OFFICIAL REPORT
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Culture, Tourism, Europe and External Affairs Committee

Thursday 14 March 2019

Session 5

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Pàrlamaid na h-Alba

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CULTURE, TOURISM, EUROPE AND EXTERNAL AFFAIRS COMMITTEE
8th Meeting 2019, Session 5

CONVENER

*Joan McAlpine (South Scotland) (SNP)

DEPUTY CONVENER

*Claire Baker (Mid Scotland and Fife) (Lab)

COMMITTEE MEMBERS

*Annabelle Ewing (Cowdenbeath) (SNP)
*Kenneth Gibson (Cunninghame North) (SNP)
*Jamie Greene (West Scotland) (Con)
*Ross Greer (West Scotland) (Green)
*Stuart McMillan (Greenock and Inverclyde) (SNP)
Tavish Scott (Shetland Islands) (LD)
*Alexander Stewart (Mid Scotland and Fife) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

George Adam (Paisley) (SNP)
Professor Paul Cairney (University of Stirling)
Will Harding (Global Radio)
Professor Michael Keating (Centre on Constitutional Change)
Corrie Martin (Global Radio)

CLERK TO THE COMMITTEE

Stephen Herbert

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Culture, Tourism, Europe and External Affairs Committee

Thursday 14 March 2019

[The Convener opened the meeting at 09:02]

United Kingdom-European Union Interinstitutional Relations Post-Brexit

The Convener (Joan McAlpine): Good morning and welcome to the eighth meeting in 2019 of the Culture, Tourism, Europe and External Affairs Committee. I remind members and the public to turn off mobile phones, and I ask members who are using electronic devices to access committee papers to ensure that they are turned to silent.

Apologies have been received from Tavish Scott MSP.

The first item of business on the agenda is an evidence session on United Kingdom and European Union interinstitutional relations and the role of the devolved institutions post-Brexit. I welcome Professor Michael Keating, who is director of the centre on constitutional change, and Professor Paul Cairney, who is a professor of politics and public policy at the University of Stirling.

I thank you both for your written submissions, which have been very useful. I understand that Professor Keating wants to say a few words as an opening statement.

Professor Michael Keating (Centre on Constitutional Change): Yes. Thank you, convener. There will be two phases in the relationship between the EU and the UK after Brexit. First will be the transition phase—if there is a transition phase—which is dealt with in the paper that Iain McIver has written for the committee.

The second phase, which I will focus on, is the long-term relationship between the UK and the EU, which is in the political declaration as opposed to the withdrawal agreement. It is a completely unprecedented type of relationship. It is not EU membership, it is not the European Economic Area Norway option, and it is not based on an association agreement or a normal free trade agreement, so we have very little to go on. However, the indications are that it will be a comprehensive arrangement with a high degree of institutionalisation, and that the relationship will cover not only trade, but regulatory harmonisation and many other things. Many of those things will overflow into devolved matters, so there is big interest in the devolved Governments and legislatures about what is going on. There will be a binding arbitration mechanism, although we do not know how it will work, and there will be a lot of consultation.

For those reasons, the matter is of great interest to Scotland, Wales and Northern Ireland, but there is nothing in the political declaration about how the devolved Governments and legislatures will fit in. That is understandable because it is a matter for the UK, but it will have to be addressed.

The Convener: Thank you. In your submission, you outline that a joint committee will be set up between the UK and the EU to look at dispute resolution. How will that work in practice?

Professor Keating: We do not know. It seems that there will be two roles, one of which will be about consultation and dialogue. We do not know how the joint committee will work, but it will try to get agreement on matters that affect the EU and the UK. For example, if the EU introduces regulations and the UK is deciding whether to go along with them, there might be scope for discussion. If there is a dispute about interpretation of agreements, that will go to the joint committee. If there is no agreement in the joint committee, the matter will go on to international arbitration. I assume that that is intended to be exceptional and that the parties will normally try to get consensus in the joint committee, but the structure is unclear.

There is, in the withdrawal agreement, more detail on the transition period, because that seems to be more urgent. However, because we do not know what the nature of the long-term relationship will be, we do not know how broad the joint committee's remit will be.

The Convener: Right. There is no mention of the devolved Administrations in the withdrawal agreement: there is certainly no mention of Scotland. You said that the mechanisms would arbitrate in devolved areas. How would the devolved Governments feed into that?

Professor Keating: There is no information about that, but we can talk about possibilities. One possibility is that we try to get something like the current arrangements for feeding into European matters through joint ministerial committees. That would involve another level of committee, which might be of concern to Parliament, given that the more committees we have, the bigger the problem of scrutiny.

However, I assume that there would be a mechanism for the UK Government to consult the devolved Governments and legislatures before it

went to the joint committee. The key question is whether that would be consultation or joint decision making. There would, perhaps, then be a chance for the devolved Governments' ministers to be represented in the joint committee in the same way that they can be present at the Council of the European Union, although they would not be representing themselves but would be part of the UK delegation.

The Convener: It is often overlooked that although Scottish Governments complain that they do not have enough representation in delegations to Europe, there is some. However, there is no guarantee that that would be replicated under future arrangements, so Scotland could have even less influence in Europe than it has at present. Is that correct?

Professor Keating: That is a possibility, although I expect the UK to put in place some mechanism. Ministers being at the table in the joint committee is less important: more important are the negotiations on the brief that is taken into the meeting, and early consultation. It is important to have intelligence—to know what is coming up and to be able to prepare your position in relation to what is happening. That might involve closer relationships with the UK Government and a presence in Brussels—which is mentioned at the end of the committee's list of questions and the end of my submission—so that you know what is coming up and can be prepared.

The Convener: Thank you. Professor Cairney, is there anything that you want to add to that?

Professor Paul Cairney (University of Stirling): We have done research on the matter in the past. If we look at the relationships between the Executives, they have tended to have closest contact in relation to European affairs. I think that that has been because they have had formal reasons to meet and produce an agreed line because there have been further meetings to go to. The best bet would probably be to maintain those relationships, which are built on the routine expectation that people will speak to one another before the UK Government goes into negotiations for the UK.

The Convener: How confident are you that that would happen?

Professor Cairney: I am relatively confident. Compared with other matters, European matters have always been ones in which there has been a very clear reason for people to speak to one another. In the relationship between the UK and Scottish Governments on other areas, the UK Government has, in essence, often forgotten to speak to the Scottish Government because doing so was not on its radar. Europe tends to be more in its line of sight than other fields.

Claire Baker (Mid Scotland and Fife) (Lab): We seem, at the moment, to be quite far away from any of what we are discussing becoming reality. It is quite a strange morning on which to be taking this evidence.

However, let us consider leaving the European Union and entering a transition period. Currently, there are working relationships between the UK Parliament and the European Parliament through various mechanisms, including meetings of presidents or of speakers of Parliaments and shared work between the two Parliaments. I do not think that the withdrawal agreement outlines how the Parliaments will work together during the transition period. There is also the question of the UK Parliament's ability to scrutinise or be involved in negotiations during the transition period. My understanding is that it will not have that ability and that there is not a role for it once we get past the vote. Will you comment on those issues?

Professor Keating: The relationship between the UK Parliament and the Government is going through a very interesting phase, and we do not know how it will resolve. The UK Parliament seems to have mobilised itself to say that it wants a greater say in what is happening. Parliament insisted on the meaningful vote, and it took a Supreme Court case to require parliamentary approval for triggering article 50.

I expect the UK Parliament to continue to be active, but it will be very important for it to be engaged in the complex negotiations during the transition period. It is not really a transition period; rather, it is a negotiating period in which all the difficult negotiations will be done. It will also be important for the Government to try to keep things to itself because, in negotiations, it is very difficult to constantly report back. Ministers have said that they do not conduct negotiations in public: that is a problem for parliamentary accountability.

Now that the UK Parliament has flexed its muscles, I expect it and the parliamentary committees to exercise a greater scrutiny role. The Scottish Parliament and devolved Assemblies will then come in, as well. It is important for them to try to keep up with that.

Claire Baker mentioned joint working. I understand that the Culture, Tourism, Europe and External Affairs Committee is feeding into a House of Lords inquiry. There seems now to be more willingness on both sides to work together. It is very important for the committees of the Scottish Parliament to feed into the process at Westminster as well as to scrutinise what the Scottish Government is doing. As I always say when I come here, that involves a lot of work. It consumes a lot of time, and resources are limited, so it is important to think about priorities.

Claire Baker: You have described what the final relationship might look like as probably being unique, although it is unknown at the moment. It would not be like an EEA relationship or other existing relationships. Can lessons be learned from the EU's relationships with third countries? We would have third-country status. How much willingness is there on the part of the EU to have a tailored unique deal or relationship with the UK?

Professor Keating: It is ironic that the EU said right at the beginning that it was not going to have anything like that. The relationship looks a little like the Switzerland relationship, except for the fact that Switzerland has 120 treaties and no overarching framework. The EU is trying to get Switzerland to sign up to a single overarching agreement in order to get rid of the 120 treaties and to have a mechanism such that Switzerland can keep up with EU regulations. The difference, of course, is that that is a way of getting Switzerland into the single market and getting it to accept regulations that come from the EU.

The suggestion is that the UK would not be in the single market, but would be able to opt into bits of it. That is cherry picking, which everybody said would not be done. However, it seems that it is being done, in practice.

The relationship is not quite the Switzerland relationship, and it is not quite the EEA relationship. I suppose that the simplest way of looking at the matter is to look at it as a question of the balance of power. In the case of the EEA and Switzerland, it is clear that it is the EU that lays down the regulations. Switzerland, Norway and the other countries have to accept those regulations. They can talk about them and get modifications, and then potentially accept them. The UK has said that it will not do that; it will negotiate and possibly accept some regulations. However, that puts it in a weak position because the EU will not change its regulations to suit the UK. It is a question of whether the UK will change its regulations to conform with those of the EU.

