gàidheal. We estimate that we will be able to offer an additional 100 hours of originated programming to the service. We currently offer 4.2 hours of origination a week, and we would like that to increase over the next few years by 3 hours to 7.2 hours. We have been asked to provide 10 hours of origination, but we are fairly confident that we can reach 7.2 hours and, where possible, extend that even further. When we have opportunities to invest, whether it be in anniversaries, elections or other major events, we always take account of the fact that we need to invest in BBC Alba and Radio nan Gàidheal.

Again, I emphasise the importance of the experience of launching BBC Alba and the learning that it provided us with and which will be so powerful with regard to what we will be able to do with the new channel. I see the two channels

working hand in glove, and the opportunities for BBC Alba are immense.

Stuart McMillan: I take it that the situation will be kept under review if there is additional resource.

Donalda MacKinnon: Yes.

Stuart McMillan: I am young enough to remember the news being at 9 o'clock and then its being changed to 10 pm. You can tell me if I am wrong about this, but I am sure that one of the reasons for the change was because of other programmes; the news was seen to be splitting up dramas so it was moved to 10 o'clock to stop those breaks in programming. Do you anticipate a news hour in the 9 pm to 10 pm slot having a high viewership? If there are good drama programmes on the other channels, will it not be doomed to fail?

Lord Hall: I used to edit the 9 o'clock news a very long time ago, and I was part of the discussions that resulted in its moving to 10 o'clock.

The available audience is very high indeed at 9 o'clock; it is a good point at which to capture audiences in the evening. Now that people are using catch up to watch dramas and other things, they might go live and then use catch up to see things that are playing on other channels. This is a terrific chance to do something that will capture people's imaginations and the viewership.

I go back to my point about EPG positioning and the rest of the content. This is good positioning for a new programme; we are adding to the choice for viewers in Scotland, and we are not trying to compete against somebody else at 7 pm or some other time. I am confident about this.

Stuart McMillan: The focus of the news in the 9 pm to 10 pm slot will be on editorial content from Scotland. Might that have the knock-on effect of the 6 pm UK network news having even more non-Scottish content?

09:45

Donalda MacKinnon: For a start, there will be a much greater news-gathering operation in Scotland, which will benefit all our services. Far from detracting from what we offer at 6 o'clock, this move offers further potential to reflect Scotland better in the 6 to 6.30 time slot; indeed, it will probably enhance "Reporting Scotland", too. I think that this is a win-win situation and, as Tony Hall has said, it is about extending choice.

We get our highest audience numbers around 9 o'clock, so we are giving the news programme the best chance possible. It is not competing with any other news programme and it will have access to

the foreign correspondents because there is no other requirement—other than at 10 o'clock, admittedly. It will enhance our offer and extend choice.

The Convener: We will move on, as we need to talk about a number of important issues in relation to the charter and about some of the evidence that the committee has gathered in the past—most notably, evidence from the independent production sector in Scotland on concerns about the phenomenon of lift and shift, whereby you meet your targets for Scottish production with production companies that are not really based here in Scotland. What steps is the BBC taking to ensure that the majority of its 8.6 per cent Scottish target for original network programmes are made by Scottish companies and produced by Scotland-based talent?

Ken MacQuarrie: Across the BBC and across the nations and regions, we have new portrayal targets to ensure that the stories that we tell are absolutely representative. We want to grow from the ground up in all the nations of the UK and have the best content possible airing not only in the UK but across the world.

On the issue of lift and shift that we have previously discussed, we have an assurance process that contains a mechanism for going to Ofcom if there is any challenge with regard to any of the programmes that we are designating. Ultimately, we work within the Ofcom rules as far as that is concerned. However, in terms of the spirit of what this committee wants to be delivered, we are absolutely—

The Convener: But it does not sound as though you are doing anything new.

Ken MacQuarrie: All that we have put in place such as the commissioners that we have on the ground, the access, the writers' rooms and the money that we are putting into development—for example, the new £2 million portrayal fund that we have created to foster an enhanced portrayal—are new measures that are designed to ensure that we are producing ideas on the ground.

The Convener: So what should be the minimum requirement for a company to qualify as a Scottish company that would contribute to the quota?

Lord Hall: The Ofcom criteria, which we abide by, are the substantive base of the company, 70 per cent of the spend being in Scotland and—if I recall correctly—half the production team coming from Scotland.

In order to get to our targets in the past, we have moved as much as we can to Scotland, which has actually produced jobs. With the example of snooker, which I have been looking at

because I know that it concerns you, that, at least, has meant jobs for Scots, even though they are working in Sheffield. I know that that sounds odd, and I think that we are trying to get away from that. We are now committing to working with the indie sector and BBC Studios here to ensure that we grow the creative base of Scotland in Scotland and with Scots' creativity. We are at a different point of development in what we are trying to do in Scotland.

The Convener: I am pushing the point because we have had a lot of correspondence on it, and the issue has come up not just in this committee but in the previous Economy, Energy and Tourism Committee. I want to read out something that an independent producer sent us in relation to your commissioning. You have made a big play of the new commissioners, but this independent producer has said:

"Network programming budgets are now 100 per cent controlled in London by channel controllers of BBC One, BBC Two, BBC Three and BBC Four and these four individuals who are named are the only commissioners that can greenlight projects for the BBC network. Everyone else, anyone they tell you is based in Scotland, is not a commissioner. Though they may help you on the road to a commission, they are not empowered to buy programmes for the BBC."

The independent producer goes on to say:

"If the BBC won't devolve this power to commission to individuals based here, they should at the very least require to allocate the spend in Scotland in line with our national licence fee revenue, for example, these allocations should apply to BBC One, BBC Two, BBC Three and BBC Four and they should cover drama, comedy, documentary, arts, entertainment, et cetera."

I thought that that was really quite a strong point. You can talk about having commissioners in Scotland, but the power is still with the four individuals in London.

Lord Hall: That is not how I understand the commissioning system to work or indeed how I see it working. The commissioners are powerful voices in Scotland who work with the teams that look at the whole of the UK and what we are doing in, for example, drama, science and the arts. Making television across the network involves collaboration, and I want to ensure that the voices of Scotland are absolutely at the table when decisions are made. It is really important that commissioners who are based in Scotland take part in those conversations.