Again, the similarity is in asymmetry of power; the EU holds most of the power. Another element of the EEA and Switzerland arrangements is that in them a country is expected to opt in, and if it reneges on obligations, there is a penalty and it loses. We have talked about the Irish backstop and whether the UK could withdraw from it: it seems to me that there would be a huge penalty for that. On the question of power, the EU is consulting the UK and trying to get harmonisation, but I do not expect the EU to change its policy just because that policy does not suit the UK.

09:15

Alexander Stewart (Mid Scotland and Fife) (Con): We have already discussed the relationship that we have. At the moment, the EU and the UK have embassies. The Scottish Government has set up hubs in London, Dublin, Paris and Berlin and has always had an office in Brussels. Do you believe that there needs to be bigger involvement by the UK Government once we leave, or will the set-up that we have be enough for the dialogue, negotiations and discussions to ensure that we are still part and parcel of a process with member states?

Professor Keating: That will become more important, because after Brexit we will not have the relationship that we have had as an EU member. Anything that currently involves EU policy making will become foreign policy. Much of that spills over into devolved areas, so logically the Scottish Government and Scottish Parliament should be engaged in international treaty making, which might be on trade, the environment, labour standards and all kinds of things. That will be important.

If the UK is to have a close relationship with the EU, whatever that amounts to, it will certainly be important for Scotland to be in Brussels and to have its own source of information. It is critical that Scotland get information early if it is to influence the UK's position. It is too late to do so once matters reach the Council of Ministers, because everything will have been sewn up at official level. It is also important to know from other member states what is happening, what their positions are and the likely outcome of negotiations. On the EU side, of course, there are the 27 member states.

More generally, the idea of being represented in other countries—so-called paradiplomacy—comes and goes. It is not just Scotland that has considered it; the idea became very fashionable for a while, then faded and came back. We have seen that since devolution and in Canada, Spain and other places. When considering a presence, it is important to think about what bodies will actually do and what their job will be. There is a clear job to do for trade and investment promotion, which has been going on since at least the 1980s, but there might be other more diplomatic political roles in order to get a feel for where Europe and the member states are going and what might be coming on to the agenda.

Alexander Stewart: You have identified that trade is vital. Business and commerce will negotiate and trade with member states in the way that they wish to, anyway. However, it is vital that the UK Government ensures that during the transition, if there is one, and in the discussion thereafter, we can be part of a process. It must be there and manage the crisis. There might be

crises in other countries that we will need to look at, to see how the relationship might be devolved or increased and supported. Does the current situation make it more difficult to achieve that?

Professor Keating: Yes it does, because businesses are finding it difficult to know what is going on—especially small businesses that do not have the resources to get in and do the research. It is important that they get support, but surveys of small businesses show that they are very confused and are not prepared for Brexit because they have not been given support. That is especially the case for exporting businesses, for which such support will be critically important.

More broadly, representation of Scotland abroad is not just about the Government; it includes business, the voluntary sector, education and research. It will, when EU mechanisms are no longer there, be really important that civil society continues to be engaged in European networks and can take advantage of European opportunities.

Alexander Stewart: Does Professor Cairney have anything to add?

Professor Cairney: I am at a loss. [*Laughter.*]

I am keeping very quiet, because I do not have much imagination, and we are trying to imagine the future.

Alexander Stewart: It is difficult, but life has to go on, as the saying goes. Life will go on—there is no doubt about that, whatever situation we find ourselves in. It is important that we have some clarity on where we think we might be.

Professor Cairney: Most parliamentary work assesses how a Government has done in the past and gives it lessons to work on for the future. Brexit is so unusual because, when Parliament becomes able to do that, it will be potentially too late to do so. I struggle to see a role for the Parliament in the short term, in the absence of that process, other than to hold Government to account for things that it should not have done. In a more general sense, Parliaments usually hold Governments to account for things that they control, so we can meaningfully say what the biggest impact of its choices was. Imagine trying to hold Scottish ministers to account for anything to do with Brexit; I am struggling to think of any circumstance in which it would be meaningful and make sense to do so. It might be the same for a lot of UK ministers, which is partly why it is so hard to keep track. They are in negotiations in which they have minimal control.

Annabelle Ewing (Cowdenbeath) (SNP): Good morning, gentlemen. This discussion is extraordinarily difficult to have because we do not know anything really, although—just in case committee members have not seen it—Mr Tusk tweeted half an hour ago:

> "During my consultations ahead of #EUCO, I will appeal to the EU27 to be open to a long extension if the UK finds it necessary to rethink its #Brexit strategy and build consensus around it."

That is an interesting development ahead of tonight's vote in the House of Commons on exactly that issue.

With regard to what has happened thus far, I would have thought that there would be an issue about trust. International relations are based on pragmatism, first and foremost, as well as self-interest, but trust is a useful currency. At the moment, trust has taken a bit of a hammering. If we assume that we will have Brexit rather than a no-deal exit—and, therefore, a transition period—trust will be very important, as a matter of good will, in establishing a comprehensive and close relationship between the UK and the EU. I fear that relations in the shorter term might have been harmed quite a bit. I am asking you to speculate a wee bit, as that is all that we can do this morning.

Professor Cairney: I think that I can answer that one.

Annabelle Ewing: Excellent.

Professor Cairney: We have done work on why, at a basic level, people trust each other. There are usually three reasons: they share similar beliefs and goals, so they want to do the same things; they have worked together in the past and it has proven reliable; and they have some kind of authority that people are willing to follow. The middle of those three reasons is the trickiest for a Parliament, because, if Executives negotiate with each other for the long term and trust each other, that usually requires them to be reliable and not tell Parliament what they have been talking about, because that is all part of a full and frank negotiation. There is a trade-off if Parliaments want to give the Executives the freedom to engage in activities to build up trust for everyone's benefit but do not want them to do it to such an extent that they will never tell anyone what they have spoken about. It is a balancing act.

Professor Keating: I heard a suggestion on the radio this morning that the Attorney General might change his advice and point out that, under the Vienna convention on treaties between countries, it may be possible for the UK unilaterally to withdraw from the Irish backstop. It would seem very odd to go into a negotiation claiming a right unilaterally to withdraw at some future date. That really would not help matters or build up the trust that we have been talking about.

If we have to fall back on sanctions—that is, suspending other bits of the agreement—that is a sign of failure. It is a sign that the agreement is

just not working. It rarely happens in the relationship between Switzerland and the EU or in the EEA. It has happened only once in the case of Switzerland and the EU, and that caused serious damage to the working of the relationship and precipitated a crisis that has not quite yet been resolved.

Annabelle Ewing: There is trust between the EU27 and the UK, although it is probably not at an all-time high, and then, of course, there is trust in the UK Government, including on the part of members of the party of Government, which, it would seem, is an issue for some Cabinet members. There are a lot of different levels to that.

If we get through the current process such that we become a non-member state and there is a transition period, I would have thought that the manner in which the process has been conducted would impact on the willingness of the EU27 to set up a close interinstitutional structure. Some member states might think, "What's the point, because we can't trust them?" They might wonder what the point is of going to the nth degree to set up a close interinstitutional framework if the UK is just paying lip service and the whole thing is not going to work. Again, I am asking the witnesses to speculate.

Professor Cairney: There are parallels with the way in which the UK and Scottish Governments have dealt with that. There is a parallel in that there is a push for more autonomy or distance, which has changed the relationship between the two bodies. That has been dealt with in the UK by accepting that there will frequently be high-level disagreements between elected politicians but that it is possible to manage the general relationship through the civil service and unelected posts, at which level people have a much more cordial day-to-day relationship that transcends shifts of Government. I think that that would be the case with the UK and the EU. Most of the relationship would be processed by people with a background in the civil service or diplomacy, who would know how to maintain relationships across borders.

That is a tricky recommendation to make. Sometimes, the less elected politicians get involved, the better it is for relationships between the bodies. However, of course, elected politicians have a legitimate reason to get involved.

Annabelle Ewing: That is an interesting take, although it could be said that, if the elected representatives across the UK—those down south, in particular—had been more involved, more factual information might have come out and there might have been better stories to tell. In addition, there might have been more civic involvement with the project and a different attitude. Elected representatives can serve a useful purpose in furthering international co-operation. I just wanted to put that on the record.

Ross Greer (West Scotland) (Green): I want to go back to the point that Michael Keating made about paradiplomacy. I almost hesitate to ask about precedent, given that we are in a totally unprecedented situation. We are all aware of how sub-states can at least attempt to influence and engage with European institutions if they are sub-states of EU member states. The Scottish Government's office works very hard, but it has a foot in the door because we are currently part of a member state. We are all familiar with the Wallonian institutions in Belgium that were set up because of trade negotiations.

What precedent is there for sub-states of third parties to get access to and have meaningful engagement with the European institutions?

Professor Keating: I do not know of any such precedents—at least, I do not know of any that are of any relevance. There have been cases in eastern Europe of disputes—for example, in Ukraine, where sub-state movements are mobilising—in which the European Union has got involved in a little way. However, there is no example of a stable democracy in which sub-state Governments are directly engaged with Europe. I am not ruling that out in the future; I am just saying that I cannot think of a precedent.

Ross Greer: Is that an area in which we might need to put forward some imaginative proposals for co-operation with the Committee of the Regions?

09:30

Professor Keating: That is possible. The Committee of the Regions has a chequered history, as this committee probably knows. It has not met the expectations that were vested in it at the beginning, partly because of its own structure, partly because it is too heterogeneous and partly because some sub-state Governments such as the German Länder or even the Belgian regions find it easier to go through their Governments when they have a strong position than to play the Europe of the regions game. The Europe of the regions game went away, but there have been efforts to revive it. A delegation from the Basque Government came to Scotland a week or two ago and saw the Scottish Government and the centre on constitutional change. The Committee of the Regions has got its act together, is a bit more effective and has got a grip on policy issues.

There are many pan-European organisations of regions, which come and go. One moment, it is the Conference of Peripheral Maritime Regions of Europe, then it is the Conference of European Regional Legislative Assemblies, and then it is

something else. I have been following this for many years. It would be possible for Scotland to get into, or to remain in, some of those networks, and that would be important. Membership of the Committee of the Regions is problematic, because Scotland would not be part of a UK member state, so those kinds of network would continue to be important.

Stuart McMillan (Greenock and Inverclyde) (SNP): I found the letter from the House of Lords interesting. Its question 6 begins with the well-used words:

"What lessons can be learned".

We have touched on that this morning. Any time that I read or hear those words, I feel that they are used partly because of the cultural norm of neglect that has taken place in the past. It is a way of trying to placate people rather than a way of doing something serious. I am not saying that the House of Lords is not attempting to be serious on this, but there is a wider UK political narrative.

As has been touched on, we now have the interparliamentary forum, which the convener and deputy convener take part in. I am the deputy convener of another committee and have taken part in the forum. How useful do you think the interparliamentary forum is?

Professor Cairney: When I give evidence in Scotland, it is okay, but, if I give evidence abroad, the Scottish accent makes everything sound doom laden.

To put a positive spin on the learning aspect, the UK civil service has taken that seriously in that it would describe Brexit as possibly the most profound political change of its generation. However, it has an inability to analyse it systematically in order to learn for when the next change comes. Civil servants describe an internal sense of not having experience on which to draw that is relevant to help them through this. That is normally what someone does—they rely on experience to help them to make choices. All that lesson learning will be for the next big thing. It will not seem important now, but, if we do not get it right, we will just make the same mistakes later.

I tried to think about the forum in terms of the role of parliamentary committees more generally. That is why my submission to the committee makes the relatively optimistic points that committees provide essential functions, are relatively businesslike, are less partisan and can get away from needless fiddly debates and focus on substantive issues. Some of those issues are intergovernmental relations, to which almost no one else would pay much attention.

There is an important role for such bodies. At the same time, however, they tend not to be well resourced, and that really matters. Their role tends to be about gathering information and providing it to stakeholders or the public. They provide an important function, in principle. The history of committees, particularly those of the Scottish Parliament, is that they have struggled to get information from Governments and distribute it. The problem is magnified in a European context, when Executives are a bit more cagey anyway, and in co-operation between many Parliaments when relations between them are not particularly well advanced.

The interparliamentary forum on Brexit provided papers on how often it had met and how many people were involved. It did not meet particularly frequently, and the people involved were not a particularly high proportion of the people in each Parliament. If that is a guide to the future, the forum will be an important body but more resource and involvement would probably be needed to make much use of it.

Professor Keating: Going back to Stuart McMillan's first question, which was about what lessons can be learned, there are a number of examples of relationships—the arrangements with Switzerland, the EEA, Turkey and Ukraine, for example. However, those countries either aspire to join the European Union—we can question whether Turkey will ever get in, but the path is supposed to exist; there are pre-accession arrangements—or they are small countries that have decided not to join the European Union but want to join the single market, and they have simply coped with the contradictions of that position. It is no good telling the Norwegians that they have to take the policy and that they do not have any say; they will say, "We know that. We can't resolve it, so we just agree to live with it." Norway is a very small country, so it would not be a big player in the EU in any case, although it would have some influence—small countries have influence.

Those countries want to be more Europeanised. They like most of the regulations that come from Brussels, and they do not have any problems. There is very little argument between Norway and the EU or between Switzerland and the EU, because there is consensus that those European norms and regulations suit them. Therefore, there is not much to argue about.

The UK would be in a very difficult position, because it would argue about regulations all the time. There is a very strong Eurosceptic voice in the UK, which is, of course, behind Brexit. It would constantly say that the UK did not sign up to that and that that is not what Brexit is all about. The politics of Brexit would be imported into that context in the long run, which would result in a relationship that was very different from the

relationships with Norway and Switzerland. Aside from the argument with Switzerland about freedom of movement, those relationships have been fairly harmonious because there has not been a great deal to argue about.

Stuart McMillan: I want to go back to Professor Cairney and the interparliamentary forum. I quite agree with what he said. I genuinely think that it is quite a useful forum, but it does not contain ministers from any of the Parliaments or Assemblies; it is mostly for committee members. There is a limitation there, but I agree with what Professor Cairney said.

I go back to the lessons learned. The issue of intergovernmental relations has been raised in this committee and the Devolution (Further Powers) Committee in the previous session. We even had a debate on the issue in the chamber, and we produced a report on it. That report also said that lessons needed to be learned. How many times do people have to put forward suggestions and highlight problems and issues before there is a change in the political and cultural norm so that people have respect for and listen to other people and other Parliaments and have genuine dialogue to ensure that intergovernmental relations are improved?

Professor Cairney: I have particular views on what lessons we would learn from intergovernmental relations in the UK. Part of the problem is that there is a difference between what people will learn from the past and what they want to happen in the future. The classic lesson that we have learned from intergovernmental relations in the UK is that they are informal for a reason, and that reason is that that really benefits at least one Executive. Executives benefit from not speaking much to Parliaments because they can be sure that they can speak to each other relatively informally. If we propose different and more formal intergovernmental relations without taking that logic into account, people will find a way to be informal even if there are new formal measures.

For me, the lesson to learn is that either we accept that logic and find ways to deal with it or we completely reform the system to make it a much more formal one that involves, for example, the courts resolving disputes. However, that would be a fundamental change to the UK political system and I do not see much appetite for it.

Professor Keating: I draw your attention again to the importance of power and institutions in all of this. Of course the intention would be that intergovernmental relations should be sorted out by consensus and dialogue, but if there is no fallback position and the UK can always play its trump card and say, "We have the last say," that affects the whole process and the relationship. It affects the culture and the degree of trust.

The Welsh Government has emphasised that a great deal. It has been talking about the need for some kind of UK council of ministers, whatever form that would take, in which there would be some kind of voting mechanism. It would not have to be used all the time, but we would know that, if there was a conflict, the UK could not simply play its trump card and walk away. It would have to try to get consensus among the devolved Administrations.

The Convener: On the point about conflict, I note that you state in your written submission:

"Both the negotiations in the transition phase and the long-term relationship will impinge on devolved matters."

In paragraph 3, you mention that

"The ambition, as set out in the Political Declaration, is to go beyond reserved matters of trade"

and include many devolved areas, including culture, education, public procurement, crime and agricultural support. We do not know what is going to happen with the withdrawal agreement or whether it is going to be put in place, but it is clear that there is huge scope for conflict there. Brexit has not happened yet and we have already seen considerable conflict between the devolved Administrations and the UK Government. Can you see further constitutional crises arising if the withdrawal agreement is put in place?

Professor Keating: The UK is very good at avoiding constitutional crises by postponing issues or converting issues of principle into technical matters and giving them to committees. By "crises", I mean situations that cannot be sustained, in which the institutions are in danger of breaking down. We seem to be able to avoid those while not resolving the fundamental problems by steering clear of them. The flexible constitution enables that to happen.

However, some of us have been saying, "You can't muddle through Brexit that way," and we might be proved right this week. So far, there has been an extraordinary degree of muddling through and avoiding such issues by giving things to committees, working parties of civil servants and so on. We might say that that is fortunate, but in another sense it is perhaps unfortunate because there has been no point at which we have had to sit down and say, "We've got to address this issue as a whole." As long as we can muddle through, there is no incentive to think about the nature of the institutions.

We have been saying for a long time that intergovernmental relations under the devolution settlement are not terribly well organised, but there has been no crisis that has forced us to do something about it so, for 20 years, we have continued on a kind of ad hoc basis. It is possible

that that will continue. It would be profoundly unsatisfactory, but it is possible.

The political declaration says, "These are UK matters that the UK will negotiate with the EU," but some of them are completely devolved, and there might be scope for Scotland to get involved in some of the programmes. I am not talking about regulatory rules for public procurement and so on, but it might be possible for Scotland to continue with some of the EU programmes that we have here even if the UK does not. There are provisions in the UK Withdrawal from the European Union (Legal Continuity) (Scotland) Bill for Scotland to maintain its presence in Europe even in areas where the UK pulls out, and that might be worth exploring.

The Convener: When the committee began this process back in 2016, there was certainly more openness to the idea that you have just mooted—that Scotland could have direct relationships with Europe and share some of the programmes—but there seems to have been a hardening of attitudes, certainly at UK level, with regard to allowing Scotland any room to get involved. We seem to have been repeatedly sidelined. Do you think that the Brexit process has created a hardening of unionism?

09:45

Professor Keating: There is still a misunderstanding in London about the nature of devolution. If we look, for example, at the first draft of the European Union (Withdrawal) Bill, we see that it proposed to repatriate all the competencies to London. That was not a power grab; it was a profound misunderstanding of the nature of the constitution. There is a lot of education required there, because there is an assumption that Brexit means bringing everything back to London.

If the powers in question belong to Scotland and are clearly devolved, there might be nothing that the UK can do to stop Scotland getting involved in various ways. I say that in a very general way, because the issue has not really been fully explored, as we do not know what Brexit is going to look like. I expect there to be quite a number of areas, such as culture, education, research and exchange programmes, in which Scotland might be able to participate in some way. It is worth exploring that and keeping it in mind as the process continues.

The Convener: I presume that, if the UK was no longer a member state, it would have less of an ability to intervene to stop those things. We know that the interests of a member state are always put first in the EU.

Professor Keating: Yes. That issue has not really been explored. I was at the European University Institute for 10 years and was involved in various intergovernmental things, including issues concerning the UK and Scotland. It was not quite clear what the position of Scotland was in relation to a number of things. A few years ago, there was the question of the grants for the College of Europe. London said that it was going to stop those grants, but the Scottish Government realised that it could continue them. There might be possibilities there that are, as yet, unexplored. Some programmes require you to be a member of the European Union in order to be part of them, but others extend to Norway and some of them extend beyond that; the European research area has non-European states as part of it.

We talk about the general principle, but it is possible that insufficient attention has been paid to this area. I am just saying that, depending on what Brexit looks like and whether the UK remains in those programmes, it is worth giving some attention to what Scotland might be able to do.