As members know, we are holding our networks to strict goals for the amount that we expect to come out of Scotland, Wales and Northern Ireland. There are two things going on. First, it is really important to be in the conversation and to take part in the creative discussion and debate, but secondly, we must also ensure that we are delivering against targets. This year, we are

overdelivering, which is really good and shows the influence and real power that the commissioner has.

The Convener: Who gives the green light? Is it, at the end of the day, given by the four channel controllers—Charlotte Moore, Patrick Holland, Damian Kavanagh and Cassian Harrison?

Lord Hall: The channel controllers say yea and nay in the end, but making television is not just a question of sitting on a pedestal and deciding things; it really is about having a conversation and a debate about what we are trying to do creatively. I want to ensure that the voice of Scotland is absolutely at the core of that debate through those commissioners, and I believe that it increasingly is. Indeed, that is why we are seeing the upturn in what we are commissioning from and doing in Scotland. The approach is working.

The Convener: Do all the commissioners that you have in Scotland live in Scotland?

Lord Hall: I think so.

Donalda MacKinnon: The comedy, factual and children's commissioners and the acting drama commissioner live in Scotland. The daytime and entertainment commissioners both live in Scotland, too.

Ross Greer: On Donalda MacKinnon's point about the commissioners, I am going to talk about the acting drama commissioner, but I should say that I have not met the individual who is currently in that post—that is not the person who contacted me. Concern has been expressed that it seems that, as part of the new role that the person will have to apply for, they will be based in London three days a week. Is that the case? I have the job description here.

Ken MacQuarrie: Obviously, an appointments process is on-going, but I point out that, for example, Stephen Wright from BBC Northern Ireland spends time in Northern Ireland, where he lives, as well as time in London. A person will go back and forth; it depends on what appointment is made.

Ross Greer: Is a job really Scotland based if the person in question spends most of their working week in London? Will that person really be the drama commissioner for Scotland?

Ken MacQuarrie: As we are in the middle of an appointments process, I do not wish to say too much about that. However, the person appointed will absolutely be in Scotland to effect the role that they have been designated to do. They will build connections and will be here. Obviously, how they divide their time will be a matter between them and their head of department.

Donalda MacKinnon: It is really important that we are not prescriptive about how much time an individual should spend in London or, indeed, anywhere in the UK. If people have Scotland-facing jobs, they will obviously have to spend a critical amount of time in Scotland, but their presence in London will be important if they are to take part in collaborative conversations about what is right to sit on any given channel or to fulfil our commitments. I take your point, but I do not think that we should be prescriptive about the amount of time that any person has to spend there.

Ross Greer: I do not mean to sound parochial but do you accept the point that concerns about the recurrence of lift and shift arise because some Scotland posts are in fact largely based in London, and the people in those posts are familiar with, and commission from, independent production companies that are based down south?

Lord Hall: I do not see how someone in that role can do their job properly unless they are based in Scotland and spend a huge amount of time here. The whole point about the commissioners is that they are outside, talking to people all over Scotland, working out ideas, finding new talent and working with existing talent to find out what can be done. That is their job—to be out there—and I do not see how they can do that by any means other than their being in Scotland for a substantial amount of time. Of course, they will want to go and argue their corner with the head of drama in London, so they will have to spend some time on a Virgin train or on a plane. Nevertheless, they have to do their job in Scotland, get around the place and find new ideas.

Ross Greer: The point about balance is key with regard to concerns that have been raised about people spending the majority of their working week outside the area that they should be representing and advocating for.

Lewis Macdonald: Lord Hall, you have talked about the BBC family. The screen sector leadership group in Scotland, which is chaired by John McCormick, recently produced a report in which it discussed the need to ensure a Scottish voice not just in the commissioning of programmes in Scotland but in the network as a whole. What are your thoughts on having a commissioner specifically for the network in addition to the commissioner posts that we have heard about?

Lord Hall: We now have a voice right at the centre of the BBC: Ken MacQuarrie, with his broad remit over all nations and regions. That is phenomenally important in ensuring that the voice of Scotland is, along with the voices of Wales, Northern Ireland and England, heard at the very top table. I hope that that answers your point. I set up that post because our new public purpose is to

ensure that we are committed to the nations and regions—and that is Ken MacQuarrie’s job.

For the first time since I came back to the BBC nearly four years ago, the national and regional English voice is absolutely there in all our discussions, and Ken MacQuarrie makes his views heard very powerfully in that respect. That represents a big change in the way that the top level of the BBC sees its commitment not just to Scotland, but to the other nations.

Lewis Macdonald: That is helpful. One of the other commitments that you have made in the past has been around service licence agreements and ensuring the devolution of decision making in the BBC to BBC Scotland. Can you update us on that?

Lord Hall: I can. That is still my view, but I hope you understand the situation. I now have a new chair; indeed, I am delighted that Sir David Clementi is joining us as chair of the BBC. As you might have heard in my previous evidence in committee and elsewhere, I have long believed in the BBC having a unitary board. How we organise ourselves now is very much Sir David’s prerogative rather than mine, although I will of course be recommending things to him. If you look at yesterday’s announcement, you will see that the BBC Scotland channel is in Donalda MacKinnon’s bailiwick, and she will get on with it with the right metrics and so on. That is, I hope, an element of clear devolution of responsibilities.

Lewis Macdonald: That is very helpful. We talked a little earlier about BBC Alba, which Ken MacQuarrie, with his overview of the nations and regions, will see in the context of the whole BBC family. With regard to some of the issues that have been raised around broadcasting in Wales, I wonder whether Mr MacQuarrie would like to say something about the vision not just in BBC Scotland but in the BBC as a whole for the future of Gaelic-language broadcasting on radio and television.

Ken MacQuarrie: There is a very exciting opportunity with the new division of nations and regions. The directors—Donalda MacKinnon here in Scotland, Rhodri Talfan Davies in Wales and Peter Johnston in Northern Ireland—will address the specific needs of their own audiences, but there is also a great opportunity to bring the nations and the regions together. Each has a pot of funding, and there is a tremendous richness in the different ideas, approaches and ways of working that can be exchanged. BBC Alba can benefit from that.

I also envisage our going further outside the BBC and building relationships with other broadcasters, such as TG Ceathair and RTÉ in Ireland. BBC Alba will benefit from all the potential

for conversations about creativity; indeed, it will benefit from every investment that the BBC makes, as we showed with iPlayer. With every investment, we will set out to make sure that the maximum value is derived every time we spend the public pound.