The Convener: You have both talked about Parliaments getting involved in the process. Professor Keating talked about Parliaments being marginalised, and Professor Cairney talked about informality favouring Governments. Do you have any suggestions for this committee about how we can maintain the considerable role that we have had in engaging with parliamentary institutions ever since the Parliament was set up?

Professor Keating: As I have said before, that is really up to you. This Parliament has the ability to call ministers in and make them accountable. We have recently seen the UK Parliament exercising powers in a way that it has not done for many years. It is up to the committees of this Parliament to ensure that ministers report back to them and that they get the right information on time. After all, the Scottish Government is responsible and accountable to the Parliament. We know the political difficulties in the way of that but, institutionally, nothing is stopping the Parliament exercising more scrutiny.

The Convener: I was thinking more in terms of how we engage with Europe. For example, every six months, we host the presidency of the Council of the European Union, which is quite a considerable engagement exercise. Professor Cairney, do you have any thoughts on that?

Professor Cairney: I am sorry; my mind has gone blank. I guess I have some thoughts. If I were trying to be realistic, I would say that there are two ways in which to keep track of what the Government is doing in Europe. One would be to do so informally, to match its informality—that is, through the sharing of information within political parties or between people of different parties who are sufficiently friendly to enable information to be shared. The other way would be to do what

Michael Keating suggests and give ministers the impression that there is a disadvantage to their not being forthcoming, because that would mean that you would simply invite them back again and criticise them for not being forthcoming. I think that that is the best bet. There should be an expectation that, if a minister does not take the accountability process seriously, there will be some kind of consequences.

Stuart McMillan: This committee has experience of what you are talking about—we made repeated requests to have UK Government ministers come to speak to us about the Brexit process. The fact that the committee met Michel Barnier before we met a UK minister says a lot about the lack of respect that the UK Government affords this Parliament. I do not know whether you want to comment on that.

Jamie Greene (West Scotland) (Con): That is just a political statement.

Professor Cairney: If it were me, I suppose that I would not even try to get UK ministers here, because I know that they would not want to come, which means that it would be an exercise not in information sharing but in who can look the most powerful, although I suppose that that has its advantages.

Professor Keating: I follow the spirit of what Stuart McMillan is saying. It is important that UK ministers should come to the Scottish Parliament, not necessarily to give information, because, as Paul Cairney suggests, you could probably get as much information from the web as you would from a minister, but to show that they are open to the process and that they feel a sense of obligation to the whole of the United Kingdom. If that engagement happens regularly, it feeds back positively into the whole relationship, including at the level of officials, who are aware that their minister wants to show respect for Scottish institutions. That is important, because they will follow that lead.

The Convener: I thank our witnesses for coming to give evidence. I briefly suspend the meeting to allow for a change of witnesses.

09:51

Meeting suspended.

09:55

On resuming—

Local Commercial Radio

The Convener: The next item is an evidence session on local commercial radio. I will provide some context before we begin.

At our meeting on 28 February, members requested an evidence session on Global Radio. That followed an announcement on 26 February that Global Radio would be reducing local programming across its stations, which are Capital Scotland, Heart Scotland and Smooth Scotland. The decision will reduce the number of breakfast shows that are broadcast across Capital from 14 to one, across Heart from 22 to one and across Smooth from seven to one. Local drivetime programming will also be reduced across the UK on all three stations, including from 14 shows to nine on Capital and from 23 to 10 on Heart. All local and regional weekend programming will end.

In Scotland, Capital, Heart and Smooth will broadcast the new UK-wide breakfast show and will lose regional weekend programming, although Global Radio will produce and broadcast regular news bulletins throughout weekdays.

Drivetime shows from 4 pm to 7 pm will be the only local and regional programming that is broadcast on Capital Scotland, Heart Scotland and Smooth Scotland. Capital Scotland will be the first to end regional breakfast programming and will broadcast its UK-wide breakfast show from 8 April.

The announcement follows changes by Ofcom to the licence obligations of those commercial radio stations.

Today, the committee will take evidence from Corrie Martin, the news editor for the regions in Global Radio; and Will Harding, the chief strategy officer of Global Radio. I invite Mr Harding to make a brief opening statement.

Will Harding (Global Radio): Thank you for giving us the opportunity to talk to you today about the announcement that we made on 26 February.

We operate two stations in Scotland: Heart, which broadcasts across the central belt; and Smooth, which broadcasts in Glasgow. If you include UK-wide stations, such as Classic FM and digital stations such as LBC, Radio X and others, all our stations combined reach 1.4 million adults every week. Our market share in Scotland is 14 per cent; by comparison, the BBC has 43 per cent of radio listening and Bauer, which is the leading commercial operator, has 28 per cent.

As you said, convener, we recently announced that we are launching three UK-wide breakfast shows on Heart, Capital and Smooth. In Scotland,

Global Radio will be launching the new UK-wide breakfast show on Heart Scotland and the new show on Smooth Scotland later this year.

Capital Scotland is not owned by Global Radio; it is owned by another company, Communicorp UK, which licenses programming and the Capital brand from Global Radio. Communicorp has announced that it will be broadcasting the new UK-wide Capital breakfast show when it launches in April.

As you said, we are also launching new local drivetime shows across the UK. We are also reorganising some of our commercial operations at the same time.

As you mention, the changes follow Ofcom's publication of its new localness guidelines last October. They allow stations to reduce the number of locally made programme hours from seven to three per weekday, and they remove the requirement to broadcast a local or regional breakfast show.

The UK Government first proposed five years ago that the legislation for commercial radio regulation should be updated. There have been a number of public consultations to consider the various options since then, including ones run by the Department for Digital, Culture, Media and Sport and Ofcom.

The old regulations that were in place before Ofcom changed the guidelines last October were all based on legislation from the 1990s and the early 2000s. The last significant change to those regulations was nine years ago. An awful lot has changed in our industry in that time. Obviously, we face competition for listeners from the BBC and from other commercial stations, but all radio stations are increasingly facing competition from internet and streaming services such as Spotify, Amazon, Apple and YouTube, and that change is happening at a fast pace. It is therefore imperative for us to invest in our future. If we do not do that and we do not get it right, there is every risk that radio—particularly local and regional radio and radio in the nations—will simply lose its relevance for younger listeners.

10:00

We regularly ask our listeners what they value, and all the research shows that local news and local information, such as traffic and travel information, weather updates, and information about school closures, are the local and regional content that they most value, and that that local information and news are much more important to them than where the presenters are based or where the studio is located.

The changes that we announced in February will have no impact on the local news or on the traffic and travel and local information that we deliver, which are managed in Scotland by my colleague Corrie Martin. We remain committed to delivering high-quality local news on all our local stations. We know that listeners value those things most, and we are investing more rather than less in that area. Through technology that we have developed, we have the ability to customise the news information that we broadcast, irrespective of where the presenters are based and where the programme is made. We can do that throughout the day. Presenters in the studio—wherever that is—can read links and provide information that is directed at one transmitter in the country. If we want to, we can insert additional local news bulletins where it is appropriate to do so in the schedule. That is how we will remain relevant and responsive to listeners.

The decisions that we made were not easy and we did not take them lightly. We are very mindful of the impact that they will have on our people—our presenters and our employees—and of the concerns of stakeholders not just in Scotland but across the UK about retaining locally relevant content on commercial radio. However, we believe that the decisions are the right ones for the future of our stations and to protect the long-term future of our business. We have to grow our audiences. They are the life-blood of our business. Without audiences, we have nothing.

The Convener: Thank you very much, Mr Harding.

I remember when Capital got its licence back in 2011. I believe that Paul Cooney was the managing director at that time, and I remember having discussions with him. There was a big emphasis on all the local content that would be provided and the very distinctive nature of the broadcast option for Scotland. Now that you have built up your audience in Scotland and used Scottish talent for the brand, you seem to be ditching all of that.

Will Harding: I am not sure that Paul Cooney was at Capital. The Capital Scotland licence is not owned by Global Radio—it is owned by Communicorp UK—and it has broadcast under a number of different brands over the years. The local programmes that are broadcast on our stations—Heart Scotland and Smooth Scotland—and Communicorp UK's Capital Scotland changed in 2010 following deregulation, which introduced additional opportunity to network across the UK in daytime. Nothing has changed since then to the amount of local programming and locally produced shows that are broadcast.

The Convener: That will change because you are dropping them.

Will Harding: Yes—as I said, nothing has changed for the past 10 years until now. In February, we announced that we will broadcast a UK-wide breakfast show, so the number of locally produced hours from Monday to Friday will fall from the current seven hours to three. The breakfast show lasts for four hours and the drivetime show, which will remain locally produced, lasts for three hours.

The Convener: However, you will be offering fewer distinctive local voices. You talked about the surveys that you have done. I used to listen to the breakfast show with Des Clarke because my teenage daughter listened to it. He has a very distinctive voice, and we would not have listened to the show had it not been for him. I understand that he will be going. Is that correct?

Will Harding: Des is moving from Capital to Heart to do the drivetime show.

The Convener: He will not be there in the mornings any more.

Will Harding: That is correct.

The Convener: When you did the survey of listeners, did you specifically ask about Des Clarke and your other presenters on the breakfast shows?

Will Harding: No. We would not have named presenters. We would have asked—

The Convener: That was not a flippant question. Des Clarke is a distinctive voice and a very Scottish voice, and a lot of people will have come to the station to listen to him in the mornings. Someone who is very much a part of culture in Scotland is now going.

Will Harding: I am sure you are right to say that he has a very strong following in Scotland.

The three stations that we are talking about—the ones that are owned by Global, and Communicorp's Capital station—have broadcast a mixture of Scottish and UK-wide programming for a long time. When we look at the audience data and the performance of the stations at different times of day when they are running local programming or UK-wide, network programming, there is not the gap that you suggest between—

The Convener: The point that I am getting to is that there is a difference between asking people general questions about where presenters are based and asking them, "Do you like listening to the Des Clarke show?" That show is a distinctive Scottish offering. In a way, you have asked questions in such a way that you have got the answers that you were looking for.

Will Harding: No. We ask questions because it is fundamental to our business to deliver programming that is popular with listeners. If we do not have listeners, we will be out of business very quickly. When we do research, it is not an exercise in politics or in managing the regulator. We genuinely ask questions to find out what is important in our programming mix, and the regulator, Ofcom, also does research. As part of the extensive consultation that I described, it asks listeners across the UK which aspects of local content they particularly value and what makes them choose a commercial radio station.

I am absolutely not saying that there are not listeners out there who value having a local presenter. There are. However, when we talk to all listeners, they say that the number 1 thing that they value about local content is local news. Local presenters come some way down the list, well below the music that the station plays and whether they regard the presenters as entertaining. I am not for a second suggesting that a local presenter need be less entertaining than a national presenter; that is by no means the case. However, a consistent finding of our research and Ofcom's research is that, when asked, listeners say that they value local news and local information above other local features of commercial radio stations. The location of the studio and whether the presenter is locally based or from the local area are factors, but they come quite low down on the list.

The Convener: How much money will you save as a result of the changes?

Will Harding: In Scotland, the changes in costs are very modest, and they are all around people. I am happy to answer specific questions on that, although I do not want to go into too much detail about individuals.

I will give the detail on Scotland in a second. However, the material cost saving is not in Scotland but in England, where we are combining broadcast centres. Ofcom has created larger regions across the UK and, as part of the new guidelines for commercial stations, it is allowing the sharing of local programming between stations in those larger regions. We have announced that we are reducing the number of our broadcast centres in England. We are not making changes in Scotland or Wales.

Our staff and presenters in Scotland are affected—absolutely. As I said, we have not taken the decision lightly. When the changes to Heart and Smooth, which will happen later this year, are put into effect, we will move from having six presenters, with two on breakfast and one on drivetime on each station, to having two presenters across the two.

Our current head count of employees in Scotland is 34 people. There is one vacancy, so there is one fewer person. That does not include

our presenters, who are freelancers. Once we have made all the changes—we are currently in consultation about them with our employees—we will have 33 employees in Scotland, so the change in head count will be one. Because the consultation lasts until the end of the month, we cannot read into that that only one person will be affected, because job roles will change as well.

Claire Baker: You talked about listeners. I do not know whether you have had a look at the Facebook page for Capital Scotland. You have explained that you are not making the decision for that station, but you are making the same decisions for Heart and Smooth. You have applied to reduce the regional content and you are going to have a more centralised breakfast show.

There are a number of comments under the announcement, including

"Capital Scotland my arse why not just call it Capital London"

and

"They're trying to London-centric everything. No local input. Cost cutting."

Someone says:

"Heart's breakfast show is only going to be English now too ... Global clearly have no idea why people in Scotland actually listen to Capital in the mornings".

That does not sound to me like a happy audience. Are you expecting the same response to the changes that are being made to Heart and Smooth?

Will Harding: One of the wonderful things about the radio industry—I used to work in digital media, and before that in television—is the passion for the medium not only among the people in the industry but among the listeners. When we announce any change, whether it turns out—

Claire Baker: I cannot find anybody welcoming the changes. The number of comments is up to 685, and more are coming in daily.

Will Harding: We recognise that people have strong feelings. I am not for a second going to suggest that there are not people out there who are disappointed with the decisions that we have made, but I suggest to the committee that we are not, prior to the launch of a new show, going to have people posting on Facebook saying how great the new show that they have not yet listened to will be. Inevitably, those who are particularly fond of our current shows will express their disappointment that they are ending. That is just something that we have to accept. Clearly, people will express their unhappiness, and that is to be expected.

You mentioned 685 comments, but Capital has many hundreds of thousands of listeners in Scotland. People have strong feelings. Clearly, it does not make my life any easier when people make those comments, but they are entitled to do that. It reflects the passion that people have for their stations.

Claire Baker: Currently, when you have a competition, a phone-in or a comment section, people hear Scottish voices on the radio. Will the new programmes have that level of Scottish engagement? Will there be that direct engagement with a Scotland-based audience?

Will Harding: Inevitably, in a network show that goes out across the UK, you will hear fewer local voices. That goes for wherever in the UK you are. It would be churlish of me to sit here and pretend otherwise. However, I go back to the main point that I made, which is that our audience research tells us that the local content that people really value is local news and local information, and that is not changing.

Claire Baker: You claim that there will be no impact on local news. I find that hard to accept. Will the length of news bulletins remain the same? The Ofcom guidelines seem to me to be pretty flexible on the balance of national and local content. I think that the guidelines say that there should be at least one local news bulletin. However, given how you are behaving at the moment under those guidelines, it sounds as if you will go for the minimum, in which case we will be fortunate to get even one. Moreover, concerns have been expressed about how responsive or reactive your news bulletins can be.

10:15

Will Harding: I will answer the broad question and then I will hand over to Corrie Martin, who manages all news operations in Scotland.

The production of all our local news bulletins is entirely separate from where the presenters are based, and the location of the presenters has no bearing on where the news is gathered or where the bulletin is broadcast from. We are not changing our news bulletins; there will continue to be the same number of local bulletins, which we provide throughout the daytime from 6 o'clock in the morning until 7 pm Monday to Friday, and at peak times at weekends. I have already mentioned the changes to our staffing in Scotland, and we are increasing the news team by one person to ensure that we continue to deliver bulletins.

Corrie Martin will be able to tell you about our responsiveness and the number of Scottish and local news stories that we deliver.

Corrie Martin: We are hugely proud of our commitment to localness in the news. My

interpretation of what you said, Ms Baker, is that the requirement is for one local story in each bulletin, but most of the time we go well beyond that. Our bulletins are by no means England-centric with a Scottish story shoehorned into them. I have a team of six, which is going to become seven, and we punch hugely above our weight in what we deliver to the three brands for which we provide coverage. We also talk about what is happening around our transmission area—it is not a case of our saying, "We've got a local story in there."

For example, we recently had one of our reporters speak to you and Ross Greer about your report on the Glasgow School of Art fire; we have been following what is happening with Ferguson's in Mr McMillan's constituency; we have talked a lot about Paisley's attempt to become city of culture; and we were up in Dunblane when Andy Murray announced his retirement, which we now hope will not be happening so quickly. We cover all the big stories as well as what is happening day to day.

When the Glasgow School of Art went on fire for the second time in four years, I was at the scene through the night, delivering bulletins that were going right across our network on all our stations in Britain that broadcast news through the night. We have followed the story from its genesis to where it is now, highlighting the impact on local businesses as well as on local people who had to be evacuated from their homes and could not get back in again for a lengthy period.

We care enormously about super-serving our audience and we do that daily with great commitment. I am hugely proud of the team that I lead, who are a hugely hard-working and dedicated bunch who care very much about what we not only need but want to deliver. Such situations come up regularly. For example, when the grass went on fire on Arthur's Seat, we were tracking down and speaking to witnesses at 11 o'clock at night to make sure that we had audio for our breakfast bulletins from 6 am onwards and people had first-hand accounts of what had happened. The developments in technology over recent years have made that sort of thing much easier because we can get broadcast-quality audio from anywhere in the world with WhatsApp and smartphone voice recorders. We use that technology every day. It is very much about serving our audience, not about ticking a box.

Claire Baker: In the current set-up at breakfast time, the Scotland-based presenter can comment throughout the show on, say, school closures because of poor weather, disruptions because of a bad road accident or something like the Glasgow School of Art fire, which was a huge story. We would expect the presenter to have some interaction with the news reporter or to continue talking about the story, but that will no longer happen because you will go to a networked show. There will be no interaction between the presenter of that show and what has been said in the Scottish news bulletin. You argue that you will still present a robust Scottish news bulletin—you have put that case—but there will no longer be any interaction with the presenter of the main show.

Corrie Martin: The interaction between the newsreader and the presenter, in terms of discussion of a story after the headlines or a news bulletin, tends to be fairly minimal.

A number of options are open to us for underlining things that are happening at the top of the news bulletins. If we are in a networked programme, we can provide the presenter with information. They provide what we call split links, which Will Harding touched on earlier. That means that they record the information and it gets fired out just to the relevant transmission area. They will do a link for us in Scotland, whereas something different will go out on the rest of the stations in that timeframe, and they can update the information throughout the show. We also have the capability to record additional short-burst information that can be dropped into the schedule.

If there is a major situation that merits it, we can pull back fully into local programming. For example, I look after the north-west region news-wise—I manage the news editor there, as well—and when the Manchester terrorist attack happened, they went into local programming and we were able to super-serve the audience on that. That option absolutely remains open to us.

The Convener: Okay—thanks. I ask you to keep your answers brief, because a number of other members wish to ask questions.

Corrie Martin: Sure.

The Convener: I welcome George Adam MSP to the meeting. Do you have any relevant interests to declare, Mr Adam?

George Adam (Paisley) (SNP): No, apart from the fact that I listen to independent radio from time to time.

We have been talking about news output. What is the total current minuteage of Scottish news on Heart Scotland? How does it compare with what there was when Corrie Martin started at Real Radio, which was in effect the same station, in 2005?

Corrie Martin: I cannot give you that number off the top of my head. I will have to come back to you on that.

George Adam: I can give you the answer.

Corrie Martin: Please do.

George Adam: There is 30 per cent less than there was when you started at Real Radio, so how can I take Global Radio's position seriously? You say that you are investing in local news and Mr Harding said that it is one of the key things that people find extremely important when they listen to local radio, but how can I take what you say seriously when the comparison shows a 30 per cent deficit over the time that you have been working at the radio station?