10:00

Richard Lochhead: Can you say a bit more about the commissioning process? I am trying to get my head round how the relationship between the creative sector in Scotland and the BBC works. To what extent do you set challenges for the sector to come up with ideas, and to what extent does it come to you with ideas?

Donalda MacKinnon: It can be a mixture of both. Depending on the service, different commissioners operate slightly different ways of working. With the setting-up of BBC Studios, we have had to look at all of that. I and my colleague Alan Dickson, who is behind me, hope to communicate with the independent production sector in Scotland next Wednesday to outline how we plan to organise the commissioning process for Scotland.

Our commissioner for television has tended to operate on a rolling commissioning basis. Briefs will be provided, but there is an expectation that producers, production companies and in-house production will develop ideas that meet some of those briefs and come up with ideas that the commissioner had not thought of. In any creative process, it is important to have such a mix.

We must now prepare ourselves for the new contestability framework, in which our transparency on commissioning will become even more acutely important, which is what we plan to communicate to the sector, on Wednesday, and to in-house teams. That way, everyone will feel that they are operating on a level playing field, that they have as much access as everyone else, and that there is transparency and accountability in respect of everything that we do. That is very important.

Richard Lochhead: If we want to have Scottish equivalents of “The Killing”, “The Bridge” and “Borgen” in three to five years’ time, what is the best way of making that happen?

Donalda MacKinnon: We already have many aspirations to that effect and many ideas in train about how we can achieve that level of drama production in Scotland. However, in many ways, we are already there. In “Shetland”, which I think is a fantastic series, we have a returning brand. On many other fronts, we produce fantastic content on a daily basis—look out for “The Replacement”, which hits our screens on BBC One next Tuesday. We also have a brand new drama called “Clique”,

which is set in Edinburgh, that will air on 5 March on BBC Three. We are already there; it is simply the case that we will now have an even bigger and better opportunity to explore some of that creativity even further and to ensure that the critical mass that we have all longed for exists.

The Convener: On that subject, a number of parties have raised with the committee concerns about whether there really will be a level playing field for Scottish producers and whether BBC Studios fits the Scottish model. How will you ensure that the tendering process gives Scottish independent producers a fair crack of the whip when competing with BBC Studios?

Lord Hall: Under the existing arrangements, the BBC trust and our fair trading guidelines ensure that there is a level playing field. We have begun a tendering process whereby if three programmes are out to tender, there is a level playing field between BBC Studios and indies. It is the unitary board's job to make sure that that level playing field carries on and, as our new regulator from 1 April, Ofcom will also have the duty to ensure that we are doing that properly. There are an awful lot of checks to ensure that we are doing it properly.

Just to turn the argument around, I have seen in-house production—which I believe in—gradually diminishing right across the piece. By setting up BBC Studios, the team and I wanted to release some of the ideas—our in-house people were saying, “Look, I have this idea, but it’s been turned down by BBC One and now I can’t do anything.”

The Government wants to ensure that we open up all our airwaves to competition between in-house production and indies, and I happen to think that that is the right thing, because we want to get the best of the independent sector with the best of our in-house production. Equally we have to ensure that the in-house producers can compete properly. I have great confidence in our in-house producers. It has been difficult, because we have had to make some people redundant, and that is hard and I would rather that we did not have to do it. However, I have a lot of confidence in the ability of our in-house teams—or Studios teams as we now call them—here in Scotland and elsewhere in the UK to really push forward some exciting and good ideas.

I did not want to see the gradual decline of any of our in-house production base. I wanted it to have the chance to grow, and that will be down to our ideas now.

Jackson Carlaw: I have a single question. You now have BBC Studios but you want 60 per cent of programming to be new commissioning, which will go beyond the BBC and into the independent sector. Does that represent a challenge to the Scottish Government, Scottish Enterprise and

Creative Scotland? Northern Ireland, through Northern Ireland Screen, and Wales are more advanced in developing studio capacity, and there are lots of concerns about available studio capacity in Scotland. Although documentaries do not particularly need studio capacity, we need the enterprise agencies and the Scottish Government to ensure that Scotland can take advantage of all these opportunities that you are creating.

Ken MacQuarrie: The Northern Ireland Screen model is a particularly powerful one. I have met Richard Williams in Northern Ireland and I will meet him again shortly. In Scotland, there is now an opportunity for all the creative agencies to come together to ensure that the commitments that we are making on spend unleash the maximum potential. John McCormick's report indicates where we could go with that. I would like to see strong competitive screen agencies in all the nations, with Scotland competing equally in that regard.

Tavish Scott: When Lord Hall was in front of the Education and Culture Committee a year ago, he was asked about digital services. Obviously, last year, the BBC moved BBC Three on to digital. A recent Ofcom report shows that only 46 per cent of properties—in other words, houses—across Scotland can actually get superfast broadband. I represent a very rural part of Scotland—I am grateful for the plug for “Shetland” that you have made a number of times this morning, and I can exclusively reveal that I have been asked to be an extra, although I am going to turn that down, because you do not need me on television in any way whatsoever.

Members: No.

Tavish Scott: You see? I rest my case.

On digital roll-out, what is the BBC doing to recognise that many parts of Scotland and the UK have challenges with superfast broadband and that, therefore, if you put more on digital, people cannot access as much BBC programming?

Ken MacQuarrie: We absolutely recognise that there is an imbalance in the availability of high-speed broadband. We are certainly interested in getting involved in conversations with all the stakeholders in that regard through BBC Online and BBC Research & Development. Matthew Postgate, who leads on that area, is particularly interested in that issue. We would be happy to sit down and identify what the needs are and to be part of that conversation.

Tavish Scott: So it is on-going work.

Lord Hall: Through the iPlayer and all that sort of stuff, the BBC offers an incentive to go online and to get broadband. If we can in any way help

the conversation about getting more broadband to more people, we are up for that.

The Convener: On that subject, where are you with the Scotland home page?

Donalda MacKinnon: Part of the investment that we announced yesterday will go into Scotland digital editions of our news and sport pages, but it will also contribute to reimagining the home page.

The Convener: Right. Do you have a deadline for that?

Donalda MacKinnon: That work is on-going at the moment.

The Convener: Right, okay. I ask because that is something that you spoke about when you gave evidence last year.