Will Harding: As Corrie Martin says, we do not measure things in that way. When we ask listeners what they value most on a radio station and what makes them choose it, the first thing is the music, the second is whether the presenters are entertaining and, typically, local news and information soon appear on the list, although I am not sure whether they are third. However, when we ask people about the station that they listen to and whether they want more music or more speech, because we try to deliver what they want as much as possible, the most recent research—

George Adam: I am not looking for commercial radio to do in-depth news programmes. I am just saying that there has been a 30 per cent cut in news at that particular station during that period. What I am asking is how we can have less when there is already less. I know that, if I am interviewed for one of your stations, I will probably get a bigger audience and less time. I know that that is how the news works, but the point is that you seem to have cut what little you had to even less.

Will Harding: I was trying to make the point that we have to make a difficult decision to balance the mix of content that we broadcast on our stations. Our programming colleagues who make the decisions have to find the right balance with regard to what our listeners want—they have to get that mix right.

I was going to say that the sometimes difficult truth is that, when we ask our listeners whether they want more speech or less speech and more music or less music, they tell us that they want more music. If we gave them exactly what they want, we would continue to cut speech. Equally, however, we know that they value the fact that local news and information is there. We have to make those decisions on the mix between music and entertainment content and more serious news content. It is the job of our programming colleagues to make those decisions.

George Adam: You said earlier, rather flippantly, that audiences do not care where presenters are based. I would argue against that, because various companies that are involved in commercial radio in Scotland have a number of brands that are strong in their local area. I listen to "Bowie at Breakfast" on Clyde 1 because he speaks with my voice and he speaks for my community. I do not necessarily care what studio he is in, of course; the point is that he speaks with our voice, and that is why we listen to him.

That issue is also important in relation to people who have been involved in radio in Scotland who have used commercial radio as their launch pad. Clyde 1, for example, has produced Ross King, Tiger Tim, former anchor of "BBC Breakfast" Bill Turnbull, Dougie Donnelly and Capital's own Richard Park, and that will have been repeated at stations throughout Scotland. If you take away the key breakfast slot that those individuals had the opportunity to get involved in, where is the Scottish voice going to go, and where is that traditionally Scottish audience going to go?

Will Harding: I did not say that they do not care and I certainly did not intend to be flippant. What I said was that the location of the studios and presenters comes quite low down on the list of factors that our listeners tell us influence their choice of radio station. I did not say that they do not care; I said that it is less important to them than other factors.

I think you are making a broader point, which I agree with, about where the opportunities are to develop talent in the industry. You gave a long list of famous names in the industry who started in local commercial radio. There is no doubt that finding ways of nurturing such talent is a challenge for the industry. Realistically, however, none of those individuals got their first gig broadcasting on a breakfast show, because that is not where people learn their trade; it is where people go when they are successful and experienced broadcasters.

I agree that it is a challenge for the industry. I think we have to look at the radio sector in the round, including community radio, digital stations, podcasting and streaming services, to ensure that we have that throughput of talent coming into the sector.

George Adam: But where do you find that local voice? As I said, I listen to a specific presenter on a morning show because he appeals to me. I like his patter and his sense of humour is similar to mine, even though he is from Greenock. George Bowie is entertaining, and I agree with your listeners on that. He has done that job for 20 years or more. Where will such voices go if stations start cutting programmes such as his and you end up getting some great person in a London studio presenting the show to Scotland? People would be as well listening to the BBC or something like that. At that stage, you lose the whole point of radio.

10:30

Will Harding: The truth is that there are more opportunities to access more content—speech and music based—in Scotland than there have ever been. The names that you listed started their careers in an environment in which there were a handful of radio stations in Scotland, and those were the only places they could go to. Now, people can access hundreds of thousands of radio stations from across the world, if they want to. If somebody wants to record their own podcasts or start a streaming radio station on the internet, there is nothing to prevent them from doing so. Digital audio broadcasting—DAB—has had a difficult history in the UK and it has taken a long time to reach scale, but it has now done so, and more and more stations are launching all the time. One of the challenges has been that, to date, most stations have been UK-wide rather than being local, regional or based in a nation. However, that is starting to change, and there will be a tipping point.

I am not going to argue against the fact that, if a show comes from somewhere outside Scotland and is broadcast across the UK, it will have less of a local voice. Clearly, that will be the case. However, we need to step back and look at all the opportunities that listeners have.

I do not disagree that there is an issue about providing talent, but the industry, which includes the BBC, community radio and commercial radio, needs to offer choice. We need to have a plurality of services. I cannot speak to what Bauer will do with Radio Clyde and Radio Forth. They are different in character from Heart and Smooth—there is no doubt about that. However, the industry must offer our listeners a choice and, in order to do that, we must have flexibility. The reality is that, if we do not offer a choice, listeners will go elsewhere.

Our business is based around listening hours—the hours in which people listen to radio stations. In the past 10 years, the volume of listening hours among 15 to 19-year-olds has halved. That figure is for BBC and commercial radio. If we take a 20-year period, we can say the same thing about 15 to 24-year-olds. That is because people have so much more choice about how they consume media than any of us in this room—with possibly one or two exceptions—had when we were growing up. The commercial radio industry has to respond to that. If we stand still, we will be lost and no local content will be broadcast.

Your point of view is perfectly reasonable. It is absolutely right that we are held to account for delivering content—I have no argument with that whatsoever. In these situations, however, I often say that we have to focus on the local content that really matters, that listeners value and that delivers real public value. Our view is that that is local news—

The Convener: Please keep your answers brief.

Will Harding: Of course—sorry.

George Adam: I have a final question.

The Convener: You can ask one brief question.

George Adam: I have some concern about the relationship between Capital Scotland and Heart. You say that there is some kind of management arrangement, or that you run the stations for—

Will Harding: We do not run Capital. Communicorp runs it. It has a brand licence agreement with us. We license the brand to it in the same way that Virgin licenses its brand to Virgin Radio, and we also provide network programming.

George Adam: It is quite concerning. In my guts, I sense that there is something not right there. At the end of the day, those licences—for Heart and Capital—are supposed to compete against each another, but their relationship seems very cosy.

Will Harding: I do not think that that is true at all. We clearly compete for audiences. There are various parts of the country in which Global Radio owns Heart and Capital stations that compete with each other for audiences. Obviously, we design those stations to appeal to different kinds of listeners with different kinds of content. The other area in which we compete with Communicorp is local advertising. It has an entirely separate local advertising team, and the stations sell against each other all the time.

Kenneth Gibson (Cunninghame North) (SNP): I noticed that, over 10 years, there has been a reduction in local commercial radio's audience share from about 30.3 to 27.4 per cent. That does not seem like a huge drop. In the same period, there has been an increase in national commercial radio's audience share from 10.7 to 17.5 per cent. Is that because of the increasing number of stations? A few minutes ago, you mentioned that choice and flexibility are key. Is the fact that there are more national, as opposed to local, stations driving the change?

Will Harding: Being mindful of the convener's request to keep my answers short, I will say yes.

I do not quite recognise those numbers, but there are different ways of cutting them. The figures that I am looking at show that, 10 years ago, 80 per cent of commercial radio listening in Scotland was to local or regional stations; today, the figure is 66 per cent, which possibly includes the BBC. Over a slightly longer period, in 2000, 60 per cent of all radio listening in Scotland was to

stations based in Scotland; now, the figure is just over 40 per cent.

Yes; the decrease in our audience share is due to the increase in choice in digital radio stations, which has been disproportionately UK-wide, and that is just is driven by economics.

Kenneth Gibson: The figures that I have are from Ofcom's 2018 review and consultation paper. Claire Baker mentioned minimalism. Ofcom said that stations have to produce

"a minimum of 3 hours of locally-made programming between 6am and 7pm if they are providing local news at least hourly throughout the same period."

Why have you gone to the minimum? I take it that, if Ofcom had specified the minimum to be two hours, you would have gone straight down to two hours; and, if it had specified one hour, you would have gone to one hour.

It seems to me as though you almost feel local radio programming to be a burden. You might say that that is not the case, but that is how it looks. As soon as Ofcom reduces the minimum number of hours, you immediately change your programming to that minimum, when you quite clearly do not have to do that, unless it is for obvious commercial reasons.

Will Harding: I do not think that Ofcom would ever have said that the minimum should be two hours or one hour, because there are no shows—

Kenneth Gibson: No. The point is that you are going to the minimum.

Will Harding: We are—it is absolutely true that we are exploiting the flexibility on network programming. I cannot speak for other radio operators; they may choose to do that, or they may not. That is the only change that we are making in Scotland. Outside Scotland, there are parts of the country where we have the opportunity to combine shows, but we have chosen not to do that. We do not always go to the minimum.

You are correct that we are currently providing seven hours a day of locally made programming and that we will move to three hours. It is not a coincidence that the minimum is three hours—that is to do with the structure. Ofcom decided, after consultation, to allow commercial radio groups to network their breakfast shows, and breakfast shows last for four hours.

Kenneth Gibson: Do you believe that your programming change is essential to survive financially in this market? Clearly, finance is the issue for you. Are you not putting yourself on a slippery slope? If people tune in for specific local reasons—George Adam mentioned some of those—you might find that the decline in listeners accelerates, the switch to national radio stations becomes greater and we end up in a situation in which there is very little Scottish content.

The BBC has just launched BBC Scotland, because it considers there to be a market for Scotland-specific content, yet it seems as though things are going in the opposite direction in the sphere of commercial radio. I find it difficult to square that circle. Obviously, the BBC does not have the same issues as you do—I understand that—but, even so, the situation seems paradoxical.

Will Harding: There were a couple of points in that. You are absolutely right that, if audiences decline, we will have got it wrong and we will be punished for that. My colleagues have to make the best decision that they can based on their experience and assessment of the market. If they get it wrong and our audiences decline, we will suffer.

You are correct to say that the BBC is investing in a television channel, but you are also correct to say that it is not under commercial pressure in the way that we are.

Kenneth Gibson: Will there be further changes in locally made programmes? Are there further changes that you would like to see over the next five or 10 years? You said that the scene has changed dramatically over the past 20, 10 and even five years, which has pushed down the minimum amount of locally made content. Have we reached the baseline for content level, or will it continue in the same direction? For example, instead of having two approved areas in Scotland, might we end up having the whole of Scotland as one approved area in five years' time? How do you see the situation going?