Lord Hall: One of the big pushes that we are having is on getting people to sign in to iPlayer and online as well. The issue is not the home page; our big push over the next year or two is because we want to get people to sign in so that we know who they are and where they are. Then we can begin to suggest content to them that suits either their geography—where they are—or their interests. We have called it myBBC, and I think that I talked about it the last time I was here.

The Convener: Yes, you did.

Lord Hall: We are making sure that we can get people to sign in voluntarily at the moment, but there will be a point, in the next year, when we will make it mandatory. At that point, once we have data about people, we will be able to begin to serve them even better with things that are particular to them. Although the home page is important—and it really is—knowing that someone is in Scotland so that we can say to them not just, “Here is the news about Scotland,” but, “Here is the latest on X or Y,” or on BBC Scotland or whatever, will be a big breakthrough in serving people better.

The Convener: Just to clarify, will there be additional investment in digital journalism?

Donalda MacKinnon: Yes. Absolutely.

Lord Hall: Yes.

The Convener: There will.

Emma Harper has a question.

Emma Harper: A lot of money is spent on Alba. I am curious about whether we will see more programmes on the Scots language—not just comedy, but more drama and maybe children’s and educational programmes using our ain Scots leid.

Donalda MacKinnon: I agree with you. We encourage as much Scots language as possible to

appear across our output. Of course, the Scots language has many expressions across Scotland, as I am sure that members know, and what we try to do is to reflect that range in some of our output. We do that on television in programmes such as “The Mart”, “The River”, “Fair Isle: Living on the Edge”, “Sighthill” and “Grand Tours of Scotland”. On radio, we encourage our on-air talent to use the Scots language as much as they can. We have also, fairly recently, broadcast a three-parter on Burns. I cannot remember exactly what the title of it was, but it was something about the rock-and-roll life of Robert Burns. Billy Kay has also made many an important series for us. Recently, he updated the fantastic series called “The Scots Tongue”. So we are very committed to reflecting the Scots language where and when we can.

Emma Harper: Okay, thanks.

Stuart McMillan: Earlier on this morning, Lord Hall, when you spoke about yesterday’s announcement of the new channel, you spoke about the new talent, the opportunities and also the potential for taking risks with regard to some of the commissioning. With that in mind, has there been a culture of commissioning editors perhaps being risk averse when commissioning from companies that they have possibly not worked with before?

Lord Hall: I prefer to put it more positively. It goes back to the question, asked by Ms Hamilton, about distinctiveness, which I think is the right question. Because of how we are funded, I think that we can afford to—and should—take more risks in commissioning things that we are not sure are going to work. We should make sure that we give them every possible chance to work, but they might be things that are more edgy, or that break new ground, or with which we feel that we are not following but actually leading. Again, it goes back to the important role of commissioners—as well as of the people who produce the content—in making that part of what we are about.

The Scottish Parliament has been very helpful in achieving an 11-year charter, which gives us the confidence to say that we are going to exist for the next 11 years. How we commission and the programmes that we do should, therefore, show that confidence. I do not want programmes to fail, but if somebody were to say to me, “It was great that you took that risk. It did not quite work, but well done for doing it”, I would also be content, because I want us to break new ground.

Donalda MacKinnon: I also draw the committee’s attention to our social media project called The Social, which I might have mentioned already. If members have not yet consumed any of it, I urge them to do so. It is an example of where we have become particularly innovative in the digital sphere.

In curating and commissioning content from mostly young producers from across the country, its emphasis is heavily on diversity. It is admittedly short form, but there is something in the model that we could translate into the new service. In sourcing new talent and surfacing new kinds of and approaches to production, it is probably one of the most innovative models that exists in the BBC.

10:15

Lord Hall: Yesterday, I talked to a brilliant young woman who is at university, who said that she never knew that she could do this—she is being supported by the BBC to make things. She was so excited and told me that she has learned about a whole direction for her career.

By the way, The Social has made an interesting little short video called “Kilted Yoga” that is terrific and beautifully done.

Yesterday, there was a talk at Pacific Quay about whether the approach could be franchised across the BBC, because it is drilling into the next generation of people, seeing how they take public service broadcasting on and giving them a chance to do exciting things. I hope that it will change lives. I am so impressed by The Social.

Donalda MacKinnon: Check out the three-year-old’s views on Valentine’s day. That is also a corker.

I look at what we do, and what is being done in Salford on children’s programming is particularly innovative.

To go back to the question on Scots language, we should also look to what our learning departments have done to provide material in the Scots language for schools. That has been hugely important and very creative.

Stuart McMillan: So—

The Convener: I can endorse “Kilted Yoga” although, as a politician, I hesitated before sharing it on Facebook.

I am sorry; I interrupted you.

Stuart McMillan: I am not aware of that particular programme and I do not know that I want to be.

With the opportunities that will come from the new charter, how much focus or what type of drive will there be to encourage commissioning editors to look at what has been produced in Scotland? A couple of examples have just been spoken about, but what will drive commissioning—as well as the additional employment and other opportunities that will be created—in the new channel that was announced yesterday?

Lord Hall: The drive is coming from me and Ken MacQuarrie. As Donalda MacKinnon was saying and I was trying to say, doing is the most wonderful thing. What we did yesterday was to say that we now have a new channel to do exciting things on. One of the things that we know—because we have seen it with some of the opt-out programmes on BBC Two—is that when people see something good, they see that it has been commissioned in Scotland. We will make sure that that goes out across the UK.

We now have an even bigger palette for programming and to do new things from Scotland. My aim is to get as many of those things as we can to go right across the network.

The Convener: There has been talk of the service level agreement as a way of delivering that and of ensuring that we get more programmes made in Scotland for the network. Has that service level agreement been finalised and can you tell us a little bit about it?

Lord Hall: That is the work of the new unitary board that comes in on 3 April. The board has to work out how we are going to be governed. Ofcom will, of course, have a view across the totality of what we are doing and set us targets and quotas.

As we announced yesterday, spending in Scotland is under Donalda MacKinnon’s purview and it is up to her to deliver against that.

The Convener: Have you had discussions with Ofcom about the operating framework and how it will operate in Scotland?

Lord Hall: Those discussions are going on at the moment. I know that the committee will hear from Ofcom later today. It is about to be our regulator so it is far better that it says how it will regulate us.

The Convener: We have run out of time. Earlier, you were asked about the screen sector leadership group and we have probably not gone into its report in the detail that we should have. One of the key recommendations of that report is that the BBC should have a five-year strategy to get up to 100 per cent of the licence fee spent in Scotland. Will you adopt that recommendation?