Will Harding: The question of the approved areas in Scotland has been controversial. It is not one in which we have taken a particular view, because we have always been based in Glasgow, but it is an issue for the smaller commercial broadcasters in Scotland, who have expressed a lot of concern about the existence of the approved areas and their specific geography. That does not affect us.

On further changes, we will always want—and need—to adapt our programming. However, if you are asking whether I anticipate that we will stop doing local news—absolutely not. Do I anticipate that the rules will be changed any time soon to permit us to stop providing at least one locally produced show per weekday? No, I do not expect those rules to change. From our perspective, it is hypothetical.

Kenneth Gibson: So the direction of travel is no longer downwards.

Will Harding: I have given up on trying to predict too far into the future. However, I do not anticipate any further changes in the short term with regard to where content is produced. The changes have taken nearly a decade to come into place and—as we know—they remain controversial. I do not, therefore, expect local production requirements to change again any time soon. However, we always look at the balance of content and presenter line-up on our stations, which change on a regular basis. I keep coming back to one of the first points that was made, which was that, if audiences decline, we will have to respond.

Alexander Stewart: Mr Harding, you talked earlier about your wish to remain relevant. However, that is quite difficult for us to comprehend given that you have indicated today that content and programming are being reduced and that you will reduce some of your workforce. It is hard for us to imagine that you will remain relevant when you are doing all those things, which will have an impact on the audiences that you have been talking about—you said that hundreds of thousands of people listen to you, but the content and process might change that.

I therefore want to ask about the modelling that you did that led to the situation in which you find yourself. What modelling did you put together that shows what the impact on your audience figures will be? Does that modelling show that your side of things will flourish through what you are doing? I would suggest that it would be the reverse—that your side of things would diminish. Why do you think that what you are doing will provide a better service for the communities that you represent?

Will Harding: Programming decisions are creative decisions; they are an art, not a science. My colleague, Richard Park, does not sit in front of an Excel spreadsheet modelling audience behaviour. It is about judgment and, if we have got that judgment wrong, audiences will tell us.

I appreciate that when you said that we are reducing content, you meant that we are reducing locally produced hours. Our listeners will hear a change. They will hear a change in presenter—they will receive not less content, but different content. However, I understand what you are saying.

Alexander Stewart: But it may be not the content that they are used to. We have heard from other MSPs that the specific content that you had, the brand, the image and the perception of your organisation on the radio, were what made people listen to you. I have heard nothing this morning that gives me confidence that diminishing and changing that will not lead to a reduction in the number of people who listen to you. The individuals who you are supposed to represent and who wish to hear you will switch, because they will not get the same content that they have been used to in the past. You are not going to give them that, so they will find something that once again does. I therefore find it difficult to see how you think that this is a good-news story for you as an organisation.

Will Harding: My colleagues obviously take a different view. They believe that the new breakfast shows that will be launched will be entertaining, informative and popular programming. That is their view and that is the decision that they have come to—not by modelling, but by making a considered editorial judgment. If they have got it right, those audiences will grow; if they have got it wrong, they will not.

Clearly, some people will be disappointed; there are 650 people on the Facebook group that your colleague, Claire Baker, mentioned and there is your good self, sir. However, we have to cater to all our listeners and take that difficult judgment. As I said in my opening statement, nobody is suggesting that the decision to make those changes is easy. I am equally sure that you are not suggesting that we should never change any of our programmes.

Alexander Stewart: You need to evolve; that is the nature of the business that you are in. You need to compete, expand your horizons and unlock your potential. However, I find it a difficult pill to swallow that the changes will be beneficial, in reality.

10:45

Stuart McMillan: The witnesses have talked about the opportunities for the business, and made the point that the feedback suggests that the music is more important than the presenters. How will the changes provide more or better opportunities for Scottish talent to be aired on your stations?

Will Harding: As I said to your colleague Mr Adam, we are changing the breakfast show. No one in commercial radio or the BBC has ever gone straight on to the breakfast show; the breakfast show is not the training ground for new talent. I do not want to repeat myself, but there is an issue in the industry about how we develop new talent. However, it is not correct to make a connection between changing the breakfast show and creating pathways for talent.

Stuart McMillan: I am not talking about the presenters; I am talking about Scottish music and musicians, including bands and singers.

Will Harding: I do not have statistics on how much Scottish music we play. The Scottish music scene is extremely healthy, and I expect that we

will continue to play lots of Scottish music. Heart Scotland has pretty much always played the same music as Heart stations play throughout the rest of the UK, for example, so the changes that we announced in February have no bearing whatsoever on our music policy.

Stuart McMillan: Following the changes, you will have a wider UK network and there will be fewer Scottish voices on your radio channels, but you have indicated that the music will not be affected. If that is the case, that is positive. You also said that the Scottish music scene is very strong. However, if you move away from localism, as Kenneth Gibson said, surely your commercial activities will be adversely affected. Scottish businesses will probably not want to advertise on your stations, which will have a knock-on effect and lead to even less local input and to stations having less of a local importance to listeners in Scotland.

Will Harding: That is not true at all. There is no link between the location of the programme presenters—the DJs—and which businesses are interested in advertising on the stations. This year, we have more than 300 Scottish advertising clients. Our team in Scotland expects to speak to 3,500 Scottish businesses about advertising on our radio stations, and to pitch hard for their business in a very competitive market. The location of the DJs has no bearing on that whatsoever; they are completely different things.

Stuart McMillan: I was not talking about the location of the DJs. I was saying that there could be a difference in people in Scotland hearing local content compared with people doing so in the wider UK.

Are the licences in Scotland licences for a wider UK network or are they licences to operate in Scotland?

Will Harding: The latter. On analogue radio—that includes FM and AM, but not DAB—there are three UK-wide commercial licences: Classic FM, talkSPORT and Absolute Radio. In the legislation, all other FM or AM licences are called “local”, and we call them “local” or “regional” in the industry.

Stuart McMillan: That is helpful. Thank you.

Ross Greer: Are Global Radio’s staff in Scotland unionised?

Corrie Martin: No.

Ross Greer: Would you recognise a union if staff decided to organise through, for example, the Broadcasting Entertainment Cinematograph and Theatre Union or the National Union of Journalists?

Will Harding: I am sorry, but that is not my area. I do not work in the people and culture team, so I would be talking outside my brief. I do not know the answer, but I would be very happy to get an answer for you.

Ross Greer: Do you have staff anywhere else in your UK-wide operation who are unionised?

Will Harding: Not to my knowledge. However, I am anxious about not giving you an accurate answer.

Ross Greer: That is fine. If you could get back to the committee in writing, that would be useful.

Will Harding: Of course.

Annabelle Ewing: Good morning. We have had a good discussion about a number of issues that have arisen. Mr Harding said that the local content that matters would be kept. My concern is that that would be decided by the UK network, which is, I presume, based in central London, so my confidence that that will result in decisions that are relevant for local stations in Scotland is perhaps not that high.

Mr Harding also said that the change was needed in order to grow the audience. I fear that your decision will take away one of the de facto reasons why people might not just tune into a station but keep it on. If you are going to take away local broadcasting content from your breakfast shows, why would people not just tune into Zoe Ball on BBC Radio 2 from central London? What would the difference be?

Kenneth Gibson: There would be no adverts.

Annabelle Ewing: Okay. My colleague Mr Gibson reminds me about the advertising situation. Leaving that to one side, why would people bother any more? What is the compelling reason to listen to such stations any more? You are denuding them of something that they currently have and diminishing them. People will vote with their feet and find something that suits them, and I fear that that might not be your stations.

Will Harding: I will try to deal with all those issues.

You talked about where decisions about local content are made. All the decisions about local news stories and what we broadcast in all our news bulletins throughout the daytime—

Annabelle Ewing: I am sorry to interrupt, but I realise that time is of the essence. I am not talking about news bulletins; I am talking about your decision to reduce your breakfast shows to one that will be broadcast from London, for example.

Will Harding: That decision was made in London—by a Scotsman.

Annabelle Ewing: It was made in London. I am talking about your attitude to what is local and what is important from a local perspective. With the best will in the world, how will a broadcaster in your office in London suddenly give a wee mention to a big breaking story? My colleague Claire Baker gave an example. If a big news story is breaking locally and there is a wee clip from the broadcaster in London, that scenario does not involve the listener; there will just be a wee pre-recorded clip, to make it sound local, and that will not fool the listener. Do you know what I mean?

I listen to the radio a lot—that includes your stations—so I think that I can make comments about it. If I want to listen to a wee bit of continuous music, I might tune into Smooth Scotland and, if I am in Fife, I might listen to Kingdom FM. It is a tough market out there, and you have to suit the customer.

Will Harding: I agree that it is a tough market, and I will not repeat my comments about it being the listener who will decide. We should make it clear where the local news is produced and recorded. A local story comes from the local area, and it comes from Corrie Martin's team. The news bulletins are recorded and produced in Glasgow—

Annabelle Ewing: I am sorry to interrupt. I do not want us to repeat ourselves, but I think that Corrie Martin gave a specific scenario. During your breakfast programme, which will not be produced locally, there could be a big breaking local news story, although maybe not a catastrophic one, as that might trigger another approach. We would expect a local radio station to cover and pursue that story, so that local people tuning in will gain knowledge that they would not have by listening to Zoe Ball in London, for example.

Will Harding: They will gain that.

Annabelle Ewing: What will be the difference? People might as well listen to Zoe Ball.

Will Harding: The difference between Heart Scotland and Radio 2 is that we have an editorial team and broadcast journalists in Scotland and, if there is a breaking news story in Scotland, they will write the script and send it through our systems to the studio in London and the presenter in London will read it out.

The story will be broadcast to Scotland, but not to the rest of the country. That is quite clearly not the same as having a presenter who is based in Scotland, but nor is it the same as having UK-wide content. I think that we are confusing where the studios are based with where the content is coming from and where it is being broadcast.