Lord Hall: We have laid out where we are going for the next three years. As I said, and to use an analogy that I hate, we are on a journey but we continue to make progress.

We must bear in mind the fact that if we get to the point at which 100 per cent of all the licence fee that is raised in Scotland is spent in Scotland and the same is done in Wales, Northern Ireland and England, we will begin to lose the unity of the BBC, and what will we then be paying towards having a brilliant world service and BBC One’s

amazing sports? We get all those things by being together, and there is a price for that.

You should not take from that any unwillingness on my part to keep pushing to get more for Scotland, but I also have to consider what Scotland, London, Ashbourne or anywhere are all paying to get the totality of our output, as we all want to enjoy it. It is a balance.

The Convener: Are you saying that you are not going to adopt that recommendation?

Lord Hall: I am saying that we have laid out where we are for the next three years. I am clear about that. As that goes on, we will decide more about what we want to do.

The Convener: Thank you for coming to give evidence to the committee today. Perhaps you could give us an undertaking to come back to the committee at a later date once your plans are further developed.

Lord Hall: I am very happy to come back, convener. Thank you for the invitation.

The Convener: We will now have a short suspension.

10:20

Meeting suspended.

10:27

On resuming—

The Convener: We continue our evidence taking. I welcome Glenn Preston, who is the director of Ofcom in Scotland, and Kevin Bakhurst, who is the group director of content policy with Ofcom. I understand that Ofcom will commence its new regulatory role with regard to the BBC in April, so this evidence session will focus on Ofcom's consultation work to date, and its approach going forward. I invite Glenn Preston to make an opening statement.

Glenn Preston (Ofcom): Thank you, convener. Kevin Bakhurst, as our group director for content and media policy, will make the opening statement, if that is okay with you.

The Convener: That is absolutely fine.

Glenn Preston: I will just say a couple of quick words about Ofcom in Scotland to set the context. Ofcom is growing. A number of you will be familiar with the background of Ofcom; we had about five people in Scotland from 2003 until last summer, but as part of an out-of-London strategy that is focused on recognising the big shift in the constitutional and political landscape, especially in Scotland, we now have about 24 people in the Ofcom office on Princes Street in Edinburgh.

Some of them work on the content standards and policy side, in Kevin's group, and focus on the BBC regulation issues that the committee was just discussing and that we will discuss as, the new regulator, from 3 April.

Kevin Bakhurst (Ofcom): I will try to be brief, convener, as I know that your time is limited. Thank you for the invitation to appear before the committee today, and for the opportunity to make short opening remarks.

The Scottish Parliament information centre's briefing for today's evidence session does a very good job in outlining the background to the renewal of the BBC's charter and agreement, as well as Ofcom's current and future responsibilities. I hope that it will be useful for me briefly to outline from Ofcom's perspective where things are.

In December, we published a document about our preparations for assuming our new responsibilities. That document noted that the new charter and agreement represent the biggest reform of the governance and regulation agreements of the BBC since it was founded.

As the new external regulator, Ofcom brings scale and experience in certain areas of public service broadcasting delivery, as well as the value of its overview of the whole broadcasting communications sector, at a time of increasing convergence, interconnectedness and change.

10:30

Under the new charter, the BBC board and Ofcom will have distinct roles, in line with the Clementi review's recommendation that governance and regulation be separated. The charter makes it clear that the board of the BBC is responsible for the exercise of all the BBC's functions, in accordance with the provisions that are set out in the charter and agreement. It will be for the BBC board to ensure that the BBC acts in the public interest and meets its wider charter obligations, as well as to continue to oversee strategy, service delivery and efficiency.

Ofcom's role is to set regulatory requirements that the BBC must meet in respect of programmes and services, to ensure that the BBC's actions do not have a disproportionate impact on fair and effective competition, and to hold the BBC to account where it fails to comply with its obligations. In carrying out our role we will have robust enforcement powers. We view this as a clean break from the old regime. As the committee is well aware, the BBC trust was formerly responsible for both governance and regulation. Ofcom's new role will be different; the regulatory system that we construct will reflect our position as an independent external regulator and our

experience of regulating the entire broadcasting sector.

The BBC's independence from Government is recognised in the charter, and Ofcom is independent of Government and the organisations that we regulate. The BBC must have the space to take creative risks and to choose how it organises itself—provided that it continues to comply with its overarching duties—without the regulator being involved in its creative decision making, scheduling decisions or management structures. The operating licence that we set for the BBC will reflect and respect the separation of responsibilities.

The charter and agreement require Ofcom to issue an operating framework that sets out exactly how it will regulate the BBC. We are committed to developing a clear, efficient and easy to understand framework for BBC regulation.

The charter and agreement define Ofcom's role in three main areas: content standards, competition and performance. The operating framework will set out the regulatory tools that Ofcom will use to hold the BBC to account in those areas. We have been consulting for some weeks on the detail of our role and will set it out in an overall operating framework. That will build on the series of initial consultations that have recently closed.

The consultations are well summarised in the SPICe note, but I draw the committee's attention to the consultation on the broadcasting code review, which will see the application in full of the existing code to BBC broadcasting services and, where relevant, to on-demand programme services. I also draw the committee's attention to the consultation on assessing the impact of proposed changes to the BBC's public service activities, in which we set out our proposed approach to how we will assess proposed changes by the BBC to its public service activities, which is particularly relevant in the light of yesterday's announcement, and to the consultation on the procedures for enforcement of BBC competition requirements. BBC Studioworks was discussed by the previous panel; it will be covered by that consultation. Glenn Preston's team will share the outcomes of the consultations with the committee and the Scottish Government, when they are available.

The Ofcom Scotland team will continue to engage more generally with the committee across the range of our regulatory responsibilities as they affect your interests. We will do so in tandem with our engagement with the Scottish Government to discuss its interest in the process, including the policy position that it has clearly set out on representative content across all BBC outputs, and in respect of commissioning and editorial

practices that will support growth and sustainability of Scotland's creative industries.

I hope that that has been helpful in setting out the current state of play, from Ofcom's perspective. I was fortunate to be present for the evidence from the BBC; I will be happy to answer questions in relation to my remarks, and to reflect on the discussion from this morning's opening session.

The Convener: Thank you very much. I certainly welcome the role that Ofcom has been given. We heard in our previous evidence session that there will be very high expectations of you, as the regulator, in scrutinising areas that have been constant bones of contention in terms of programme making in Scotland.

When will the operating framework be published, what will it contain, and will it include a "made outside London" quota that the BBC will have to meet?

Kevin Bakhurst: To be clear, the operating framework is made up of several constituent parts. The operating licence, which we are currently in the process of drawing up, sets out performance requirements for the BBC. That, specifically, will answer your question about proper representation of the UK. We are working through that in terms of the requirements that we can impose on the BBC. The requirements are legally enforceable, so we are looking at the BBC's past performance—in particular, through the eyes of the charter and the agreement. One of the core public purposes, as you know, is that the BBC must reflect and represent the diverse communities and peoples of the UK—the nations and regions. That is a specific focus for us.

In terms of the operating framework, the operating licence will set requirements for the BBC to meet in the coming year, and performance measurements will monitor how the BBC is doing. For example, measurement might look at how the audience in Scotland perceives the BBC to be delivering in terms of representation, relevant programming and so on. We have other tools within the operating framework—we can do an ad hoc review of any specific area at any point, if we have a particular concern about or interest in it.

The operating licence itself will be put out to consultation at the end of March, with a relatively long consultation period, so I hope that it will take in the BBC's publication of its own creative plan. That should form part of the consultation along with any other input that we have, including from Scotland.

The Convener: I think that it is fair to say that one of the big wins for Scotland in the charter is that there is a commitment to the creative industries in Scotland, and a commitment to

deliver on that. Ofcom will have an important role in that. In my questioning this morning on lift and shift at the BBC, the answers deflected the matter back to Ofcom and how it sets the criteria for what constitutes a Scottish company. From how the criteria were presented this morning, they sound quite robust. However, previous evidence from the independent production sector is clearly that that is felt not to be the case. Can you see Ofcom toughening up the criteria in order to address that problem, which has existed for a number of years?

Kevin Bakhurst: The straightforward answer to that question is yes. It is something that we have been considering in the past few weeks, in the light of one specific complaint.

The Convener: Could you tell us more about that, please?

Kevin Bakhurst: I would rather not, because we are in the middle of the process on that complaint, so it would be unfair to talk about it specifically. I will say that it is an issue in which I have taken a personal interest. We have an experienced team looking at it. Ofcom has an arrangement with the BBC—we set out how the legal requirements should be interpreted. My view is that if people are meeting the legal requirements of the framework but not meeting the spirit of what it is trying to do, the matter needs to be revisited.

The Convener: I am sure that many people will welcome that.

Lewis Macdonald: On that theme, does what you say imply that you will seek to develop a more detailed set of criteria by which you make judgments about commissions and how they support the creative economy here in Scotland?

Kevin Bakhurst: As I understand it—you will have to forgive me; I was in broadcasting until three months ago, so I am relatively new to regulation, although I have been looking at this in some detail—if we decide to review the framework and look at how we might tighten things up, we would need to put out a public consultation on that so that everybody could contribute their views. I suspect that there would be relatively vociferous views across the piece.

The framework could also apply to a wider range of broadcasters than just the BBC.

Lewis Macdonald: I am keen to explore that, because clearly some issues have arisen in relation to other broadcasters. We talked this morning about the screen sector leadership group report by John McCormick, which raised some concerns about commissioning to the ITV network programmes from STV. How far is the work that you are doing in relation to the BBC pertinent and relevant to that company and others?

Kevin Bakhurst: One of the merits of Ofcom taking over regulation of the BBC is that we already have a role in regulating the other public service broadcasters—Channel 4, ITV and Channel 5—so we can take an overview of the whole broadcasting sector, and of the health of the creative sector across the UK and in the individual nations. That is a responsibility that we should have; we should do our best to ensure that the creative sector is flourishing not only in the UK but in the individual nations. That will underpin anything that we do.

I have had the pleasure of reading the screen sector leadership group report and it makes some extremely valid observations and points, not just on this area but across the piece. It is an impressive piece of work. If we go out to consultation, we will have to look across the sector.

Lewis Macdonald: I was struck by the title of your report, which refers to

“The Nations of the UK and their regions”.

That implies a good level of recognition of the fact that Scotland is a nation that contains within it quite distinct regions. Will a “made outside Glasgow” criterion be part of your consideration?

Tavish Scott: Hear, hear.

Kevin Bakhurst: That is something that we can look at in the future. First and foremost, the BBC has to be able to run its own affairs. Ideally, we want in the next two or three years to be properly ensconced in our position as the independent regulator, and to be addressing failures rather than being prescriptive to the BBC, so we will monitor what it does and see whether it is truly representing the diverse communities, nations and regions of the UK. If there are areas in which we feel we need to intervene in the future, that is open to us.

The operating licence will not be a one-off for 11 years; we will set the first operating licence in the autumn, following the consultation, and my expectation and hope is that it will change over the years to come. It will need to change to reflect initiatives by the BBC, the changing consumption patterns of the audience, technology and so on. We need to be able to be flexible, and part of that is about dropping requirements in respect of areas in which the BBC is performing well, and—potentially—adding requirements where there is a perception that it is not performing sufficiently.

Lewis Macdonald: You already have a role in regulating BBC Alba, among other channels. How will that role be impacted? Will it change with the new responsibility for regulating the BBC?

Kevin Bakhurst: That role should not change. Ofcom’s role with the other broadcasters is

specifically laid out for each of those broadcasters. The only way that it will change is that we will have a wider view of the PSB landscape, if you like.

Lewis Macdonald: Thank you.

Tavish Scott: Further to Lewis Macdonald's questioning, how do you avoid the framework becoming a numbers game as opposed to having a focus on quality? Is part of your assessment about that, or are we going to end up in an argument where Manchester produces X programmes and Glasgow produces Y programmes, which will tick a big box in terms of the argument that you have just made, but quality is neither here nor there? I am sure that none of us wants that. How are you dealing with that—I suppose—straightforward dilemma about how the framework should operate?

Kevin Bakhurst: You have put your finger on the dilemma at the heart of the matter. As I said, the operating licence will evolve. As is clear in schedule 2 to the charter and agreement, we are starting from a presumption that Ofcom will take the existing BBC trust targets, translate them across and increase some of them as necessary. However, I hope that over time some of them will fall away, where the BBC is performing well, so that we get away from the numbers game and look more at the quality of what is being turned out.