Annabelle Ewing: I am not, but I hear what you say. I do not think that we are going to make much progress. Perhaps Corrie Martin has something to add.

Corrie Martin: All I will add is that, with such a story, the listeners will be pointed towards when the next bulletin is, whether that is at the top of the hour or on the half hour, and that is the content on which we would focus.

Annabelle Ewing: They will turn the dial—they will not wait for your next bulletin, but go somewhere else to get the news.

Corrie Martin: They will still get news.

Annabelle Ewing: Yes—but half an hour later or something like that.

The Convener: You have repeatedly said that listeners do not care where the DJs are based. Why, then, did you not decide in the reorganisation just to broadcast the breakfast shows from Scotland, rather than to close the Scottish operation and broadcast them from London?

Will Harding: I certainly did not mean to say that listeners do not care, so forgive me if I did. I was trying to say that where DJs are based is relatively low down the list of factors that they cite. You are right—studios running a national show could be based anywhere. It just so happens that our head office is in London, which is because, unfortunately, we are a relatively small player in the Scottish market. Our market share is much lower in Scotland than it is in the rest of the UK. That is what it is; there is nothing I can say to the committee that will mitigate that.

The Convener: Might broadcasting from Scotland have been cheaper?

Will Harding: Quite possibly—I do not know.

The Convener: Did you consider that?

Will Harding: We did not consider moving our head office.

The Convener: I am not asking you to move your head office. You made the point that it does not matter where DJs are based, and I am sure that people throughout the UK would love to hear some of your breakfast time DJs coming from Scotland.

Will Harding: I would not have been in the room when that discussion happened, if it happened, but it is unlikely that we would have decided to move.

The Convener: Why?

Will Harding: All our network programming operations are based in London, so there is a function of scale—

The Convener: It is London by default.

Will Harding: Obviously, I would not use those terms, but trying to run things as efficiently as we can is challenging; there is an inevitable tendency to centralise. Nothing that I say will make that any better. It is a challenge for the media industry. I do not dispute it, and I will not say that the decisions that we made and announced in February are not part of it. It is an issue.

Jamie Greene: I have listened with great interest. Unfortunately, Mr Harding, I will add to your pain in this session, but I may also give you some leeway. I should declare an interest: I started my career selling news services to local radio and I was also a music plugger. I have a huge amount of sympathy for the industry, but also for many of my friends and ex-colleagues who are losing their jobs.

Getting to the crux of the matter, I will quote Ashley Tabor, the founder of Global. He said:

> "If you take 50 different radio stations there cannot possibly be 50 good presenters at every station ... Why not take the two or three quality class players and put them across the network."

Please correct me if I am misquoting him in any way, but do you understand the message that that sends to the industry and the many hard-working and talented radio presenters across the UK?

Will Harding: They are difficult decisions that affect people who have worked in the industry for a long time. Nothing that I say will sugar that pill in the slightest. We try to be honest and straightforward, we try to see stakeholders around the UK and, when we are asked questions by journalists, we try very hard to be honest. We know that some of the things that we do are not popular with people, and the committee has been very clear about its views today.

11:00

We do our best to explain why we are making changes. When Ashley Tabor said that—I have heard it quoted, but I did not hear him say it, so I cannot say whether the quote is 100 per cent accurate—I think that he was simply trying to explain the dilemma. We are trying to deliver the best possible content and we have to put our listeners first.

I fully understand that many people here and elsewhere think that we have made the wrong decision. All I say is that we are trying to do our best for our business, our stations and our listeners. If we get it wrong, we will—as your colleagues have made very clear, and they are absolutely right—be punished, but by the listeners. To be honest, listeners will not necessarily flip the dial and listen to another radio station if they want more news, but will go online.

Jamie Greene: You say that you are doing this for the listeners. I appreciate that that is the response that you have written down, but nothing that you have said today says to the committee that you are doing this for the listener; it is clearly all about cost. There must be huge operating cost savings in going from a number of studios employing a number of staff to a single, centralised output from London.

I get the commercial model for making that decision, and deregulation has provided the perfect opportunity to achieve those cost savings. However, you have somehow conflated that with the argument that this is just about improving output.

Clearly, there will be a loss of and reduction in localised editorial input, because local presenters do not just press buttons to play music—they talk. You must understand that there will be a reduction in localised output, so how can you genuinely say that this is all about the listener?

Will Harding: You said that it is "all about cost". I am sorry, but that is just not true. It is not just because I have it written down that I say that we are doing this for the listeners. In Scotland, we are not closing any studios; we are moving from having two Scottish breakfast shows to broadcasting UK-wide breakfast shows. As a result, the presenters of those two shows—four professional, highly regarded presenters—will no longer be contracted to do those shows. That is very sad, and we are mindful of that. In addition to losing the presenters, our headcount will go down by one, from 34 people to 33. The decisions in Scotland are not being made to save costs.

There are cost savings from merging broadcast centres in England. As a business, we have decided that we would rather invest in our programming, marketing and product development than invest in maintaining buildings, because technology does not require us to run those buildings any more.

Unfortunately, people will lose their jobs. That is very sad, and we are mindful of that, but we are doing this to ensure that our business has the most secure long-term future. If we have got that wrong, it is the listeners who will determine that.

Jamie Greene: Anybody who has followed local commercial radio over the past decade or so—or possibly over the past 20 years—will have seen this consolidation coming for a long time; it is not a huge industry secret that this is the direction of travel for commercial radio, as was the case with commercial television. I have sympathy with your need to stay afloat and keep your head above water. I will give you an opportunity to give the committee some positive news. What would have happened if you had not taken that decision?

I appreciate that you have taken advantage of changes to the regulatory regime that operates your licences. If you had not made this decision, where would you have ended up? Again, is it simply a matter of loss of profit or would there have been an overall detrimental effect on the plurality of commercial radio in the UK?

Will Harding: You make a good point, and I would like to answer it on behalf of the industry as a whole, in a way. If local stations, including ours, are not given more flexibility with regard to how they deliver content, and are not permitted to make use of technology to deliver that content, there will undoubtedly be an on-going acceleration of the trend that we have seen of more listening going to UK-wide and international services, at the expense of local and regional services.

The public policy decision that regulators and the UK Government have made is based on consideration of how, in the digital age, we can ensure that the local content that really matters from a public-policy perspective—local news and information—is protected. Nothing in the regulations requires any digital broadcaster to provide any localness whatever. The risk is that, as the share of analogue listening continues to decline and the share of digital continues to grow, there will be fewer and fewer opportunities for listeners to engage with local content, and it will simply disappear in the way that it is disappearing in the press in many parts of the UK.

The point that I always make is that you should be careful what you wish for, and try to protect the things that are most important. Imposing rules on exactly where programmes have to be made is not, in our view, the right way to regulate the industry. Local news has to be protected, and it is protected in the regulations. I think that that is right. However, you have to give the stations that are capable of delivering local news and information more flexibility to compete in the market. If they do not have that, the risk is that they will lose listeners and revenue and go out of business. That has happened in some parts of the country.

Jamie Greene: It is also fair to say that you are competing against a network of local radio that is advertisement-free and publicly funded, and that the situation is becoming increasingly difficult as the BBC moves into the digital sphere. My sympathies are with the industry on that.

I end my line of questioning by wishing Roman Kemp and the new breakfast team the best of luck. I hope that the audience numbers survive and that we do not end up in the doomsday scenario in which everyone flips elsewhere. Thank you for explaining the situation this morning.

The Convener: For the record, I mentioned Paul Cooney earlier, and you suggested that he did not have an association with Capital. You made me doubt my own memory, but, in fact, he launched Capital FM Scotland for Global Radio in 2011.

Will Harding: He did; I was wrong.

The Convener: I am glad to see that I had correctly remembered him lobbying me and telling me how fantastic an offering it was going to be. I note that, in 2011, he said in *The Drum*:

> "I am committed to making Capital FM Scotland a station that our Scottish listeners love, the advertisers flock to and the owners are proud of."

Although it was quite a wee while ago, I remember the focus on the fact that there was going to be local content and local voices on the station. You could argue that that approach has been pretty successful in building up your brand, your audience and your advertisers, but that, after having done that with local talent, you are now ditching it.

Will Harding: First, I apologise for my error. It was entirely my mistake, but I was thrown by the reference to when the licence was awarded. Of course, it was when Galaxy was rebranded as Capital. You are absolutely right and I apologise for getting that wrong.

We have been talking about three stations today: Heart and Smooth, which are operated by us; and Capital, which is operated by Communicorp. They all have a mix of UK-wide and local content, and that will be changing. If you look at the fortunes of the stations over the past five years, you can see that they have been different. Smooth has done extremely well; Capital has remained solid, in that it has not grown its audience or shed any listeners; and Heart has struggled. There are different reasons for all that. We all have our views, which are sincerely held, on the extent to which locally produced shows—particularly breakfast shows—are important in the mix. I keep coming back to what I have said many times, and please forgive me for repeating myself once again, but it will be the listeners who decide, at the end of the day.

The Convener: Global Radio made a pre-tax profit of £25 million last year, which was partly due to a sales revenue rise of 28 per cent to £388 million. How much of the pre-tax profit did you spend lobbying Ofcom to deregulate the industry?

Will Harding: A tiny amount—that is, we do not spend any money, per se, lobbying Ofcom. There are two people in Global Radio who work in public affairs and are concerned with regulatory policy. I am one of them—that is part of my role, but the main part. The other is my colleague in London, Kirsty Leith, who is head of public affairs. We do

not spend any money lobbying Ofcom. There is nothing that we could do in that regard.

The Convener: When did you last meet Ofcom?

Will Harding: Typically, I meet Ofcom once a month in its offices to discuss various things. The last meeting that I had was about its regulation of the BBC, rather than the issue that we are discussing.

The Convener: You discuss regulation of commercial radio with Ofcom on a regular basis.

Will Harding: Of course.

The Convener: Thank you for coming to give evidence to us today.

11:10

Meeting continued in private until 11:20.

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