There will always be a role for numbers. We need a framework in order to judge spend in Scotland and the percentage of network originations from Scotland, and information on those sorts of things is very useful as part of it, but numbers are only part of the assessment. Assessing the BBC's performance in a robust way with a lot of audience research will be one of the key tools that we use.

Tavish Scott: Okay. Thank you.

Jackson Carlaw: You used the phrase

"where there is a perception that it is not performing sufficiently".

Perception can sometimes be informed by prejudice rather than by evidence. I presume that you would want any intervention to be evidence based, and not simply to have to react to any opinion that is floated at any time, and which might not be substantially evidenced.

10:45

Kevin Bakhurst: Yes. Ofcom operates in a very evidence-based way. When I say "perception", it would be a measured perception over time that we would track. We would not overreact; these things come and go, depending on the political climate or whatever. We would dig down into, for example, people's perception of how they are represented in Scotland and whether they feel that there is

programming for them. Some such things are measured already in the PSB reviews; we would enhance that work by combining it with measurements, as I said. There has to be a combination of robustly done audience research and measurement of actual things that the BBC is doing.

The Convener: Can you say a little bit more about how you will report back on the BBC's performance in Scotland, particularly in relation to its support of the creative economy?

Kevin Bakhurst: The BBC will issue its annual report, and we will issue an annual report, an important part of which will cover the issue of whether the BBC is properly reflecting and representing the nations. We could also choose to do specific pieces of work if we felt that there was concern about whether the BBC was reflecting the nations properly. However, the main tool will be the annual report, which will include all our audience and other measurements.

The Convener: You will have heard our earlier discussion about the new channel and the electronic programme guide. I understand that you have a role in that. You will be aware of how important it is to get public service content on page 1 of that guide. Are you able to say a bit more about what your role will be?

Kevin Bakhurst: Yes. You are correct: it is important to all the public service broadcasters that they have prominence on the EPGs across the digital services, and Ofcom has a role in ensuring that their services get the appropriate prominence through discussions with Sky, Virgin and Freeview. We will have an important role in ensuring that public service content is available to audiences in the most prominent way possible.

The Convener: The issue came up a few years ago, when the local television channels in Scotland were launched. Because of BBC Alba, they struggled to get a prominent position, even though such positions are supposed to go to public service broadcasters. There was non-public service content on page 1, which could not be shifted to make way for the local TV stations. Do you see the new channel encountering that situation as well?

Kevin Bakhurst: It is partly down to commercial negotiations. Ofcom has a role in the issue and would have a view that we would make clear. In the end, we have limited powers over Sky, but we would have a role in making clear our view about the importance of the responsibility on Sky—and Virgin, because it is not just Sky's responsibility—to give prominence on the EPGs.

The Convener: What is the situation with Freeview? Do you have more power over Freeview?

Kevin Bakhurst: The public service broadcasters themselves have a certain amount of sway over Freeview. There are also fewer channels on Freeview. However, as Tony Hall made clear, the issue is part of a negotiation. The BBC has some EPG space already from channels that it has put online.

EPGs have been incredibly important and they remain important, but, as we know, audience consumption is changing and people are consuming their content online and via on-demand services in increasing numbers. Although EPGs remain important, the audience is very savvy about finding the content that they want to find.

The Convener: Are there any other points that you would like to make about the new channel and your role in relation to it?

Kevin Bakhurst: I read the announcement and I have seen the response here this morning.

First of all, a public interest test will probably have been carried out—it will probably be the first one that we do having assumed our new responsibilities—because it is a significant new public service. Our approach will be to weigh up the market impact against the public purpose and the value of that public purpose.

Part of our remit is to ensure that the people of the nations are properly represented. The money for the new channel and the investment in the creative economy is a positive step. Indeed, it is a significant amount of money to invest for an organisation that faces substantial financial challenges in the next few years.

Emma Harper: I will pick up on reporting and the use of evidence. Evidence is really important. There are many sceptics out there. We get tweets all the time about issues such as the choice of audience members for “Question Time”, the content of “Reporting Scotland” and even the coverage of the referendum. How would you communicate with the public if you were to do an evidence-based investigation to look into some of those issues?

Kevin Bakhurst: We have an established editorial standards procedure, which will now fully cover the BBC, just as it has covered other broadcasters in the past. It remains the case that people who have issues about the accuracy or impartiality of BBC news should go to the BBC first. However, if they are not satisfied with the response, they can come to Ofcom. For the first time, they will be able to go to an independent regulator for an independent assessment. We have a good, robust process and a strong track record in dealing with issues of independence and impartiality.

Emma Harper: That is great. How do we ensure that that is communicated back to members of the public, including those people who might not complain or provide feedback?

Kevin Bakhurst: We will make that clear, where we can. If constituents come to you to ask about how they can approach such issues, we would encourage the word to be put out that a new opportunity is available. People who go to the BBC with editorial issues and are not satisfied with the response now have the option to come to an independent regulator for an assessment.

Glenn Preston: I will pitch in a couple of additional thoughts. The committee will be aware that a new memorandum of understanding exists between Ofcom, the UK and Scottish Governments and the Scottish Parliament. That includes provisions about our giving evidence to the Scottish Parliament, as we are doing today and as I have done in front of the Rural Economy and Connectivity Committee in the past few months. We are open to doing that as frequently as necessary to respond to exactly those questions about how we ensure that the public understands the difficulties around evidence-based regulation.

The Convener: I welcome that, and I hope that we will see you again.

Have you made any estimate of the number of complaints that you expect to receive from Scotland in your first year as regulator? There is a capacity issue, obviously.

Kevin Bakhurst: There is a capacity issue, so I encourage people to contact us—but not too often. *[Laughter.]*

We have been recruiting extra people. We have a reasonable idea of the number of complaints, having looked at the number of complaints that are dealt with by the BBC executive and go to the BBC trust on appeal, if you like. The fact that an independent regulator now has a role to play might lead to an increase in the number of appeals—that would be a fair guess—but we are confident that we have the capacity to start with to deal with the complaints. If we think it necessary, we can recruit extra people.

The Convener: Have you put a number on it?

Kevin Bakhurst: For Scotland or the UK?

The Convener: For Scotland.

Kevin Bakhurst: No, we have not. We have not put a number on either. Glenn Preston talked about the increase in the number of Ofcom colleagues that we have working in Edinburgh. Part of that increase is in my team, and part of it is in the editorial standards team, which will deal with complaints.

The Convener: I think that Richard Lochhead has a supplementary.

Richard Lochhead: It is a general question—it is not a supplementary.

Stuart McMillan: I have a supplementary, convener.

The Convener: Okay.

Stuart McMillan: It is about the complaints process. If someone contacts Ofcom, how will you investigate that complaint?

Kevin Bakhurst: Do you mean a general complaint?

Stuart McMillan: If someone has a complaint about a BBC programme—the editorial approach or whatever—what will your process be?

Kevin Bakhurst: There is a general process. Obviously, we deal with a lot of complaints already. For example, complaints about privacy come straight to us rather than to the broadcaster. The complaint comes in and the team makes an initial assessment to see whether it needs further investigation and, if it does, the team will investigate. If, on the face of it, there is a case to answer, we can go to the broadcaster, talk to the complainant a bit more about the complaint and go back to the broadcaster to ask further questions if we have them. We then make our assessment of whether the complaint has validity and issue an initial finding on the complaint, which people can comment on. We take those comments into consideration and then issue a final decision on the complaint.

Richard Lochhead: I have a general question that is slightly off at a tangent. Ofcom has various responsibilities, and today we have talked about the BBC. Nowadays, someone can set up their own news channel—they can set themselves up as a community news website or whatever and just get on and do their own thing. Do you have any general comments about whether the regulatory framework is keeping up to date with today's technologies?

Kevin Bakhurst: We license 2,000 channels in the UK. It is always a challenge, because technology moves very quickly and we have to try to keep up. For example, with TV channels, if something looks like a TV channel, it needs to be licensed by Ofcom, and therefore it has to abide by the Ofcom regulations. We monitor, and if we become aware of something that is not licensed and which looks like a TV channel, we will go out and impose our regulations or close it down.

Richard Lochhead: What if it is a news channel that occasionally broadcasts?

Kevin Bakhurst: I have not come across that much, so I do not know.

Tavish Scott: I have a different question altogether, which is about your wider responsibilities for telecommunications. Earlier, I asked the BBC witnesses about the roll-out of broadband and the ability of people who do not have superfast broadband to access online content, which the BBC is providing more and more. I know that Faroese Telecom is considering expanding operations into parts of Scotland as a business venture—it does not need any public money to do that. This is probably more a question for Glenn Preston. Have you had discussions with Faroese Telecom, and if so where are those at? My understanding is that it is being told that it cannot get a frequency authorisation. Is that so? Who ultimately makes the decision and what can be done to ensure that parts of Scotland that will otherwise just not get superfast broadband possibly could get it?

Glenn Preston: We absolutely recognise the challenge that you articulated in the earlier evidence session with the BBC. We have had a conversation with the Scottish Government—with Fergus Ewing as the lead cabinet secretary—and with the Rural Economy and Connectivity Committee about some of the big infrastructure challenges that exist in rolling out broadband, particularly to rural areas in Scotland. That picks up on the point that Lewis Macdonald made about Scotland not being a single place in that regard. We will have to look at that across our regulatory responsibilities—in relation to not just fixed broadband but mobile coverage and our broadcasting responsibilities, which you asked Kevin Bakhurst about.

We have spoken to Faroese Telecom and we are scheduled to speak to it again in the next couple of weeks. I do not know the answer to the specific question about the frequency, but I am happy to find out and let the committee know. It is worth saying that last year we did a digital communications review, which was about things such as opening up ducts and poles on the BT infrastructure network to allow for exactly that kind of increased competition so that we can improve broadband services across not just Scotland but other parts of the UK. Our next annual plan, which we will publish in the next few weeks, will set out that that will be a critical thing that we will be doing in 2017-18. We will follow up that proposition to try to drive improvement.

We are working with the UK Government on its broadband universal service obligation—there will be more details on that in the coming weeks in the context of the UK Digital Economy Bill—and with the Scottish Government on its R100 programme, which commits to reaching 100 per cent superfast by 2021. There are significant questions for both Governments about how those things interact. We are happy to facilitate a conversation between the

Governments so that they can achieve those public policy aims and so that people who want to access content online will be able to do so.

11:00

Tavish Scott: My concern is that Government can set big targets, but years and years will pass before anything actually happens for the people whom we serve as elected members. Here we have a commercial company that wants to invest, put up masts and make things happen, but I am being told that it cannot. I am asking you to go away and find out why that is and to get on with it rather than wait until 2021 for anything to happen.

Glenn Preston: We are happy to make a commitment to come back to you with the detail of that.

Tavish Scott: That is grand—thank you.

The Convener: On that subject, in the context of the BBC, increasingly people pay the licence fee but do not get all the services, as they are increasingly moving online. I take it that you will push hard on that.

Kevin Bakhurst: A considerable amount of my time on the executive at Ofcom is spent with my colleagues who are much better versed in the issue than I am talking about the various tools and the various pressures that we can put on individual organisations, and in discussions with the Government about how we can speed up broadband roll-out across the UK. One of the strongest tools that we have is the annual report, which shows how the nations and the regions of the nations are doing, particularly in rural areas.

Glenn Preston: Not all the solutions will be regulatory. We do not have all the tools in our kit to be able to respond to that issue. The UK and Scottish Governments and the industry will have to be involved. It was helpful to hear the BBC say that it will engage in some of the questions arising from the fact that more of its services will be delivered online and to hear it recognise the challenges that exist for people who might not be able to access those services.

Stuart McMillan: I assume that Ofcom was made fully aware of the BBC's announcement yesterday before it was made.

Kevin Bakhurst: We were not aware of the details. I was told the day before that there was going to be an announcement, and I was given the broad outline.

The Convener: When do you expect a member of the Ofcom board to be appointed by the Scottish ministers?

Glenn Preston: We are just about to start that process. As you say, the appointment is made by

the Scottish ministers. We are talking to the Scottish Government about the job description and we hope to advertise in the next handful of weeks. Ideally, we will have a candidate appointed before the Parliament breaks for summer recess, with somebody coming into post over the summer. We hope that the Ofcom Scotland board member will be in place by August or September.

The Convener: As there are no other questions from members, I thank both our witnesses for coming. We now move into private session.

11:02

Meeting continued in private until 11:23.

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